

**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, 2017

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**  
(State or other jurisdiction of incorporation  
or organization)

**4832**  
(Primary Standard Industrial  
Classification Code Number)

**27-1996555**  
(I.R.S. Employer  
Identification No.)

**240 Greenwich Avenue  
Greenwich, Connecticut 06830  
(203) 861-0900**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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

Class A Common Stock, \$0.01 par value per share  
(Title of each class)

The New York Stock Exchange  
(Name of each exchange on which registered)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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

As of March 10, 2018, the registrant had 18,496,501 outstanding shares of common stock consisting of: (i) 13,837,676 shares of Class A common stock, par value \$0.01 per share; (ii) 3,022,484 shares of Class B common stock, par value \$0.01 per share; and (iii) 1,636,341 shares of Class C common stock, par value \$0.01 per share. The registrant also had 8,977,676 warrants to purchase Class A common stock outstanding as of that date.

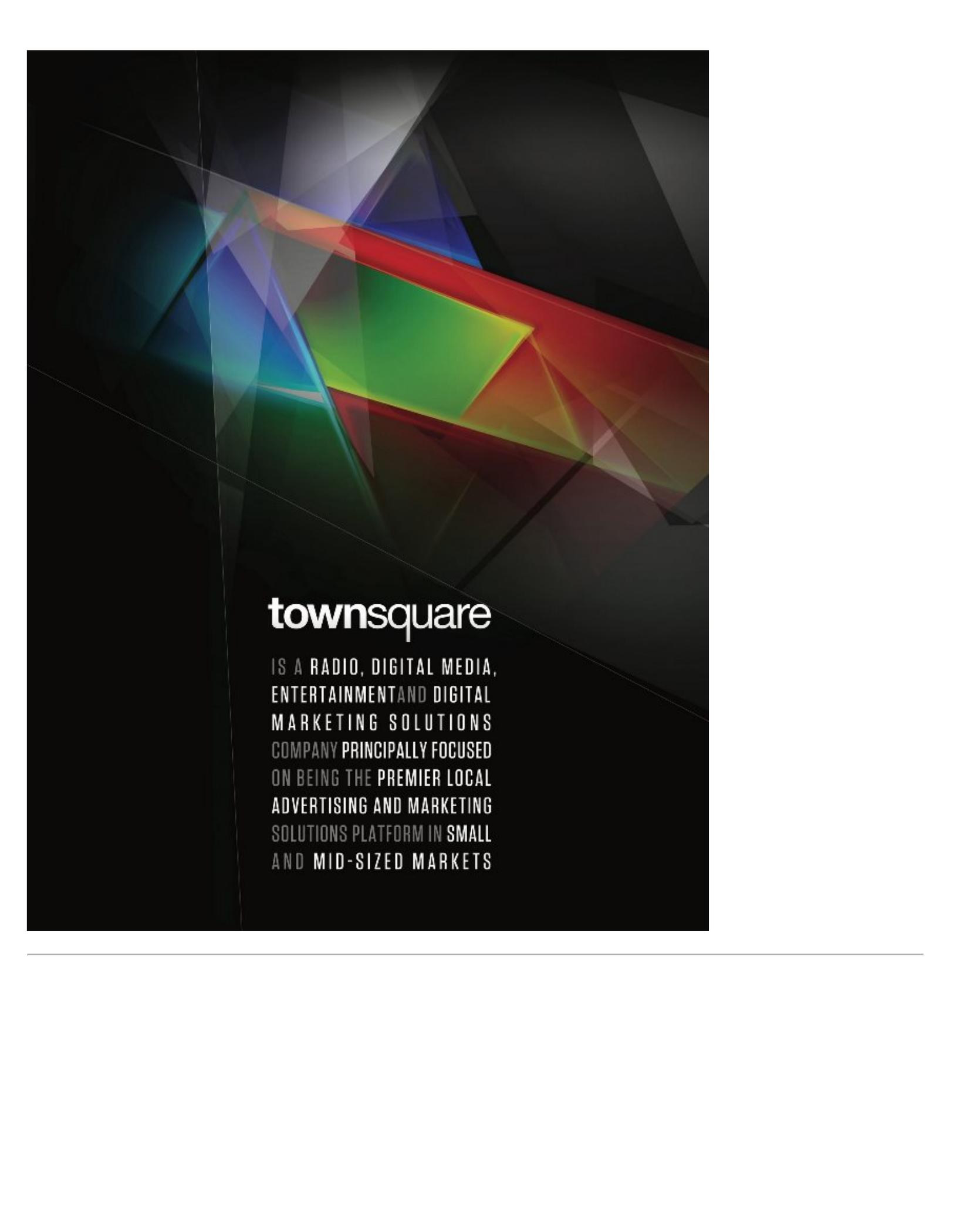
The aggregate market value of the registrant's voting and non-voting common stock held by non-affiliates of the registrant was \$138,855,373 as of June 30, 2017, the last business day of the

registrant's most recently completed second fiscal quarter.

#### DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement relating to its 2018 annual meeting of stockholders (the "2018 Proxy Statement"), to be filed with the Securities and Exchange Commission ("SEC"), are incorporated by reference in Part III, Items 10 to 14 of this Annual Report on Form 10-K as indicated herein.

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# townsquare

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

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TOWNSQUARE MEDIA, INC.

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## CERTAIN DEFINITIONS

On July 25, 2014 Townsquare Media, LLC, a Delaware limited liability company organized in 2010, converted to Townsquare Media, Inc. (together with its consolidated subsidiaries, except as the context may otherwise require, “we,” “us,” “our,” “Company,” or “Townsquare”).

“Transactions” refers to all material acquisitions and divestitures that were completed from January 1, 2015 to December 31, 2017. The Transactions include, but are not limited to, the acquisition of all of the membership interests of Heartland Group, LLC, and its wholly-owned subsidiary North American Midway Entertainment (“NAME”) on September 1, 2015, and the sale of 43 towers to a subsidiary of Vertical Bridge, LLC (“Vertical Bridge”) on September 1, 2015 (the “Tower Sale”). The Transactions are disclosed in more detail in our Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K.

## MARKET, RANKING AND OTHER INDUSTRY DATA

In this Annual Report 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 are based on independent industry publications or other publicly available information, while other information is based on our good faith estimates, which are derived from our review of internal surveys, as well as independent sources listed in this Annual Report, our management’s knowledge and experience in the markets in which we operate, and information obtained from our customers, suppliers and other contacts in the markets in which we operate. Although we believe that this information is reliable as of its respective dates, it involves uncertainties and is subject to change, including as a result of the factors discussed under “Forward-Looking Statements” and “Risk Factors” in this Annual Report on Form 10-K.

## 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.

## IMPLICATIONS OF BEING AN EMERGING GROWTH COMPANY

As a company with less than \$1.07 billion in annual gross revenue during our most recently completed fiscal year, we qualify as an emerging growth company as defined in Section 2(a) of the Securities Act of 1933, as amended (the “Securities Act”), as modified by Section 102 of the Jumpstart Our Business Startups Act (the “JOBS Act”). As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies that are not emerging growth companies, including:

- reduced disclosure about our executive compensation arrangements;
- not being required to conduct non-binding advisory vote of stockholders on executive compensation or golden parachute arrangements; and
- an exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting.

We may take advantage of these exemptions as long as we qualify as an emerging growth company. We will cease to be an emerging growth company upon the earlier of (i) the last day of the fiscal year following the fifth anniversary of our initial public offering in July 2014 (ii) the last day of the fiscal year in which our annual gross revenue exceeds \$1.07 billion, (iii) the date that we become a “large accelerated filer” as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which would occur on the last day of the fiscal year when the market value of our voting and non-voting common equity held by non-affiliates exceeds \$700 million as of the last business day of our most recently completed second fiscal quarter and we have been subject to the reporting requirements of the Exchange Act for at least 12 months or (iv) the date on which we have issued more than \$1.0 billion in non-convertible debt during the preceding three-year period. Assuming we do not surpass one of the financial thresholds in clauses (ii) through (iv) above, our status as an “emerging growth company” will end on December 31, 2019.

The JOBS Act permits emerging growth companies to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We have chosen to “opt out” of this provision and, as a result, we will comply with new or revised accounting standards by no later than the relevant dates on which adoption of such standards is required for non-emerging growth companies. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

## FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K 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 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 Canada, or in the specific markets in which we currently do business;
- industry conditions, including existing competition and future competitive technologies;
- the popularity of radio as a broadcasting and advertising medium;
- cancellations, disruptions or postponements of advertising schedules in response to national or world events;
- our dependence on key personnel;
- our capital expenditure requirements;

- our continued ability to identify suitable acquisition targets, and consummate and integrate any future acquisitions;
- legislative or regulatory requirements;
- risks and uncertainties relating to our leverage and changes in interest rates;
- our ability to obtain financing at times, in amounts and at rates considered appropriate by us;
- our ability to access the capital markets as and when needed and on terms that we consider favorable to us; and
- other factors discussed in the section entitled “Risk Factors.”

While we believe that our expectations reflected in forward-looking statements are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors, that could affect our actual results. Important factors that could cause actual results to differ materially from our expectations 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. 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](http://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, 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 on Form 10-K.

## PART I

### ITEM 1. BUSINESS

#### Description of Business

Townsquare is a radio, digital media, entertainment and digital marketing solutions company principally focused on being the premier local advertising and marketing solutions platform in small and mid-sized markets across the United States. Our assets include 317 radio stations and more than 325 local websites in 67 U.S. markets, a digital marketing solutions company (Townsquare Interactive) serving approximately 12,400 small to medium sized businesses, a proprietary digital programmatic advertising platform (Townsquare Ignite) and approximately 350 live events with nearly 18 million annual attendees in the U.S. and Canada. Our brands include local media assets such as *WYRK*, *KLAQ*, *K2* and *NJ101.5*; music festivals such as *Mountain Jam*, *WE Fest* and the *Taste of Country Music Festival*; touring lifestyle and entertainment events such as the *America on Tap* craft beer festival series and *North American Midway Entertainment*, North America's largest mobile amusement company; and tastemaker music and entertainment owned and affiliated websites such as *XXLmag.com*, *TasteofCountry.com* and *Loudwire.com*.

#### Local Marketing Solutions

Our Local Marketing Solutions segment is composed of 317 owned and operated radio stations and over 325 owned and operated local websites in 67 small and mid-sized markets, a digital marketing solutions company, a proprietary digital programmatic advertising platform and an e-commerce product offering.

During 2017, our radio stations captured the number one market share of radio revenue in 44 of our 67 markets, with 21 capturing the number two market share. Almost all of our radio stations have local companion websites that utilize the station's brand and are populated with original content created and curated by our local media personalities. Nearly all of our radio stations are available to be streamed online via their local companion websites and standalone local station mobile applications, as well as our proprietary streaming aggregator mobile application, radioPup.

We believe that we are the largest and best-capitalized owner and operator of radio stations focused solely on serving audiences and advertisers in small and mid-sized markets. These markets have historically exhibited lower volatility in radio advertising spending, unemployment rates and real estate values as compared to U.S. national averages. These markets also typically have fewer media competitors than large markets. Our Local Marketing Solutions operations are organized around a regional strategy with cluster concentrations in and around the Northeast, Upper Midwest, Texas and the Mountain West.

Our radio stations, local websites and mobile applications are broadly diversified in terms of brand, music format and target demographics. Many of our brands enjoy a long, often multi-decade, heritage in our markets, increasing their relevance and resonance with our audience. The strength of our brands, combined with the size and targeted nature of our audience, enables us to compete for advertising expenditures against television and print media as well as other radio operators and digital media companies. Our local websites leverage our radio brands extensive and integrated on-air promotion and the relevant, often local, content to drive audience engagement. We also use our brands' social media channels to drive traffic to our local websites where we are able to monetize the resulting audience engagement. All of our local websites are search engine and mobile optimized.

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

We offer digital marketing solutions, on a subscription basis, to small and mid-sized local and regional businesses ("SMBs") in markets across the United States. Our digital marketing solutions, offered under the brand name Townsquare Interactive, include traditional and mobile-enabled website development and hosting services, search engine and online directory optimization services, online reputation management and social media management.

We offer e-commerce products to consumers and advertisers through Seize the Deal, our proprietary deal and auction platform. Seize the Deal enables small businesses to sell certain of their products and services through our online auction platform. Our auction platform is often used as a gateway to a broader advertising relationship with Townsquare.

### **Entertainment**

Our Entertainment segment is composed of a diverse range of live events, which we create, promote and produce. This includes festivals, fairs, concerts, expositions and other experiential events within and beyond our markets. It is also composed of music and lifestyle content that is distributed through our owned, operated and affiliated national websites.

Our live events are local, family oriented and community-based in nature and offer unique, out-of-home experiences for our audience as well as sponsorship, exhibit space and activation opportunities for our advertisers. We also offer event production services to third parties and own a proprietary ticketing platform.

In the next twelve months, we plan to produce approximately 350 live events that we expect will attract approximately 18 million attendees in the U.S. and Canada. Approximately 90% of these events are annually recurring branded franchises such as the *Red Dirt BBQ and Music Festival* (Tyler, TX), the *WYRK Taste of Country* (Buffalo, NY), and the state and local fairs at which we operate the amusement attractions, including rides, games and concessions, such as the *Eastern States Exposition* and the *Calgary Stampede*, and multi-day music festivals, such as *WE Fest* and *Mountain Jam*. We replicate live events that demonstrate a track record of success in additional markets, many of which are within our local market footprint, where we are able to utilize existing assets and employees. We refer to this templated syndication process as “Events in a Box.”

We often customize live events that we operate in our local markets to offer entertainment that complements the formats of our radio stations and local websites, reinforcing our brand integration while allowing us to further monetize our existing audience and advertiser relationships. The live events we produce in our markets are typically executed by our in-market teams, while leveraging centralized underwriting, talent booking and general and administration infrastructure.

Our Entertainment segment also includes our national digital assets. We own and operate a portfolio of 9 music and entertainment focused national websites, including *Taste of Country*, *XXL*, *Loudwire*, *Ultimate Classic Rock*, *PopCrush*, *The Boot*, *The Boombox*, *Diffuser* and *ScreenCrush*.

For financial information about our segments see Note 12 of our Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K.

### **Competitive Strengths**

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

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

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

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

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

#### ***National Scale with Local Focus.***

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

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

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

***Attractive Competitive Landscapes.***

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

***Lower Economic Volatility in Small and Mid-Sized Markets.***

Our markets have, on average, exhibited lower volatility in radio advertising spending, unemployment rates and real estate values as compared to national averages, resulting in more stable radio advertising revenue compared to the national average historically.

***Strategically Assembled Market Portfolio Characterized by Stable, Locally Significant Institutions.***

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

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

Our brands, in the aggregate, capture the largest or the second largest radio revenue share in 65 of our 67 markets, and in 44 markets we are ranked number one. This leading market share position is indicative of our audience reach and engagement as well as our relevance to advertisers in our markets.

***Strong Relationships with Local and Regional Advertisers.***

In the year ended December 31, 2017, we generated approximately 88% of our revenue across our reportable segments from a broad array of local and regional advertisers in a number of industries, including automotive dealers, banking and mortgage service providers, furniture and home furnishings retailers, food and beverage service providers, healthcare service providers and media and telecommunications service providers. We generate a majority of our Local Marketing Solutions 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 to advertisers, cross sell products and more directly influence their advertising expenditure decisions.

***Geographic Diversification with Strength in Regional Clusters.***

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

***Diversified and Integrated Product Offering - Townsquare Everywhere.***

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

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

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

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

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

*Launch Point for Non-Radio Products.*

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

*Diversified Revenue Base.*

We generate revenue from a diversified base of products and services, advertisers and markets. In the year ended December 31, 2017, approximately 50% of our net revenue was derived from sources other than the sale of terrestrial radio station advertising. We refer to this revenue as non-spot revenue. For the year ended December 31, 2017, no single advertiser represented more than 1% of our revenue, no advertising category represented more than 20% of our revenue and we did not generate more than 5% of our revenue in any one market or 15% of our revenue in any one state.

*Monetization of Our Audience Relationships.*

We believe that our diversified and integrated product and service offerings, which we refer to as *Townsquare Everywhere*, combined with our leading market position in small and mid-sized markets based on radio revenue share, together may enable us to generate higher total revenue per audience member than radio station owners focused on larger markets.

***Influential Local and National Brands.***

*Strong Brand Recognition with Deep Local Heritage.*

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

*Original Live Event and Nationally Oriented Digital Brands Attract Significant Audience.*

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

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

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

*Market Leadership in High-Quality, Live and Locally-Focused Content.*

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

*Expertise in Music and Entertainment.*

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

***Attractive Radio Industry Fundamentals.***

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

***Stable and Engaged Audience Base.***

Despite the increased number of alternative media, terrestrial radio has experienced negligible audience fragmentation over the past 40 years and remains a significant source of daily media exposure. According to Nielsen Holdings N.V. (“Nielsen”), terrestrial radio broadcasts reached approximately 90% of American adults age 18+ each week as of December 2017, approximately unchanged since 1970.

***Cost-Effective Value Proposition to Advertisers.***

Given the stability of its audience, its broad reach and its relatively low cost as compared to competing advertising media such as television, we believe radio continues to offer an attractive value proposition to advertisers.

***Trusted and Socially-Influential Local Media Personalities.***

Research suggests that radio personalities are trusted by their audience and are socially influential. Six out of ten listeners in a joint Clear Channel/University of Southern California study, released in April 2014, stated that radio on-air personalities are “like a friend,” whose opinions they trust. Additionally, more than half of the study participants agreed that they trust brands, products and services recommended by their favorite on-air personality.

***Free Delivery of Local Content to End-Users.***

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

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

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

***Reliable and Substantial Cash Flow Generation.***

Our business enjoys strong cash flow generation owing to the relatively limited capital needs of our operations. During the year ended December 31, 2017, we recorded \$23.5 million of capital expenditures, including \$0.7 million of capital expenditures related to our discontinued operations, which represented 4.6% of net revenue during the same period. In addition, we benefit from certain tax attributes that generate tax deductions which have historically limited the amount of cash taxes we pay.

***Strong, Experienced and Incentivized Management Team and Committed, Well-Capitalized Sponsors.***

We have an experienced senior management team with a proven, multi-disciplinary track record of delivering results for stakeholders. Further, certain funds managed by Oaktree Capital Management, L.P. (“Oaktree”) own a majority of our equity. Oaktree is a leading global investment management firm focused on alternative markets and provides strong sponsorship and strategic support for our continued growth.

## **Operating Strategy**

The principal features of our operating strategy are:

### ***Solidify Our Position in Our Markets.***

Our market positioning is supported by the demonstrable and consistent positive results our products produce for advertisers. The price point for radio advertising on a cost per thousand basis is lower than most other local media that deliver similar scale. This makes radio more affordable and accessible for the type of small and mid-sized businesses typically found in our markets.

### ***Continue to Build Our Premium Portfolio of Brands.***

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

### ***Deepen Relationships with Advertisers to Increase Share of Advertising Spend.***

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

### ***Diversify Revenue Mix by Continuing to Grow Digital Revenue Streams.***

The natural synergies between our products allow us to leverage our operating structure and further monetize existing audience and advertiser relationships. We intend to continue to develop new digital products and offerings and to better monetize our digital audience.

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

Our audience reach, combined with our direct relationship with local advertisers in our markets, positions us to launch and monetize new products and services, further diversifying and growing our revenue. In the past, we have introduced a mobile station streaming application (radioPup), an e-commerce product (Seize the Deal), a digital presence and marketing solutions platform (Townsquare Interactive), a programmatic digital advertising platform (Townsquare Ignite), mobile applications for individual stations and brands and new events (including the Taste of Country Music Festival). In addition to delivering non-spot revenue growth, these products and services which we continue to develop, frequently appeal to advertisers in our markets who may not access our radio products, thereby increasing our overall customer base and advertising market share.

### ***Focus on Differentiated Live and Local Content.***

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

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

We own 71 radio stations formatted with News/Talk/Sports content, 70 formatted with Country content and 57 formatted with Rock content, representing approximately 22%, 22% and 18% of our radio stations, respectively. The majority of our radio stations airing these formats capture the largest audience among radio stations airing similar content in their respective markets, as ranked by Nielsen or other ratings services. We create audio programming, online content and live events which leverage our strength in these formats, together with the strength of our brands. We intend to continue to use our expertise and knowledge in these formats to share best practices and optimize content across our portfolio in order to maximize audience aggregation within these formats.

### ***Leverage Scalable Structure and Continue to Improve Operating Efficiencies Across Our Company.***

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

### **Acquisition Strategy**

The principal features of our acquisition strategy are:

#### ***Prudently Pursue Attractively-Valued Acquisition Opportunities.***

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

#### ***Add to Our Portfolio of Attractive Radio Station Clusters.***

Since our Company's founding by the current senior management team in 2010, we have expanded our radio station portfolio from 60 to 317 by completing more than 10 radio transactions. Radio station ownership in the United States remains significantly fragmented with over 3,000 owners operating over 10,000 commercial radio stations. While current FCC ownership limitations restrict our ability to acquire incremental radio stations in many of our markets, there remain a large number of markets with characteristics that are consistent with Townsquare's acquisition criteria, in which we have no presence today. Given our acquisition track record, we are viewed by many sellers of radio stations to be a potential buyer of their stations, which has provided us with the opportunity to review the majority of properties sold in recent years. We expect to remain active and disciplined from a valuation perspective in the radio station marketplace.

#### ***Augment the Growth of Our Digital and Live Events Product Offerings Through Acquisitions.***

In addition to our radio acquisition activity, since 2010 we have executed more than thirty acquisitions of assets in the digital and live events sectors, 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, *XXL*, multi-day music festivals, various trade shows, NAME, North America's largest mobile amusement company, and other live events properties. We strive to leverage our existing platform in combination with the acquired assets to drive operating efficiencies and financial performance. In many cases, we are able to template acquired live event properties and syndicate them into additional markets across our footprint. We expect to continue to consider opportunities in the digital and live events acquisition marketplace.

#### ***Evaluate New Product Opportunities.***

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

### **Sources of Revenue**

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

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

#### Local Marketing Solutions

- Spot radio advertisements that air on our radio stations via terrestrial radios, computers, mobile devices, connected devices such as cars and TVs, and voice activated smart speakers sold to local, regional and national advertisers.
- Sponsorships, live reads and endorsements in our radio programming, website content, video channels and social media sold to local, regional and national advertisers.
- Remote broadcasts of our radio stations at advertisers' places of business sold to local and regional advertisers.
- Barter-based auctions sold to local and regional advertisers.
- Display, sponsorship and video advertising (including custom developed digital advertisement products) on our radio station websites, mobile apps, social media platforms, YouTube Channels, email newsletters and digital programmatic advertising platform, to local, regional and national advertisers. Display and sponsorship advertising on our mobile streaming application, radioPup, and our individual stations' mobile applications, sold to local, regional and national advertisers.
- Advertising and sponsorships in our radio stations' online radio streams accessible on computing devices as well as on mobile devices through our mobile streaming application, radioPup, or individual station mobile applications, sold to local, regional and national advertisers.
- Sponsored video content, including branded content series, often featuring musicians or other celebrities, and distributed across our portfolio of local digital properties and social media channels, sold to local, regional and national advertisers.
- Portfolio of digital marketing services including both traditional and mobile enabled website development and hosting services, e-commerce platforms, search engine and online directory optimization services, online reputation management and social media management sold to local and regional small and mid-sized businesses.
- E-Commerce offerings, including daily deals, ongoing deals and auctions sold to local and regional advertisers.

#### Entertainment

- Admission and ride tickets, merchandise, food and other concessions, other ancillary products and services sold to our audience.
- Sponsorships, exhibit space and activations sold to our local, regional and national advertisers.
- Display, sponsorship and video advertising, including custom developed digital advertisement products, on our owned and operated national websites and mobile applications as well as our affiliate websites sold to local, regional and national advertisers.
- Sponsored video content, including branded content series, often featuring musicians or other celebrities, and distributed across our portfolio of national digital properties and social media channels, sold to local, regional and national advertisers.
- Licenses of our brands and content, sold to other media companies.

We believe we are positioned to generate growth in revenue by increasing audience interaction with our radio stations, local and national websites, online radio streams, social media platforms, YouTube Channels, mobile applications and live events, as well as utilizing our digital programmatic advertising platform, which leads to an enhanced share of advertising expenditures, as well as an increased share of consumer spending.

#### **Customers**

No single customer accounts for more than 1% of revenue in any of the years ended December 31, 2015 , 2016 and 2017 . A significant percentage of our advertising revenue is generated from the sale of advertising to the automotive, financial services and retail industries.

## **Our Industry**

The local media industry is an important medium for advertisers to reach targeted local consumers and for consumers to engage with relevant local content and events. According to SNL Kagan, in 2017 local advertising spending across all U.S. major media categories totaled \$81.3 billion. Since 2012, U.S. local advertising has increased at a 2.9% compound annual growth rate and is projected to grow at a 4.3% compound annual growth rate through 2022. In 2017, local advertising spending on radio and digital, among our target categories, totaled \$44.3 billion while consumer spending on live event tickets and advertiser spending on live event sponsorships, event marketing, and activation opportunities were also substantial and growing markets. Since 2012, U.S. local advertising spending on radio and digital has increased at an 8.1% compound annual growth rate and is projected to grow at a 7.5% compound annual growth rate through 2022.

*Radio.* The primary source of revenue for radio broadcasting companies is the sale of advertising time to local, regional and national spot advertisers, and national network advertisers. According to SNL Kagan, over the past 10 years radio advertising has generally represented approximately 5.8% to 7.4% of the overall U.S. advertising market, and has typically followed macroeconomic growth trends. In 2017, radio advertising revenue reached \$14.1 billion of which \$10.4 billion was from local radio advertising. The radio industry has a stable and engaged audience base and continues to be one of the core methods for advertisers to reach their targeted audience. According to the Radio Advertising Bureau, terrestrial radio broadcasts reached approximately 90% of American adults age 18+ each week as of December 2017, a level that has remained substantially unchanged since 1970.

*Digital.* The primary source of revenue for national and local websites, accessed either from a PC, tablet or mobile device, is the sale of search ads, display ads and video advertising directly to advertisers and indirectly through advertising networks and exchanges. According to SNL Kagan, in 2017 digital advertising revenue reached \$76.7 billion of which \$33.9 billion was local. Since 2012, local digital advertising has represented one of the fastest growing local media advertising categories with a compound annual growth rate of 18.7%, outpacing national advertising which grew at 13.5%. Local digital advertising is projected to grow at a compound annual growth rate of 9.4% through 2022 and continue to gain market share on national advertising which is projected to grow at 3.2%.

*Live Events.* The primary source of revenue for live events is the sale of tickets to attendees and sponsorships, event marketing, and activation opportunities for local, regional and national advertisers. According to IBIS World, total revenue from the U.S. live event industry, which includes the creation, management and promotion of live performances and events, ranging from concerts and theater performances to state fairs and air shows, grew to \$28.4 billion in 2017, up from \$22.2 billion in 2012, which represents a 5.1% compound annual growth rate. For 2017, Pollstar estimates the total size of the North American live concert industry at \$8.0 billion, up from \$4.7 billion in 2012, which represents a compound annual growth rate of 11.2%. Concert tour attendance increased in 2017 by 6.0% to 46.2 million, as measured by the top 100 grossing North American concert ticket sales, representing a record high.

## **Competition**

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

### **Radio**

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

Factors that affect a radio station's competitive position include its brand identity and audience loyalty, management experience, the radio station's local audience rank in its market (which is highly affected by the competitive radio landscape in a market and format changes that occur from time to time), transmitter power and location, assigned frequency, audience

characteristics, local program acceptance and the number and characteristics of other radio stations and other advertising media in the market area. We attempt to improve our competitive position in each market by constantly researching and improving the content of our radio stations and websites, implementing advertising campaigns aimed at the demographic groups for which our radio stations target content and managing our sales efforts to attract a larger share of advertising dollars for each radio station individually.

### ***Local Digital Content***

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

### ***Digital Marketing Solutions***

The market for local online advertising solutions is competitive and dynamic. Some of our competitors enjoy substantial competitive advantages, such as greater name recognition, longer operating histories and larger marketing budgets, as well as substantially greater financial, technical and other resources. Our competitors include large internet marketing providers, offline media companies such as yellow page publishers, newspaper and television companies as well as other local SMB marketing providers.

### ***Live Events***

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

### ***National Digital Content***

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

### **Employees**

As of December 31, 2017, we employed approximately 2,900 full and part-time employees. Additionally, we hire approximately 900 seasonal workers between March and November of each year. None of our employees are covered by collective bargaining agreements and we consider our relations with our employees to be satisfactory.

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

### **Financial Information About Geographic Areas**

See Part II-Item 8. Financial Statements and Supplementary Data, Note 12, "Segment Reporting" for discussion of net revenue, operating income and long-lived assets attributable to Canada and to our country of domicile, the United States.

### **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 Grant and Renewal***

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

### ***Service Areas***

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

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

The following table sets forth, as of February 17, 2018, the market, call letters, cities of license, frequencies, FCC license expiration dates, and our markets’ population rankings as reported by Nielsen, of all our owned radio stations and all stations operated under Time Brokerage Agreements (“TBAs”) or Local Marketing Agreements (“LMAs”).

**Owned/Operated Stations**

<b>Market (Nielsen Fall 2017 Ranking)</b>	<b>Station</b>	<b>City of License</b>	<b>Frequency</b>	<b>License Expiration Date</b>
Abilene, TX (#234)	KEAN-FM	Abilene, TX	105.1	August 1, 2021
	KEYJ-FM	Abilene, TX	107.9	August 1, 2021
	KMWX(FM)	Abilene, TX	92.5	August 1, 2021
	KSLI(AM)	Abilene, TX	1280	August 1, 2021
	KULL(FM)	Abilene, TX	100.7	August 1, 2021
	KYYW(AM)	Abilene, TX	1470	August 1, 2021
Albany-Schenectady-Troy, NY (#66)	WGNA-FM	Albany, NY	107.7	June 1, 2022
	WQBJ(FM)	Cobleskill, NY	103.5	June 1, 2022
	WQBK-FM	Rensselaer, NY	103.9	June 1, 2022
	WQSH(FM)	Malta, NY	105.7	June 1, 2022
	WTMM-FM	Mechanicville, NY	104.5	June 1, 2022
	W256BU(FX) <sup>(3)</sup>	Albany, NY	99.1	June 1, 2022
Amarillo, TX (#170)	KATP(FM)	Amarillo, TX	101.9	August 1, 2021
	KIXZ(AM)	Amarillo, TX	940	August 1, 2021
	KMXJ-FM	Amarillo, TX	94.1	August 1, 2021
	KPRF(FM)	Amarillo, TX	98.7	August 1, 2021
	KXSS-FM	Amarillo, TX	96.9	August 1, 2021
Atlantic City-Cape May, NJ (#154)	WENJ(FM)	Millville, NJ	97.3	June 1, 2022
	WFPG(FM)	Atlantic City, NJ	96.9	June 1, 2022
	WPGG(AM)	Atlantic City, NJ	1450	June 1, 2022
	WPUR(FM)	Atlantic City, NJ	107.3	June 1, 2022
	WSJO(FM)	Egg Harbor City, NJ	104.9	June 1, 2022
Augusta-Waterville, ME (#257)	WEBB(FM)	Waterville, ME	98.5	April 1, 2022
	WJZN(AM)	Augusta, ME	1400	April 1, 2022
	WMME-FM	Augusta, ME	92.3	April 1, 2022
	WTVL(AM)	Waterville, ME	1490	April 1, 2022
	W240DH(FX) <sup>(3)</sup>	Augusta, ME	95.9	April 1, 2022
Bangor, ME (#219)	WEZQ(FM)	Bangor, ME	92.9	April 1, 2022
	WBZN(FM)	Old Town, ME	107.3	April 1, 2022
	WDEA(AM)	Ellsworth, ME	1370	April 1, 2022
	WQCB(FM)	Brewer, ME	106.5	April 1, 2022
	WWMJ(FM)	Ellsworth, ME	95.7	April 1, 2022
Battle Creek, MI (#254)	WBCK(FM)	Battle Creek, MI	95.3	October 1, 2020
	WBXX(FM)	Marshall, MI	104.9	October 1, 2020
Billings, MT (#237)	KBUL(AM)	Billings, MT	970	April 1, 2021
	KCHH(FM)	Worden, MT	95.5	April 1, 2021
	KCTR-FM	Billings, MT	102.9	April 1, 2021
	KKBR(FM)	Billings, MT	97.1	April 1, 2021
	KMHK(FM)	Billings, MT	103.7	April 1, 2021
	K236AB(FX) <sup>(3)</sup>	Billings, MT	95.1	April 1, 2021
Binghamton, NY (#194)	WAAL(FM)	Binghamton, NY	99.1	June 1, 2022
	WHWK(FM)	Binghamton, NY	98.1	June 1, 2022
	WNBF(AM)	Binghamton, NY	1290	June 1, 2022
	WWYL(FM)	Chenango Bridge, NY	104.1	June 1, 2022
	WYOS(AM)	Binghamton, NY	1360	June 1, 2022
Bismarck, ND (#255)	KACL(FM)	Bismarck, ND	98.7	April 1, 2021

	KBYZ(FM)	Bismarck, ND	96.5	April 1, 2021
	KKCT(FM)	Bismarck, ND	97.5	April 1, 2021
	KLXX(AM)	Bismarck-Mandan, ND	1270	April 1, 2021
	KUSB(FM)	Hazelton, ND	103.3	April 1, 2021
Boise, ID (#95)	KAWO(FM)	Boise, ID	104.3	October 1, 2021
	KCIX(FM)	Garden City, ID	105.9	October 1, 2021
	KFXD(AM)	Boise, ID	630	October 1, 2021
	KIDO(AM)	Nampa, ID	580	October 1, 2021
	KSAS-FM	Caldwell, ID	103.5	October 1, 2021
	KXLT-FM	Eagle, ID	107.9	October 1, 2021
	K298CN(FX) <sup>(3)</sup>	Boise, ID	107.5	October 1, 2021
Bozeman, MT Not Rated (NR)	KISN(FM)	Belgrade, MT	96.7	April 1, 2021
	KMMS-FM	Bozeman, MT	95.1	April 1, 2021
	KMMS(AM)	Bozeman, MT	1450	April 1, 2021
	KPRK(AM)	Livingston, MT	1340	April 1, 2021
	KXLB(FM)	Livingston, MT	100.7	April 1, 2021
	KZMY(FM)	Bozeman, MT	103.5	April 1, 2021
	K254AL(FX) <sup>(3)</sup>	Livingston, MT	98.7	April 1, 2021
Buffalo-Niagara Falls, NY (#58)	WBLK(FM)	Depew, NY	93.7	June 1, 2022
	WBUF(FM)	Buffalo, NY	92.9	June 1, 2022
	WMSX(FM)	Buffalo, NY	96.1	June 1, 2022
	WYRK(FM)	Buffalo, NY	106.5	June 1, 2022
Casper, WY (NR)	KKTL(AM)	Casper, WY	1400	October 1, 2021
	KRNK(FM)	Casper, WY	96.7	October 1, 2021
	KRVK(FM)	Vista West, WY	107.9	October 1, 2021
	KTRS-FM	Casper, WY	104.7	October 1, 2021
	KTWO(AM)	Casper, WY	1030	October 1, 2021
	KWYY(FM)	Midwest, WY	95.5	October 1, 2021
Cedar Rapids, IA (#206)	KDAT(FM)	Cedar Rapids, IA	104.5	February 1, 2021
	KHAK(FM)	Cedar Rapids, IA	98.1	February 1, 2021
	KRNA(FM)	Iowa City, IA	94.1	February 1, 2021
	KRQN(FM) <sup>(1)(3)</sup>	Vinton, IA	107.1	February 1, 2021
Cheyenne, WY (#266)	KGAB(AM)	Orchard Valley, WY	650	October 1, 2021
	KIGN(FM)	Burns, WY	101.9	October 1, 2021
	KLEN(FM)	Cheyenne, WY	106.3	October 1, 2021
Danbury, CT (#201)	WINE(AM)	Brookfield, CT	940	April 1, 2022
	WRKI(FM)	Brookfield, CT	95.1	April 1, 2022
	WDBY(FM)	Patterson, NY	105.5	June 1, 2022
	WDBY-FM1 <sup>(3)</sup>	Brookfield, CT	105.5	June 1, 2022
Dubuque, IA (NR)	KLYV(FM)	Dubuque, IA	105.3	February 1, 2021
	KXGE(FM)	Dubuque, IA	102.3	February 1, 2021
	WDBQ(AM)	Dubuque, IA	1490	February 1, 2021
	WDBQ-FM	Galena, IL	107.5	December 1, 2020
	WJOD(FM)	Asbury, IA	103.3	February 1, 2021
Duluth-Superior, MN, WI (#212)	KKCB(FM)	Duluth, MN	105.1	April 1, 2021
	KLDJ(FM)	Duluth, MN	101.7	April 1, 2021
	WEBC(AM)	Duluth, MN	560	April 1, 2021
	KBMX(FM)	Proctor, MN	107.7	April 1, 2021
	W293CT(FX) <sup>(3)</sup>	Duluth, MN	106.5	April 1, 2021

El Paso, TX (#76)	KLAQ(FM)	El Paso, TX	95.5	August 1, 2021
	KROD(AM)	El Paso, TX	600	August 1, 2021
	KSII(FM)	El Paso, TX	93.1	August 1, 2021
Evansville, IN (#163)	WDKS(FM)	Newburgh, IN	106.1	August 1, 2020
	WGBF(AM)	Evansville, IN	1280	August 1, 2020
	WGBF-FM	Henderson, KY	103.1	August 1, 2020
	WJLT(FM)	Evansville, IN	105.3	August 1, 2020
	WKDQ(FM)	Henderson, KY	99.5	August 1, 2020
Faribault/Owatonna, MN (NR)	KDHL(AM)	Faribault, MN	920	April 1, 2021
	KQCL(FM)	Faribault, MN	95.9	April 1, 2021
	KRFO(AM)	Owatonna, MN	1390	April 1, 2021
	KRFO-FM	Owatonna, MN	104.9	April 1, 2021
Flint, MI (#138)	WCRZ(FM)	Flint, MI	107.9	October 1, 2020
	WFNT(AM)	Flint, MI	1470	October 1, 2020
	WLCO(AM)	Lapeer, MI	1530	October 1, 2020
	WQUS(FM)	Lapeer, MI	103.1	October 1, 2020
	WRCL(FM)	Frankenmuth, MI	93.7	October 1, 2020
	WWBN(FM)	Tuscola, MI	101.5	October 1, 2020
Ft. Collins-Greeley, CO (#108)	KKPL(FM)	Cheyenne, WY	99.9	October 1, 2021
	KMAX-FM	Wellington, CO	94.3	April 1, 2021
	KTRR(FM)	Loveland, CO	102.5	April 1, 2021
	KUAD-FM	Windsor, CO	99.1	April 1, 2021
Grand Junction, CO (#241)	KEKB(FM)	Fruita, CO	99.9	April 1, 2021
	KBKL(FM)	Grand Junction, CO	107.9	April 1, 2021
	KMXY(FM)	Grand Junction, CO	104.3	April 1, 2021
	KKNN(FM)	Delta, CO	95.1	April 1, 2021
	KEXO(AM)	Grand Junction, CO	1230	April 1, 2021
Grand Rapids, MI (#68)	WFGR(FM)	Grand Rapids, MI	98.7	October 1, 2020
	WGRD-FM	Grand Rapids, MI	97.9	October 1, 2020
	WLHT-FM	Grand Rapids, MI	95.7	October 1, 2020
	WNWZ(AM)	Grand Rapids, MI	1410	October 1, 2020
	WTRV(FM)	Walker, MI	100.5	October 1, 2020
	W285FO(FX) <sup>(3)</sup>	Grand Rapids, MI	104.9	October 1, 2020
Kalamazoo, MI (#185)	WKFR-FM	Battle Creek, MI	103.3	October 1, 2020
	WKMI(AM)	Kalamazoo, MI	1360	October 1, 2020
	WRKR(FM)	Portage, MI	107.7	October 1, 2020
	W273AR(FX) <sup>(3)</sup>	Paw Paw, MI	102.5	October 1, 2020
Killeen-Temple, TX (#141)	KSSM(FM)	Copperas Cove, TX	103.1	August 1, 2021
	KUSJ(FM)	Harker Heights, TX	105.5	August 1, 2021
	KLTD(FM)	Temple, TX	101.7	August 1, 2021
	KTEM(AM)	Temple, TX	1400	August 1, 2021
	KOOC(FM)	Belton, TX	106.3	August 1, 2021
Lafayette, LA (#110)	KPEL-FM	Breaux Bridge, LA	96.5	June 1, 2020
	KHXT(FM)	Erath, LA	107.9	June 1, 2020
	KMDL(FM)	Kaplan, LA	97.3	June 1, 2020
	KPEL(AM)	Lafayette, LA	1420	June 1, 2020
	KROF(AM)	Abbeville, LA	960	June 1, 2020
	KTDY(FM)	Lafayette, LA	99.9	June 1, 2020
Lake Charles, LA (#217)	KHLA(FM)	Jennings, LA	92.9	June 1, 2020

	KLCL(AM)	Lake Charles, LA	1470	June 1, 2020
	KJMH(FM)	Lake Arthur, LA	107.5	June 1, 2020
	KNGT(FM)	Lake Charles, LA	99.5	June 1, 2020
	KJEF(AM)	Jennings, LA	1290	June 1, 2020
	KTSR(FM)	De Quincy, LA	92.1	June 1, 2020
Lansing-East Lansing, MI (#128)	WFMK(FM)	East Lansing, MI	99.1	October 1, 2020
	WMMQ(FM)	East Lansing, MI	94.9	October 1, 2020
	WVFN(AM)	East Lansing, MI	730	October 1, 2020
	WITL-FM	Lansing, MI	100.7	October 1, 2020
	WJIM(AM)	Lansing, MI	1240	October 1, 2020
	WJIM-FM	Lansing, MI	97.5	October 1, 2020
Laramie, WY (NR)	KCGY(FM)	Laramie, WY	95.1	October 1, 2021
	KOWB(AM)	Laramie, WY	1290	October 1, 2021
Lawton, OK (NR)	KLAW(FM)	Lawton, OK	101.3	June 1, 2021
	KVRW(FM)	Lawton, OK	107.3	June 1, 2021
	KZCD(FM)	Lawton, OK	94.1	June 1, 2021
Lubbock, TX (#168)	KFMX-FM	Lubbock, TX	94.5	August 1, 2021
	KFYO(AM)	Lubbock, TX	790	August 1, 2021
	KKAM(AM)	Lubbock, TX	1340	August 1, 2021
	KKCL-FM	Lorenzo, TX	98.1	August 1, 2021
	KQBR(FM)	Lubbock, TX	99.5	August 1, 2021
	KZII-FM	Lubbock, TX	102.5	August 1, 2021
Lufkin-Nacogdoches, TX (NR)	KVLL-FM	Wells, TX	94.7	August 1, 2021
	KYKS(FM)	Lufkin, TX	105.1	August 1, 2021
	KAFX-FM	Diboll, TX	95.5	August 1, 2021
	KSFA(AM)	Nacogdoches, TX	860	August 1, 2021
	KTBQ(FM)	Nacogdoches, TX	107.7	August 1, 2021
Missoula, MT (NR)	KYSS-FM	Missoula, MT	94.9	April 1, 2021
	KGVO(AM)	Missoula, MT	1290	April 1, 2021
	KMPT(AM)	East Missoula, MT	930	April 1, 2021
	KBAZ(FM)	Hamilton, MT	96.3	April 1, 2021
	KLYQ(AM)	Hamilton, MT	1240	April 1, 2021
	KAMM-FM	Frenchtown, MT	101.5	April 1, 2021
	KENR(FM)	Superior, MT	107.5	April 1, 2021
	KENR-FM1 <sup>(3)</sup>	Missoula, MT	107.5	April 1, 2021
	K251CH(FX) <sup>(3)</sup>	Seeley Lake, MT	98.1	April 1, 2021
	K252FP(FX) <sup>(3)</sup>	Missoula, MT	98.3	April 1, 2021
Monmouth-Ocean, NJ (#54)	WADB(AM)	Asbury Park, NJ	1310	June 1, 2022
	WCHR-FM	Manahawkin, NJ	105.7	June 1, 2022
	WJLK(FM)	Asbury Park, NJ	94.3	June 1, 2022
	WOBM(AM)	Lakewood Township, NJ	1160	June 1, 2022
	WOBM-FM	Toms River, NJ	92.7	June 1, 2022
New Bedford-Fall River, MA (#182)	WBSM(AM)	New Bedford, MA	1420	April 1, 2022
	WFHN(FM)	Fairhaven, MA	107.1	April 1, 2022
Odessa-Midland, TX (#164)	KBAT(FM)	Monahans, TX	99.9	August 1, 2021
	KODM(FM)	Odessa, TX	97.9	August 1, 2021
	KNFM(FM)	Midland, TX	92.3	August 1, 2021
	KZBT(FM)	Midland, TX	93.3	August 1, 2021
	KMND(AM)	Midland, TX	1510	August 1, 2021

	K236CP(FX) <sup>(3)</sup>	Lubbock, TX	95.1	August 1, 2021
Oneonta, NY (NR)	WBKT(FM)	Norwich, NY	95.3	June 1, 2022
	WCHN(AM)	Norwich, NY	970	June 1, 2022
	WDHI(FM)	Delhi, NY	100.3	June 1, 2022
	W232AS(FX) <sup>(3)</sup>	Oneonta, NY	94.3	June 1, 2022
	WDLA(AM)	Walton, NY	1270	June 1, 2022
	WDLA-FM	Walton, NY	92.1	June 1, 2022
	WDOS(AM)	Oneonta, NY	730	June 1, 2022
	WIYN(FM)	Deposit, NY	94.7	June 1, 2022
	WKXZ(FM)	Norwich, NY	93.9	June 1, 2022
	W232AT(FX) <sup>(3)</sup>	Norwich, NY	94.3	June 1, 2022
	W257BE(FX) <sup>(3)</sup>	Hamilton, NY	99.3	June 1, 2022
	WSRK(FM)	Oneonta, NY	103.9	June 1, 2022
	WTBD-FM	Delhi, NY	97.5	June 1, 2022
	WZOZ(FM)	Oneonta, NY	103.1	June 1, 2022
	Owensboro, KY (NR)	WBKR(FM)	Owensboro, KY	92.5
WOMI(AM)		Owensboro, KY	1490	August 1, 2020
W256CF(FX) <sup>(3)</sup>		Owensboro, KY	99.1	August 1, 2020
Pittsfield, MA (NR)	WBEC(AM)	Pittsfield, MA	1420	April 1, 2022
	WBEC-FM	Pittsfield, MA	95.9	April 1, 2022
	WNAW(AM)	North Adams, MA	1230	April 1, 2022
	WSBS(AM)	Great Barrington, MA	860	April 1, 2022
	WUPE(AM)	Pittsfield, MA	1110	April 1, 2022
	WUPE-FM	North Adams, MA	100.1	April 1, 2022
	W231AK(FX) <sup>(3)</sup>	Great Barrington, MA	94.1	April 1, 2022
	W277CJ(FX) <sup>(3)</sup>	Pittsfield, MA	103.3	April 1, 2022
Portland, ME (#96)	WBLM(FM)	Portland, ME	102.9	April 1, 2022
	WCYY(FM)	Biddeford, ME	94.3	April 1, 2022
	WHOM(FM)	Mount Washington, NH	94.9	April 1, 2022
	WJBQ(FM)	Portland, ME	97.9	April 1, 2022
Portsmouth-Dover-Rochester, NH (#122)	WSHK(FM)	Kittery, ME	105.3	April 1, 2022
	WOKQ(FM)	Dover, NH	97.5	April 1, 2022
	WSAK(FM)	Hampton, NH	102.1	April 1, 2022
	WPKQ(FM)	North Conway, NH	103.7	April 1, 2022
	W250AB(FX) <sup>(3)</sup>	Manchester, NH	97.9	April 1, 2022
Poughkeepsie, NY (#169)	WRRB(FM)	Arlington, NY	96.9	June 1, 2022
	WCZX(FM)	Hyde Park, NY	97.7	June 1, 2022
	WPDA(FM)	Jeffersonville, NY	106.1	June 1, 2022
	WKXP(FM)	Kingston, NY	94.3	June 1, 2022
	WRRV(FM)	Middletown, NY	92.7	June 1, 2022
	WEOK(AM)	Poughkeepsie, NY	1390	June 1, 2022
	WPDH(FM)	Poughkeepsie, NY	101.5	June 1, 2022
	WZAD(FM)	Wurtsboro, NY	97.3	June 1, 2022
	W239AC(FX) <sup>(3)</sup>	Middletown, NY	95.7	June 1, 2022
Presque Isle, ME (NR)	WBPW(FM)	Presque Isle, ME	96.9	April 1, 2022
	WOZI(FM)	Presque Isle, ME	101.9	April 1, 2022
	WQHR(FM)	Presque Isle, ME	96.1	April 1, 2022
Quad Cities, IA-IL (#155)	KJOC(FM)	Bettendorf, IA	93.5	February 1, 2021
	KBOB(AM)	Davenport, IA	1170	February 1, 2021

	KIHK-FM	De Witt, IA	104.9	February 1, 2021
	WXLP(FM)	Moline, IL	96.9	December 1, 2020
	KBEA-FM	Muscatine, IA	99.7	February 1, 2021
Quincy, IL-Hannibal, MO (NR)	KHMO(AM)	Hannibal, MO	1070	February 1, 2021
	KICK-FM	Palmyra, MO	97.9	February 1, 2021
	KRRY(FM)	Canton, MO	100.9	February 1, 2021
	WLIQ(AM)	Quincy, IL	1530	December 1, 2020
Richland-Kennewick-Pasco, WA (#179)	KEYW(FM)	Pasco, WA	98.3	February 1, 2022
	KFLD(AM)	Pasco, WA	870	February 1, 2022
	KOLW(FM)	Basin City, WA	97.5	February 1, 2022
	KORD-FM	Richland, WA	102.7	February 1, 2022
	KXRX(FM)	Walla Walla, WA	97.1	February 1, 2022
Rochester, MN (#221)	KFIL-FM	Chatfield, MN	103.1	April 1, 2021
	KFIL(AM)	Preston, MN	1060	April 1, 2021
	KDOC-FM	Eyota, MN	103.9	April 1, 2021
	KOLM(AM)	Rochester, MN	1520	April 1, 2021
	KROC(AM)	Rochester, MN	1340	April 1, 2021
	KROC-FM	Rochester, MN	106.9	April 1, 2021
	KWWK(FM)	Rochester, MN	96.5	April 1, 2021
	KDCZ(FM)	St. Charles, MN	107.7	April 1, 2021
	KVGO(FM)	Spring Valley, MN	104.3	April 1, 2021
	KYBA(FM)	Stewartville, MN	105.3	April 1, 2021
	K285EL(FX) <sup>(3)</sup>	Rochester, MN	104.9	April 1, 2021
	K292EM(FX) <sup>(3)</sup>	Rochester, MN	106.3	April 1, 2021
Rockford, IL (#160)	WXXQ(FM)	Freeport, IL	98.5	December 1, 2020
	WKGL-FM	Loves Park, IL	96.7	December 1, 2020
	WROK(AM)	Rockford, IL	1440	December 1, 2020
	WZOK(FM)	Rockford, IL	97.5	December 1, 2020
San Angelo, TX (#258)	KELI(FM)	San Angelo, TX	98.7	August 1, 2021
	KGKL(AM)	San Angelo, TX	960	August 1, 2021
	KGKL-FM	San Angelo, TX	97.5	August 1, 2021
	KKCN(FM)	Ballinger, TX	103.1	August 1, 2021
	KKCN-FM1 <sup>(3)</sup>	San Angelo, TX	103.1	August 1, 2021
	KNRX(FM)	Sterling City, TX	96.5	August 1, 2021
	KNRX-FM1 <sup>(3)</sup>	San Angelo, TX	96.5	August 1, 2021
Sedalia, MO (NR)	KSDL(FM)	Sedalia, MO	92.3	February 1, 2021
	KSIS(AM)	Sedalia, MO	1050	February 1, 2021
	KXKX(FM)	Knob Noster, MO	105.7	February 1, 2021
Shelby, MT (NR)	KSEN(AM)	Shelby, MT	1150	April 1, 2021
	KZIN-FM	Shelby, MT	96.7	April 1, 2021
Shreveport, LA (#140)	KEEL(AM)	Shreveport, LA	710	June 1, 2020
	KXKS-FM	Shreveport, LA	93.7	June 1, 2020
	KRUF(FM)	Shreveport, LA	94.5	June 1, 2020
	KVKI-FM	Shreveport, LA	96.5	June 1, 2020
	KWKH(AM)	Shreveport, LA	1130	June 1, 2020
	KTUX(FM)	Carthage, TX	98.9	August 1, 2021
	K269GO(FX) <sup>(3)</sup>	Shreveport, LA	101.7	June 1, 2020
Sioux Falls, SD (#188)	KSOO(AM)	Sioux Falls, SD	1000	April 1, 2021
	KKLS-FM	Sioux Falls, SD	104.7	April 1, 2021

	KIKN-FM	Salem, SD	100.5	April 1, 2021
	KXRB(AM)	Sioux Falls, SD	1140	April 1, 2021
	KMXC(FM)	Sioux Falls, SD	97.3	April 1, 2021
	KYBB(FM)	Canton, SD	102.7	April 1, 2021
	KXRB-FM	Brandon, SD	100.1	April 1, 2021
	KSOO-FM	Lennox, SD	99.1	April 1, 2021
St. Cloud, MN (NR)	KLZZ(FM)	Waite Park, MN	103.7	April 1, 2021
	KMXK(FM)	Cold Spring, MN	94.9	April 1, 2021
	KXSS(AM)	Waite Park, MN	1390	April 1, 2021
	KZRV(FM)	Sartell, MN	96.7	April 1, 2021
	WJON(AM)	St. Cloud, MN	1240	April 1, 2021
	WWJO(FM)	St. Cloud, MN	98.1	April 1, 2021
Texarkana, TX-AR (#242)	KKYR-FM	Texarkana, TX	102.5	August 1, 2021
	KOSY(AM)	Texarkana, AR	790	June 1, 2020
	KPWW(FM)	Hooks, TX	95.9	August 1, 2021
	KYGL(FM)	Texarkana, AR	106.3	June 1, 2020
	KMJI(FM)	Ashdown, AR	93.3	June 1, 2020
Trenton, NJ (#152)	WKXW(FM)	Trenton, NJ	101.5	June 1, 2022
Tuscaloosa, AL (#211)	WBEI(FM)	Reform, AL	101.7	April 1, 2020
	WFFN(FM)	Coaling, AL	95.3	April 1, 2020
	WNPT-FM	Marion, AL	102.9	April 1, 2020
	WTBC(AM)	Tuscaloosa, AL	1230	April 1, 2020
	WTSK(AM)	Tuscaloosa, AL	790	April 1, 2020
	WTUG-FM	Northport, AL	92.9	April 1, 2020
	W261BT(FX) <sup>(3)</sup>	Tuscaloosa, AL	100.1	April 1, 2020
	W265CG(FX) <sup>(3)</sup>	Tuscaloosa, AL	100.9	April 1, 2020
	W227DD(FX) <sup>(3)</sup>	Brent, AL	93.3	April 1, 2020
Twin Falls-Sun Valley, ID (#248)	KEZJ-FM	Twin Falls, ID	95.7	October 1, 2021
	KLIX(AM)	Twin Falls, ID	1310	October 1, 2021
	KLIX-FM	Twin Falls, ID	96.5	October 1, 2021
	KSNQ(FM)	Twin Falls, ID	98.3	October 1, 2021
Tyler-Longview, TX (#142)	KISX(FM)	Whitehouse, TX	107.3	August 1, 2021
	KNUE(FM)	Tyler, TX	101.5	August 1, 2021
	KTYL-FM	Tyler, TX	93.1	August 1, 2021
	KKTX-FM	Kilgore, TX	96.1	August 1, 2021
Utica/Rome, NY (#171)	WFRG-FM	Utica, NY	104.3	June 1, 2022
	WIBX(AM)	Utica, NY	950	June 1, 2022
	WLZW(FM)	Utica, NY	98.7	June 1, 2022
	WODZ-FM	Rome, NY	96.1	June 1, 2022
Victoria, TX (NR)	KIXS(FM)	Victoria, TX	107.9	August 1, 2021
	KLUB(FM)	Bloomington, TX	106.9	August 1, 2021
	KQVT(FM)	Victoria, TX	92.3	August 1, 2021
	KTXN-FM <sup>(2)(3)</sup>	Victoria, TX	98.7	August 1, 2021
Waterloo-Cedar Falls, IA (#238)	KOEL(AM)	Oelwein, IA	950	February 1, 2021
	KOEL-FM	Cedar Falls, IA	98.5	February 1, 2021
	KKHQ-FM	Oelwein, IA	92.3	February 1, 2021
	KCRR(FM)	Grundy Center, IA	97.7	February 1, 2021
Wichita Falls, TX (#251)	KBZS(FM)	Wichita Falls, TX	106.3	August 1, 2021
	KNIN-FM	Wichita Falls, TX	92.9	August 1, 2021

	KWFS(AM)	Wichita Falls, TX	1290	August 1, 2021
	KWFS-FM	Wichita Falls, TX	102.3	August 1, 2021
Yakima, WA (#198)	KATS(FM)	Yakima, WA	94.5	February 1, 2022
	KDBL(FM)	Toppenish, WA	92.9	February 1, 2022
	KFFM(FM)	Yakima, WA	107.3	February 1, 2022
	KIT(AM)	Yakima, WA	1280	February 1, 2022
	KMGW(FM)	Naches, WA	99.3	February 1, 2022
	KUTI(AM)	Yakima, WA	1460	February 1, 2022
	K232CV(FX) <sup>(3)</sup>	Ellensburg, WA	94.3	February 1, 2022

(1) Townsquare Media Cedar Rapids, LLC programs KRQN(FM) pursuant to a TBA.

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

(3) Our station count of 317 excludes the booster, LMA and TBA stations, as well as FM translators listed above. “(FX)” is used to identify FM translator stations. The “FM1” suffix after a call sign means the station is a booster station, rebroadcasting the programming of the station listed above it with the same four-letter call sign.

### **Regulatory Approvals**

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

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

### **Ownership Matters**

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

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

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

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

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

The following interests generally are not attributable:

1. debt instruments, non-voting stock, and options and warrants for voting stock, partnership interests, or membership interests that have not yet been exercised; Non-voting equity and debt interests which, in the aggregate, constitute more than 33.0% of a radio station's "enterprise value" (which consists of the total equity and debt capitalization) are considered attributable in certain circumstances;
2. limited partnership or limited liability company membership interests where (a) the limited partner or member is not "materially involved" in the media-related activities of the partnership or limited liability company, and (b) the limited partnership agreement or limited liability company agreement expressly "insulates" the limited partner or member from such material involvement by inclusion of provisions specified in FCC rules; and
3. holders of less than 5.0% of an entity's voting stock.

In November 2017, as part of its periodic review of broadcast ownership rules required by the Communications Act, the FCC adopted an Order on Reconsideration and Notice of Proposed Rulemaking ("Order") addressing its ownership rules. The Order eliminated the newspaper/broadcast cross-ownership prohibition, including the ban on common ownership of newspapers and radio stations within the same market. The Order also eliminated the radio/television cross-ownership rule. These and other aspects of the Order are being challenged in federal court. At this time, we cannot predict the outcome of this appeal or whether it will have a material adverse effect on us.

### ***Content and Operation***

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

On January 28, 2016, the FCC adopted certain rules requiring radio stations to make their local public files available over the internet on a system hosted by the FCC. The requirements were phased in over time, starting with stations in the top 50 Nielsen markets with five or more full-time employees. These rules apply to all our stations as of March 1, 2018.

### ***Local Marketing Agreements***

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

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

### ***Joint Sales Agreements***

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

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

### ***Antitrust and Market Concentration Considerations***

Potential future acquisitions, to the extent they meet specified size thresholds, will be subject to applicable waiting periods and possible review under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), by the Department of Justice ("DOJ") or the Federal Trade Commission ("FTC"), either of whom can be required to evaluate a transaction to determine whether that transaction should be challenged under the federal antitrust laws. Transactions are subject to the HSR Act only if the acquisition price or fair market value of the radio stations to be acquired is above a certain threshold that increases periodically (presently \$84.4 million as of March 10, 2018). 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 our pending or 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.

## ITEM 1A. RISK FACTORS

*An investment in Townsquare involves a variety of risks and uncertainties. The following are some of the more important factors that would affect our business, financial condition and results of operations.*

### **Risks Related to Our Business**

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

Because a substantial majority of our net revenue is generated from the sale of local, regional and national advertising on our radio stations, digital properties and at our live events, a downturn in the U.S. economy may have a material adverse impact on our business, financial condition and results of operations, as advertisers generally reduce their spending during economic downturns. Furthermore, because a substantial portion of our revenue is derived from local advertisers, our ability to generate advertising revenue in specific markets could be adversely affected by local or regional economic downturns. A downturn in the U.S. economy could also adversely affect our ability to collect accounts receivable from advertisers.

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

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

***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 Local Marketing Solutions business competes 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, satellite radio, internet radio, the internet, outdoor advertising and hand-held programmable devices such as iPods and cellular phones. 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 or offer syndicated content that competes with our content 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.

We face substantial competition for advertising revenue in our various markets from free and paid newspapers, magazines, websites, digital platforms and applications, television, radio, other forms of media, direct marketing and online advertising networks and exchanges. Competition for advertising is generally based on audience levels and demographics, price, service and advertising results. It has intensified both as a result of the continued development and fragmentation of digital media and adverse economic conditions. 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.

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.

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

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

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

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

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

***Our business could be negatively impacted if our ability to hire and retain certain NAME employees through temporary worker programs, including the U.S. H-2B visa program or the Canadian Temporary Foreign Worker Program, are reduced or otherwise limited.***

A significant portion of the employees that staff our NAME fairs is composed of foreign nationals whose ability to work for us depends on obtaining the necessary U.S. H-2B visas and Canadian work visas. The H-2B visa category in the U.S., and the Canadian Temporary Foreign Worker Program in Canada, allow employers in the U.S. and Canada, respectively, to hire foreign nationals to perform services on a temporary or seasonal basis, subject to certain qualifications. Our ability to hire and retain these foreign nationals and their ability to remain and work in the United States and Canada are affected by various laws and regulations, including limitations on the number of available H-2B visas and Canadian work visas and our ability to get available visas, which typically changes from one season to the next and could change significantly. Changes in the laws or regulations affecting the availability, allocation and/or cost of H-2B visas or Canadian work visas, eligibility for H-2B visas or Canadian work visas, or otherwise affecting the admission or retention of foreign nationals for temporary or seasonal employment by U.S. or Canadian employers, or any increase in demand for H-2B visas or Canadian work visas relative to the limited supply of those visas, may adversely affect our ability to hire or retain foreign personnel for our NAME fairs and events and may, as a result, negatively affect our revenue and/or expenses and could have a material adverse effect on our business, financial condition and results of operations.

***Our business, financial condition and results of operations may be adversely affected if our broadcast rights contracts are not renewed on sufficiently favorable terms.***

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 for the acquisition of content rights on our results over the terms of the contracts 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.

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

We believe that the skills and experience of our senior management team would be difficult to replace, 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 our business strategy. We believe that our future success will depend greatly on our continued ability to attract and retain highly skilled and qualified personnel.

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

We compete for creative and performing 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. Any adverse changes in particular programs, formats or on-air talent could have a material adverse effect on our ratings and our ability to attract advertisers, which could negatively impact our business, financial condition or results of operations.

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

Approximately 0.6% , 1.7% and 0.5% of our net revenue, pro forma for the Transactions, for the years ended December 31, 2015 , 2016 and 2017 , respectively, consisted of political advertising revenue. Political advertising revenue from elections, which is generally greater in even-numbered years, has the potential to create fluctuations in our operating results on a year-to-year basis. For example, during 2015 , we had political advertising revenue of \$2.9 million , compared to \$9.0 million in 2016 and \$2.4 million in 2017 . In addition, political advertising revenue is dependent on the level of political ad spend and competitiveness of elections within each local market.

***If fuel prices increase significantly, our results of operations could be adversely affected.***

We are subject to risk with respect to purchases of fuel. Prices and availability of petroleum products are subject to political, economic and market factors that are generally outside our control. Political events, weather-related events and natural disasters, and current and future legislation (such as market-based (cap-and-trade) greenhouse gas emissions control mechanisms) may also cause the price of fuel to increase. Because certain of our operations, primarily our live events and logistics related thereto, are dependent upon diesel fuel, significant increases in diesel fuel costs could materially and adversely affect our results of operations and financial condition if we are unable to pass increased costs on to customers through price increases.

***We are exposed to foreign currency risks from our Canadian operations that could adversely affect our financial results.***

A significant portion of the revenue and operating costs of our NAME operations are denominated in Canadian dollars. We are therefore exposed to fluctuations in the exchange rate between the US dollar and the Canadian dollar. We do not currently hedge, and have not historically hedged, our operational exposure to this foreign currency fluctuation. Our consolidated financial results are presented in US dollars and therefore, during times of a strengthening US dollar versus the Canadian dollar, our reported revenue and earnings that are generated in Canada will be reduced because the Canadian

dollar will translate into fewer US dollars. In addition, the assets and liabilities of our Canadian operations are translated into US dollars at the exchange rates in effect at the balance sheet date. Revenue and expenses are translated into US dollars at the average exchange rate for the period. Translation adjustments arising from the use of differing exchange rates from period to period are recorded in stockholders' equity as an accumulated currency translation adjustment. Translation adjustments arising from intercompany receivables with our Canadian operations are generally recorded as a component of other comprehensive loss, before tax. Accordingly, changes in currency exchange rates will cause our revenue, operating costs, comprehensive income and shareholders' equity to fluctuate, and such fluctuations may have an adverse effect on our financial condition and results of operations.

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

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

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

We use studios, satellite systems, transmitter facilities and the internet to originate and/or distribute our content. We rely on third-party contracts and services to operate our origination and distribution facilities. These third-party contracts and services include, but are not limited to, electrical power, satellite downlinks, telecom circuits and internet connectivity. Distribution may be disrupted due to one or more third parties losing their ability to provide particular services to us, which could adversely affect our distribution capabilities. A disruption can be caused as a result of any number of events such as local disasters (accidental or environmental), various acts of terrorism, power outages, major telecom and internet connectivity failures or satellite failures. Our ability to distribute content to 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.

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

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

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

If traffic levels stagnate or decline, 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 as a result of a significant increase in inventory.

***If we fail to increase the number of subscribers or retain existing subscribers at Townsquare Interactive, our revenue and business will be harmed.***

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. The digital marketing solutions sector is highly competitive with many competitors in which our customers have many competing alternatives. We believe our solutions are well positioned to serve the SMBs in the small and mid-sized markets we upon which we focus. However, if our subscribers cancel their subscriptions with us, or if we are unable to attract new subscribers in numbers greater than the number of subscribers that we lose, our subscriber base will decrease and our business, financial condition and operating results will be adversely affected.

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

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

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

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

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

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

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

- satellite-delivered digital audio radio service, which has resulted in the introduction of 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;
- the FCC has authorized many new Low-Power FM radio stations which have resulted in additional FM radio broadcast outlets, although such radio stations are required to operate with very low power and on a non-commercial basis;
- iPhone/iPod/iPad and similar mobile devices;
- voice activated smart speakers; and
- streaming internet services such as Spotify and Pandora.

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

for the consumer's attention in the car, workplace, outdoors and elsewhere. In addition, we cannot predict the effect, if any, that competition arising from new technologies or regulatory changes may have on the radio broadcasting industry 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.

***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 also only be approved 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 any of these conditions will 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 and negotiating definitive purchase agreements on satisfactory terms;
- integrating operations and systems and managing a large and geographically diverse group of assets;
- diverting our management's attention from other business concerns;
- potentially losing key employees at acquired businesses; 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 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 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 financing will be available to us or, if available, that financing 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.***

We pursue strategic acquisitions when such acquisitions are strategic and financially additive and meet our overall business needs. We engage in strategic sales of our assets from time to time, as it makes financial sense to do so and meets our overall business needs. We have also been required by the FCC to divest radio stations, which radio stations are now held in trust pending sale. However, in light of the current financial and economic market conditions, both in the radio

industry and in the overall U.S. economy, our consummation of future acquisitions or dispositions, even those required radio station divestitures, is uncertain and may be difficult.

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

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

Ratings for broadcast radio stations and traffic or visitors to a particular website are also factors that are weighed when advertisers determine which outlets to use and in determining the advertising rates that the outlet receives. Poor ratings or traffic levels can lead to a reduction in pricing and advertising revenue. For example, if there is an event causing a change of programming at one of our radio stations, there could be no assurance that any replacement programming would generate the same level of ratings, revenue or profitability as the previous programming. In addition, changes in ratings methodology and technology could adversely impact our ratings and negatively affect our advertising revenue. Nielsen, the leading supplier of ratings data for U.S. radio markets, developed technology to passively collect data for its ratings service. The Portable People Meter™ (“PPM™”) is a small, pager-sized device that does not require any active manipulation by the end user and is capable of automatically measuring radio, television, internet, satellite radio and satellite television signals that are encoded for the service by the broadcaster. While our ratings are primarily measured by the traditional diary method (which involves individual surveys), certain of our market ratings are being measured by PPM™. In each market, there has been a compression in the relative ratings of all radio stations in the market, enhancing the competitive pressure within the market for advertising dollars. In addition, ratings for certain radio stations when measured by PPM™ as opposed to the traditional diary methodology can be materially different. PPM™ based ratings may be scheduled to be introduced in some of our other markets. Because of the competitive factors we face and the introduction of PPM™, we cannot assure investors that we will be able to maintain or increase our current audience ratings and advertising revenue, which could have an adverse impact on our business, financial condition and results of operations.

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

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

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

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

***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. If third parties or our employees are able to penetrate our network security or otherwise misappropriate personal information or contact information of our customers, listeners, business partners or advertisers, or if we give third parties or our employees improper access to our customers' personal information or contract information, 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. Other liabilities could include claims alleging misrepresentation of our privacy and data security practices. We could also be subject to regulatory action in certain jurisdictions.

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 and our insurance coverage may not be adequate to cover all the costs related to such breaches or attacks. Our security measures are designed to protect against security breaches and cyber-attacks, but 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.

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

The occurrence of extraordinary events, such as terrorist attacks, natural disasters, intentional or unintentional mass casualty incidents or similar events may substantially impact our operations in specific geographic areas, as well as nationally, and it may decrease the use of and demand for advertising, and the attendance at our live events, which may decrease our revenue or expose us to substantial liability. The September 11, 2001 terrorist attacks, for example, caused a nationwide disruption of commercial activities. The occurrence of future terrorist attacks, military actions by the U.S., contagious disease outbreaks or other unforeseen similar events cannot be predicted, and their occurrence can be expected to negatively affect the economies where we do business in general and specifically in the market for advertising. In addition, an act of God or a natural disaster could adversely impact any one or more of the markets where we do business, thereby impacting our business, financial condition and results of operations.

***Capital requirements necessary to operate our business or implement 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 face liquidity problems and could be forced to reduce or delay investments and capital expenditures, adversely impacting our business, financial condition and results of operations. We face competition from other media companies for acquisition opportunities. If the prices sought by sellers of these companies were to rise, we would find fewer acceptable acquisition opportunities. In addition, the purchase price of a possible acquisition could require additional debt or equity financing on our part. Since the terms and availability of this financing depend to a large degree upon general economic conditions and third parties over which we have no control, we can give no assurance that we will obtain the needed financing or that we will obtain such financing on attractive terms. 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.

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

We have a significant amount of indebtedness. As of December 31, 2017, we had \$565.1 million of outstanding indebtedness, net of deferred financing costs of \$6.8 million, with annual interest expense requirements of approximately \$31.0 million. On an as reported basis, interest expense for the year ended December 31, 2017 was \$29.9 million, which represented 59.0% of cash flow from operating activities. 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. 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, execution of our 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 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.

**Risks Related to Governmental Regulation and Legislation**

***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, 2017, our FCC licenses and goodwill comprised approximately 68.9% of our consolidated total assets. The valuation of intangible assets is subjective and based on estimates rather than precise calculations. If actual future results are not consistent with the assumptions and estimates used, we may be exposed to impairment charges in the future. The fair value measurements for both our goodwill and indefinite-lived intangible assets use significant unobservable inputs which reflect our own assumptions about the estimates that market participants would use in measuring fair value including assumptions about risk.

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

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

At December 31, 2017 the Company performed its annual impairment test which resulted in impairment charges of \$2.9 million on its FCC licenses and \$48.9 million on goodwill. Refer to Note 6 for additional information.

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

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. However, 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 and adversely affect our liquidity and financial condition. If any of our FCC licenses are not renewed, it would prevent us from operating the affected radio station and generating revenue from it. Further, the FCC has a general policy restricting the transferability of a radio station license while a renewal application for that radio station is pending. In addition, we must comply with extensive FCC regulations and policies governing the ownership and operation of our radio stations. FCC regulations limit the number of radio stations that a licensee can own in a market, which could restrict our ability to consummate future transactions. The FCC's rules governing our radio station operations impose costs on our operations and changes in those rules could have an adverse effect on our business. The FCC also requires radio stations to comply with certain technical requirements to limit interference between two or more radio stations. If the FCC relaxes these technical requirements, it could impair the signals transmitted by our radio stations and could have a material adverse effect on our business. Moreover, governmental regulations and policies may change over time, and the changes may have a material adverse impact upon our business, financial condition and results of operations. For further details on federal regulation of radio broadcasting, see "Business—Federal Regulation of Radio Broadcasting."

***Proposed legislation requires radio broadcasters to pay royalties to record labels and recording artists.***

Legislation has been introduced that would require radio broadcasters to pay royalties to record labels and performing artists for exhibition or use of the over the air broadcast of their recorded songs. Currently, we pay royalties to song composers and publishers through Broadcast Music, Inc., the American Society of Composers, Authors and Publishers, SESAC, Inc. and Global Music Rights, Inc. The proposed legislation would add an additional layer of royalties to be paid directly to the record labels and artists. It is currently unknown what proposed legislation, if any, will become law, and what significance this royalty would have on our business, financial condition and results of operations.

***We may be adversely affected by the FCC's enforcement of its indecency regulations against the broadcast industry as well as by the increased amounts of the potential fines.***

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 also can impose separate fines for each allegedly indecent "utterance" within radio content. In addition, in 2006 Congress increased the maximum forfeiture for a single indecency violation to \$325,000, with a maximum forfeiture exposure of \$3,000,000 for any continuing violation arising from a single act or failure to act. 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 about whether certain of our radio stations have broadcast indecent content. To the extent these complaints or other proceedings by the FCC result in the imposition of fines, a settlement with the FCC, revocation of any of our radio station licenses or denials of license renewal applications, our business, financial condition and results of operations could be materially adversely affected.

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

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

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

In October 2015, the FCC released a First Report and Order and Further Notice of Proposed Rulemaking titled "Revitalization of AM Radio Service," enacting several modifications to its technical rules for AM radio stations. Included in the order is the elimination of a rule which requires certain AM stations to reduce nighttime interference when seeking to modify their facilities. Also included is a relaxation of the FCC's requirements for AM stations to provide their communities of license with a specific level of signal coverage, with the intended purpose of permitting AM stations to change the locations of their transmitting facilities. As a result of these rule changes, it is possible that some of our stations may experience increased nighttime interference from other stations in connection with facility modifications. It is also possible that stations owned by others and not serving our markets could move into our markets and become new competitors and cause interference to our stations or translators. Another aspect of the FCC's revitalization order is exclusive AM filing windows in 2016 to allow AM stations to move a FM translator up to 250 miles to rebroadcast that AM station's signal, and windows in 2017 and 2018 exclusively for AM stations to apply for a new FM translator construction permit. The filing windows for applications for new FM translators to operate as companions to AM stations were July 26 through August 2, 2017 for certain AM stations and January 18 through January 31, 2018, for certain other AM stations. Although these windows may have the effect of increasing competition from other radio stations in our markets, we cannot predict at this time to what extent, if any, the impact of the new FM translator stations will have on our Company.

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

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

## **Risks Related to Ownership of Our Class A Common Stock**

*As an “emerging growth company” under the JOBS Act we are eligible to take advantage of certain exemptions from various reporting requirements.*

We are an “emerging growth company,” as defined in the JOBS Act, and we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies” including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a non-binding advisory vote of stockholders on executive compensation and stockholder approval of any golden parachute payments not previously approved. Some investors may find our securities less attractive because we may rely on these exemptions. The result may be a less active trading market for our securities and our security prices may be more volatile.

We will remain an “emerging growth company” until the earliest of (i) the last day of the fiscal year following the fifth anniversary of our initial public offering in July 2014, (ii) the last day of the first fiscal year in which our annual gross revenue exceed \$1.07 billion, (iii) the date that we become a “large accelerated filer” as defined in Rule 12b-2 under the Exchange Act, which would occur on the last day of the fiscal year when the market value of our common stock that is held by non-affiliates exceeds \$700 million as of the last business day of our most recently completed second fiscal quarter, or (iv) the date on which we have issued more than \$1 billion in non-convertible debt during the preceding three year period. Assuming we do not surpass one of the financial thresholds in clauses (ii) through (iv) above, our status as an “emerging growth company” will end on December 31, 2019.

*We are classified as a “controlled company” and, as a result, we qualify for, and rely on, exemptions from certain corporate governance requirements of the New York Stock Exchange. You will not have the same protections afforded to stockholders of companies that are subject to such requirements.*

Certain funds managed by Oaktree continue to control a majority of the voting power of our common stock. As a result, we are a “controlled company” within the meaning of the applicable stock exchange corporate governance standards. Under the rules of the New York Stock Exchange (“NYSE”), a company of which more than 50% of the outstanding voting power is held by an individual, group or another company is a “controlled company” and may elect not to comply with certain stock exchange corporate governance requirements, including:

- the requirement that the board of directors have a majority of independent directors;
- the requirement that nominating and corporate governance matters be decided solely by independent directors; and
- the requirement that employee and officer compensation matters be decided solely by independent directors.

We intend to continue to utilize these exemptions. As a result, we may not have a majority of independent directors and our nominating and corporate governance and compensation functions may not be decided solely by independent directors. Accordingly, you would not have the same protections afforded to stockholders of companies that are subject to all of the NYSE corporate governance requirements.

*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 Our Business” and the following:

- 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;
- downgrades by any securities analysts who follow our Class A common stock;
- future sales of our common stock;
- 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.

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

***Our majority stockholder has the ability to control significant corporate activities and our majority stockholder's interests may not coincide with yours.***

Certain funds managed by Oaktree beneficially own approximately 1.6 million shares of our Class A common stock, 2.2 million shares of our Class B common stock and approximately 8.8 million shares of our Class A common stock underlying warrants, which together represent approximately 52.5% of the voting power of our common stock. Pursuant to a Stockholders' Agreement entered into by and between Oaktree, FiveWire Media Ventures LLC ("FiveWire") (an entity formed for the purpose of investing in the Company by certain members of management, including Dhruv Prasad, Steven Price, Stuart Rosenstein and certain other individuals (together, the "FiveWire Holders")) and the FiveWire Holders (the "Stockholders' Agreement"), Oaktree controls approximately 72.4% of the voting power on matters presented to our stockholders. As a result of its ownership, Oaktree, so long as it holds a majority of the voting power on matters presented to our stockholders, will have the ability to control the outcome of matters submitted to a vote of stockholders and, through our Board of Directors, the ability to control decision-making with respect to our business direction and policies. Pursuant to the Stockholders' Agreement, each FiveWire Holder granted to Oaktree an irrevocable proxy to vote their shares of Class B common stock, which shall remain in effect for so long as Oaktree beneficially owns at least 50% of the number of shares of common stock held immediately following our initial public offering. In addition, pursuant to the Stockholders' Agreement, until Oaktree ceases to beneficially own at least 33.3% of the number of shares of common stock held immediately following our initial public offering, Oaktree has the right to designate three directors to our board of directors, each of whom will have, until Oaktree ceases to beneficially own at least 70.0% of the number of shares of common stock held immediately following our initial public offering, two votes on each matter. Matters over which Oaktree, directly or indirectly, exercises control include:

- the election of our board of directors and the appointment and removal of our officers;
- mergers and other business combination transactions, including proposed transactions that would result in our stockholders receiving a premium price for their shares;
- other acquisitions or dispositions of businesses or assets;
- incurrence of indebtedness, the issuance of equity securities, and the declaration of dividends;
- repurchase of stock and payment of dividends; and
- the issuance of shares to management under our equity incentive plans.

Even if the voting power of certain funds managed by Oaktree falls below a majority and those funds no longer have the right to designate directors to our board of directors pursuant to the Stockholders' Agreement, they may continue to be able to strongly influence or effectively control our decisions. Under our certificate of incorporation, Oaktree and its affiliates do not have any obligation to present to us, and Oaktree may separately pursue, corporate opportunities of which they become aware, even if those opportunities are ones that we would have pursued if granted the opportunity.

The interests of Oaktree could conflict with your interests in material respects. Furthermore, Oaktree is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us, as well as businesses that represent major customers of our business. Oaktree may also pursue acquisition opportunities that may be complementary to our business, and as a result, those acquisition opportunities may not be available to us. So long as Oaktree continues to own a significant amount of our outstanding capital stock, they will continue to be able to strongly influence or effectively control our decisions.

***Future sales of our common stock, or the perception in the public markets that these sales may occur, may depress our stock price.***

Sales of substantial amounts of our common stock in the public market, or the perception that these sales could occur, could adversely affect the price of our Class A common stock and could impair our ability to raise capital through the sale of additional shares. As of March 10, 2018 we have 13,837,676 shares of Class A common stock outstanding, outstanding warrants to purchase 8,977,676 shares of Class A common stock, 3,022,484 shares of Class B common stock outstanding and 1,636,341 shares of Class C common stock outstanding. The shares of Class A common stock are freely tradable without restriction under the Securities Act, except for any shares of our Class A common stock that may be held or acquired by our directors, executive officers and other affiliates, as that term is defined in the Securities Act, which are restricted securities under the Securities Act. Restricted securities may not be sold in the public market unless the sale is registered under the Securities Act or an exemption from registration is available.

Holders of approximately 18.8 million shares of our Class A common stock (including shares underlying outstanding warrants and assuming the conversion of all shares of Class B and Class C common stock into shares of Class A common stock, each on a one-for-one basis) have the right to require us to register the sales of their shares under the Securities Act, under the terms of registration agreements between us and the holders of these securities.

In the future, we may also issue our securities in connection with investments or acquisitions. The amount of shares of our common stock issued in connection with an investment or acquisition could constitute a material portion of our then-outstanding shares of our common stock.

***Failure to comply with requirements to design, implement and maintain effective internal controls could have a material adverse effect on our business and stock price.***

We are not required to comply with Section 404(b) of the Sarbanes-Oxley Act for the annual reporting period ended December 31, 2017, and therefore our auditors are not required to make a formal assessment of the effectiveness of our internal controls for that purpose. Being a public company, we have significant requirements for enhanced financial reporting and internal controls. The process of designing and implementing effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company. If we are unable to establish or maintain appropriate internal financial reporting controls and procedures, it could cause us to fail to accurately report our financial results, fail to meet our reporting obligations on a timely basis, result in material misstatements in our Consolidated Financial Statements and harm our operating results. Testing and maintaining internal controls may also divert our management's attention from other matters that are important to our business. We may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act or, if applicable, our independent registered public accounting firm may not issue an unqualified opinion. If either we are unable to conclude that we have effective internal control over financial reporting or, if applicable, our independent registered public accounting firm is unable to provide us with an unqualified report, investors could lose confidence in our reported financial information, which could have a material adverse effect on the trading price of our stock.

Our independent registered public accounting firm will not be required to attest formally to the effectiveness of our internal control over financial reporting until the Annual Report required to be filed with the SEC following the date we are no longer an emerging growth company.

We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal controls in the future.

***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. 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.

***If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.***

The trading market for our Class A common stock depends in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts who covers us downgrades our Class A common stock or publishes inaccurate or unfavorable research about our business or industry, our stock price would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our Class A common stock could decrease, which could cause our stock price and trading volume to decline.

***We have not historically paid any cash dividends, and 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 12, 2018 the Board of Directors approved a dividend of \$0.075 per share. We have not historically paid any cash dividends on shares of our Class A common stock. Any determination to pay dividends in the future will be at the discretion of our Board of Directors and will depend upon results of operations, financial condition, contractual restrictions, including agreements governing our indebtedness, any potential indebtedness we may incur, restrictions imposed by applicable law and other factors our Board of Directors deems relevant. Accordingly, if you purchase shares, realization of a gain on your investment may depend on the appreciation of the price of our Class A common stock, which may never occur.

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

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

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

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

#### **Item 1B. Unresolved Staff Comments**

Not applicable.

**Item 2. Properties**

The types of properties required to support our business include offices, radio station studios as well as transmitter and tower sites. In each of our Local Marketing Solutions 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, 2017, we owned 46 facilities containing broadcast studios and 283 towers in our 67 Local Marketing Solutions 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 spaces in Greenwich, Connecticut and White Plains, New York for our principal corporate offices. 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, ride equipment, certain live event production equipment and general office equipment. Where we do not own necessary equipment, we lease that equipment. In some cases, we lease the equipment in addition to our owned equipment.

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

**Item 3. Legal Proceedings**

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.

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## 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. The initial public offering price for our Class A common stock was \$11.00 per share. The following table sets forth, for the periods indicated, the high and low sales price per share of our Class A common stock as reported on the NYSE.

	<u>High</u>	<u>Low</u>
<b>2016:</b>		
First quarter	\$ 11.95	\$ 8.64
Second quarter	\$ 11.25	\$ 7.30
Third quarter	\$ 9.84	\$ 7.65
Fourth quarter	\$ 10.62	\$ 8.12
<b>2017:</b>		
First quarter	\$ 13.01	\$ 9.48
Second quarter	\$ 12.24	\$ 9.69
Third quarter	\$ 11.63	\$ 9.49
Fourth quarter	\$ 10.50	\$ 7.00

#### Holders

On March 1, 2018 the Company had 170 Class A common stockholders, 8 Class B common stockholders and 2 Class C common stockholders.

#### Dividend Policy

As of December 31, 2017, we did not pay any cash dividends. On March 12, 2018 the Board of Directors approved a dividend of \$0.075 per share. The dividend will be paid to holders of record of our common stock and warrants as of April 2, 2018. The estimated \$2.1 million dividend will be paid on May 15, 2018. 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.

## Securities Authorized for Issuance Under Equity Compensation Plan

The following table summarizes information, as of December 31, 2017, relating to equity compensation plans of the Company (including individual compensation arrangements) pursuant to which equity securities of the Company are authorized for issuance.

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)</b>	<b>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by shareholders	8,544,225	\$9.50	3,407,697
Equity compensation plans not approved by shareholders	N/A	N/A	N/A
<b>Total</b>	<b>8,544,225</b>	<b>\$9.50</b>	<b>3,407,697</b>

## Recent Sale of Unregistered Securities

None.

## Issuer Purchase of Equity Securities

None.

## Performance Graph

Our common stock began trading on the NYSE under the symbol “TSQ” on July 24, 2014. Prior to that time, there was no public market for our common stock.

The following graph compares total shareholder returns for the period July 24, 2014 (the date our Class A common stock commenced trading on the New York Stock Exchange) through December 31, 2017, to the Standard & Poor’s 500 Stock Index (“S&P 500”), the Russell 2000 Index (“Russell 2000”) and a peer group (“Peer Group”) comprised of radio broadcast and media companies (see note (1) below). The price of the Company’s Class A common stock on July 24, 2014 at its initial public offering (on which the graph is based) was \$11.00. The total return calculation set forth below assumes \$100 invested on July 24, 2014, with reinvestment of dividends into additional shares of the same class of securities at the frequency with, and in the amounts on, which dividends were paid on such securities through December 31, 2017. The past shareholder return shown on the following graph is not necessarily indicative of future performance.

**Comparison of Cumulative Total Return**



	July 24, 2014	December 31, 2015	December 31, 2016	December 31, 2017
Townsquare	100.00	108.73	94.64	69.82
S&P 500	100.00	105.98	118.65	144.55
Russell 2000	100.00	100.21	121.56	139.36
Peer Group <sup>(1)</sup>	100.00	55.89	75.90	59.05

(1) The Peer Group consists of the following companies: Cumulus Media Inc., Beasley Broadcast Group, Inc., iHeartmedia, Inc. (formerly Clear Channel Holdings, Inc.), Emmis Communications Corporation, Entercom Communications Corp., Radio One, Inc. and Saga Communications, Inc.

## **Item 6. Selected Financial Data**

The following tables set forth our selected historical consolidated financial information for the five years ended December 31, 2017 . The selected historical financial data for the years ended December 31, 2015 , 2016 and 2017 and as of December 31, 2016 and 2017 have been derived from our audited Consolidated Financial Statements and related notes, which are included elsewhere in this Annual Report on Form 10-K. The selected historical financial data for the years ended December 31, 2013 and 2014 and as of December 31, 2013 , 2014 and 2015 have been derived from our audited Consolidated Financial Statements not included in this Annual Report on Form 10-K.

The following selected historical financial information should be read in conjunction with the sections titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the financial statements and the related notes thereto included elsewhere in this Annual Report.

	Year Ended December 31,				
	2013	2014	2015	2016	2017
<i>(in thousands, except per share data)</i>					
Net revenue	\$ 268,578	\$ 373,892	\$ 441,222	\$ 515,995	\$ 507,434
Operating costs and expenses:					
Direct operating expenses, excluding depreciation, amortization and stock-based compensation	187,148	253,440	317,789	383,994	384,412
Depreciation and amortization	15,189	16,878	17,577	23,971	25,683
Corporate expenses	19,190	24,996	25,458	25,370	25,828
Stock-based compensation <sup>(1)</sup>	—	37,739	4,278	4,253	748
Transaction costs	2,001	217	1,739	844	1,175
Business realignment costs	—	—	—	—	6,204
Goodwill and other intangible impairment charges	—	—	1,680	—	51,848
Change in fair value of contingent consideration	(1,100)	—	—	—	—
Net (gain) loss on sale and retirement of assets	(36)	90	(12,029)	282	397
<b>Total operating costs and expenses</b>	<b>222,392</b>	<b>333,360</b>	<b>356,492</b>	<b>438,714</b>	<b>496,295</b>
<b>Operating income</b>	<b>46,186</b>	<b>40,532</b>	<b>84,730</b>	<b>77,281</b>	<b>11,139</b>
Other expense (income):					
Interest expense, net	35,620	46,502	35,979	34,072	32,753
Impairment on investment	—	—	—	4,236	—
Cancellation and (repurchase) of debt	—	—	30,305	(546)	—
Other expense (income), net	115	111	276	(665)	288
<b>Income (loss) from continuing operations before income taxes</b>	<b>10,451</b>	<b>(6,081)</b>	<b>18,170</b>	<b>40,184</b>	<b>(21,902)</b>
Provision (benefit) from income taxes	340	10,872	7,924	16,982	(13,027)
Net income (loss) from continuing operations	10,111	(16,953)	10,246	23,202	(8,875)
Net income (loss) from discontinued operations, net of income taxes	—	—	—	91	(1,398)
<b>Net income (loss)</b>	<b>\$ 10,111</b>	<b>\$ (16,953)</b>	<b>\$ 10,246</b>	<b>\$ 23,293</b>	<b>\$ (10,273)</b>
<b>Basic income (loss) per share:</b>					
Continuing operations	*	\$ (1.41)	\$ 0.58	\$ 1.28	\$ (0.48)
Discontinued operations	*	—	—	—	(0.08)
		<u>\$ (1.41)</u>	<u>\$ 0.58</u>	<u>\$ 1.28</u>	<u>\$ (0.56)</u>
<b>Diluted income (loss) per share:</b>					
Continuing operations	*	\$ (1.41)	\$ 0.37	\$ 0.85	\$ (0.48)
Discontinued operations	*	—	—	—	(0.08)
		<u>\$ (1.41)</u>	<u>\$ 0.37</u>	<u>\$ 0.85</u>	<u>\$ (0.56)</u>
<b>Pro forma C Corporation data (unaudited)</b>					
<b>Historical income (loss) before income taxes</b>	<b>\$ 10,451</b>	<b>\$ (6,081)</b>	*	*	*
Pro forma income tax expense (benefit)	4,118	(2,396)	*	*	*
<b>Pro forma net income (loss)</b>	<b>\$ 6,333</b>	<b>\$ (3,685)</b>	*	*	*
Pro forma net income (loss) per share:					
Basic	\$ 0.84	\$ (0.31)	*	*	*
Diluted	\$ 0.37	\$ (0.31)	*	*	*
Weighted average shares outstanding:					
	<b>Pro Forma</b>	<b>Pro Forma</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
Basic	7,569	12,013	17,537	18,255	18,459
Diluted	17,078	12,013	27,724	27,313	18,459

<sup>(1)</sup> In connection with the 2014 conversion from a limited liability company to a Delaware corporation, the Company recorded a one-time charge for share-based compensation of \$37.6 million.

	Years Ended December 31,				
	2013	2014	2015	2016	2017
<i>(in thousands, except share and per share data)</i>					
<b>Selected Balance Sheet Data (at end of period):</b>					
Cash	\$ 45,467	\$ 24,462	\$ 33,298	\$ 51,540	\$ 65,295
Working capital	58,486	39,106	41,123	57,475	65,099
Total assets	939,203	937,312	1,060,711	1,080,705	1,056,358
Total debt, including current maturities	653,472	530,040	588,828	571,216	565,142
Stockholders' and Members' equity:					
Class A common stock, par value \$0.01 per share; 300,000,000 shares authorized, 9,946,354, 13,735,690 and 13,819,639 shares issued and outstanding at December 31, 2015, 2016 and 2017	*	95	100	137	138
Class B common stock, par value \$0.01 per share; 50,000,000 shares authorized, 3,022,484 shares issued and outstanding at December 31, 2015, 2016 and 2017	*	30	30	30	30
Class C common stock, par value \$0.01 per share; 50,000,000 shares authorized, 4,894,480, 1,636,341 and 1,636,341 shares issued and outstanding at December 31, 2015, 2016 and 2017	*	49	49	17	17
Additional paid-in capital	—	351,984	361,186	365,434	367,041
Retained earnings (deficit)	234,039	(8,439)	1,391	24,450	13,265
Accumulated other comprehensive income (loss)	—	—	44	(722)	(532)
Noncontrolling interest	492	443	640	705	1,121

\* Does not apply to the period indicated.

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

The following management’s discussion and analysis (“MD&A”) 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 on Form 10-K. 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 on Form 10-K.

We use the term “Transactions” to refer to all material acquisitions and divestitures that were completed from January 1, 2015 to December 31, 2017 . The Transactions are described in more detail in our Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K. We use the term “pro forma” in this section to refer to results that include the Transactions as if they had been completed on January 1, 2015 .

### Discontinued Operations

During the fourth quarter of 2017, we undertook a corporate strategic review of the Company’s operations and concluded the Company should exit certain Entertainment businesses and that two live event verticals, Premium Music and Holiday, would be discontinued. The assets, liabilities and results of operations of these businesses have been reclassified as discontinued operations. Refer to Note 13 in the accompanying Consolidated Financial Statements for additional information.

### Format of Presentation

Townsquare is a radio, digital media, entertainment and digital marketing solutions company, principally focused on being the premier local advertising and marketing solutions platform in small and mid-sized markets across the United States. Our assets include market leading radio stations, live events, and digital, mobile, video and social media properties. Our integrated and diversified product and service offerings, which we refer to as *Townsquare Everywhere* , enable local, regional and national advertisers to target audience engagement across multiple platforms, including on-air, online and at live events. We believe our *Townsquare Everywhere* capabilities, combined with our leading market position in small and mid-sized markets, enable us to generate higher total net revenue per audience member than radio station owners focused on larger markets.

Our discussion is presented on both a consolidated and segment basis. We have two reportable segments, Local Marketing Solutions, which provides broadcast and digital products and solutions to advertisers and businesses within our local markets, and Entertainment, which provides live event experiences and music and lifestyle content directly to consumers, and promotion, advertising and product activations to local and national advertisers.

### Local Marketing Solutions

Our Local Marketing Solutions segment is composed of 317 owned and operated radio stations and over 325 owned and operated local websites serving 67 small and mid-sized markets, a digital marketing solutions company, a digital programmatic advertising platform and an e-commerce product offering. Almost all of our radio stations have local companion websites that utilize the station brands and are populated with original content created or curated by our local media personalities.

Our primary source of Local Marketing Solutions net revenue is the sale of advertising on our radio stations, local companion websites, radio stations’ online streams and mobile applications. Our sales of advertisements are primarily affected by the demand for advertising from local, regional and national advertisers and the advertising rates we charge. Advertising demand and rates are based primarily on our ability to attract audiences to our various products in the demographic groups targeted by advertisers, as measured principally by various services on a periodic basis. We endeavor to develop strong audience loyalty and believe that the diversification of formats on our radio stations and websites helps to insulate our radio stations and websites from the effects of changes in musical tastes of the public with respect to any particular format. We believe that the sale of our online and mobile advertisements, which currently have rates per advertisement that are less than those of terrestrial radio advertisements, has not negatively impacted our terrestrial radio

advertising net revenue. Should a significant and sudden shift in demand for these products toward online and mobile occur, there could be a material adverse impact on our financial condition and results of operations if we are unable to increase rates accordingly. However, we believe that as a result of our strong brands and quality online and mobile offerings we are well positioned to increase rates as demand increases for these products.

Within our Local Marketing Solutions segment we offer digital marketing solutions, on a subscription basis, to small and mid-sized local and regional businesses in small and mid-sized markets across the United States, including the markets in which we operate radio stations. Our digital marketing solutions, offered under the brand name Townsquare Interactive, include traditional and mobile-enabled website development and hosting services, e-commerce platforms, search engine and online directory optimization services, online reputation management and social media management.

We strive to maximize Local Marketing Solutions net revenue by managing our advertising inventory time 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, mobile applications and the programming format of a particular radio station. Each of our advertising products has a general target level of available inventory. We seek to broaden our base of advertisers in each of our markets by providing a wide array of audience demographic segments across our platforms, thereby providing each of our potential advertisers with an effective means of reaching a targeted demographic group.

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

Our Local Marketing Solutions 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. Barter revenue was \$16.4 million, \$24.4 million and \$27.7 million for the years ended December 31, 2015, 2016 and 2017, respectively. Barter expense was \$14.2 million, \$14.7 million and \$15.9 million for the years ended December 31, 2015, 2016 and 2017, respectively.

Other sources of revenue within our Local Marketing Solutions segment include tower and other miscellaneous revenue. We generate revenue from leasing space on our owned tower facilities to communications companies and local authorities, as well as from other miscellaneous revenue sources. As a result of the September 1, 2015 sale of 43 towers (see Note 5 of the Notes to the Consolidated Financial Statements), tower lease revenue is no longer a significant contributor to other revenue.

Our most significant Local Marketing Solutions expenses are sales, 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 Local Marketing Solutions expenses are variable. These variable expenses primarily relate to sales costs, such as commissions, as well as certain programming costs, such as music license fees. 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.

### ***Entertainment***

Our Entertainment segment is composed of a diverse range of live events, which we create, promote and produce. This includes festivals, fairs, concerts, expositions and other experiential events within and beyond our markets. It is also composed of music and lifestyle content that is distributed through our owned, operated and affiliated national websites.

Our primary source of Entertainment net revenue is from ticket sales for our live events. Our live events also generate substantial net revenue through the sale of sponsorships, ride tickets, food and other concessions, merchandise and other ancillary products and services. Live event ticket pricing is based on consumer demand for each event and the

geographic location and target audience demographic of each event. Unforeseen events such as inclement weather conditions can have an adverse impact on our Entertainment net revenue. In certain cases, we mitigate this risk with insurance policies, which cover a portion of lost revenue as a result of unforeseen events including inclement weather.

Another source of Entertainment net revenue is national digital advertising, primarily display advertisements on our owned and operated music and entertainment websites. Our national digital assets are subject to general advertising trends as well as advertisers' perception and demand for our products. A downturn in advertising spending or the economy could have an adverse effect on this net revenue.

Certain expenses in our Entertainment segment are variable, including sales commissions, certain costs related to production and certain revenue sharing agreements with partners. A portion of our revenue and expenses related to our NAME operations are denominated in Canadian dollars and expose us to translational foreign currency risk. We have not historically hedged our exposure to this risk.

### **Seasonality**

Our net revenue varies throughout the year. 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, and the second and third calendar quarters will generally produce the highest net revenue for the year. 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. In addition to advertising revenue seasonality, our Entertainment net revenue exhibits seasonality resulting in the third quarter being the highest revenue period, followed by the second, then fourth, then first quarter. Large drivers of this seasonality are our multi-day music festivals and NAME's revenue which is concentrated in the third 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**

Our advertising revenue for our businesses is highly correlated to changes in gross domestic product ("GDP") as advertising spending 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 February 28, 2018, U.S. GDP growth for the year ended December 31, 2017 was 2.3%.

### **Emerging Growth Company**

The Company is an "emerging growth company," as defined in the JOBS Act, and may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, and exemptions from the requirements of Sections 14A(a) and (b) of the Securities Exchange Act to hold a non-binding advisory vote of stockholders on executive compensation and any golden parachute payments not previously approved.

## **Executive Summary**

The key developments in our business for the year ended December 31, 2017 as compared to 2016 are summarized below:

- 2017 net revenue decreased \$8.6 million , or 1.7% .
  - Local Marketing Solutions net revenue increased \$6.5 million , or 1.9% .
  - Entertainment net revenue decreased \$15.0 million , or 8.6% .

## Consolidated Results of Operations

### Year Ended December 31, 2016 compared to Year Ended December 31, 2017

The following table summarizes our historical consolidated results of operations:

(\$ in thousands)	Year Ended December 31,			
	2016	2017	\$ Change	% Change
<b>Statement of Operations Data:</b>				
Local Marketing Solutions net revenue	\$ 342,191	\$ 348,660	\$ 6,469	1.9 %
Entertainment net revenue	173,804	158,774	(15,030)	(8.6)%
<b>Net revenue</b>	<b>515,995</b>	<b>507,434</b>	<b>(8,561)</b>	<b>(1.7)%</b>
Operating costs and expenses:				
Local Marketing Solutions direct operating expenses	223,286	234,524	11,238	5.0 %
Entertainment direct operating expenses	160,708	149,888	(10,820)	(6.7)%
<b>Direct operating expenses, excluding depreciation, amortization and stock-based compensation</b>	<b>383,994</b>	<b>384,412</b>	<b>418</b>	<b>0.1 %</b>
Depreciation and amortization	23,971	25,683	1,712	7.1 %
Corporate expenses	25,370	25,828	458	1.8 %
Stock-based compensation	4,253	748	(3,505)	(82.4)%
Transaction costs	844	1,175	331	39.2 %
Business realignment costs	—	6,204	6,204	100 %
Goodwill and other intangible impairment charges	—	51,848	51,848	100 %
Net loss on sale and retirement of assets	282	397	115	40.8 %
<b>Total operating costs and expenses</b>	<b>438,714</b>	<b>496,295</b>	<b>57,581</b>	<b>13.1 %</b>
<b>Operating income</b>	<b>77,281</b>	<b>11,139</b>	<b>(66,142)</b>	<b>(85.6)%</b>
Other expense (income):				
Interest expense, net	34,072	32,753	(1,319)	(3.9)%
Impairment on investment	4,236	—	(4,236)	(100)%
Repurchase of debt	(546)	—	546	100 %
Other (income) expense, net	(665)	288	953	(143.3)%
<b>Total other expense</b>	<b>37,097</b>	<b>33,041</b>	<b>(4,056)</b>	<b>(10.9)%</b>
Income (loss) from continuing operations before income taxes	40,184	(21,902)	(62,086)	(154.5)%
Provision (benefit) from income taxes	16,982	(13,027)	(30,009)	(176.7)%
Net income (loss) from continuing operations	23,202	(8,875)	(32,077)	(138.3)%
Net income (loss) from discontinued operations, net of income taxes	91	(1,398)	(1,489)	**
<b>Net income (loss)</b>	<b>\$ 23,293</b>	<b>\$ (10,273)</b>	<b>\$ (33,566)</b>	<b>(144.1)%</b>

\*\*Percent change not meaningful.

#### Net Revenue

Net revenue for the year ended December 31, 2017 decreased by \$8.6 million, or 1.7%, as compared to 2016. The decrease was driven primarily by a decrease in Entertainment net revenue of \$15.0 million partially offset by an increase in Local Marketing Solutions net revenue of \$6.5 million.

Local Marketing Solutions net revenue for the year ended December 31, 2017 increased \$6.5 million or 1.9%, as compared to 2016. The increase was driven by an increase in non-political net revenue of \$13.1 million partially offset by a decrease in political net revenue of \$6.6 million.

Entertainment net revenue for the year ended December 31, 2017 decreased \$15.0 million or 8.6%, as compared to 2016. The decrease was a result of revenue declines in our national digital business and certain live events.

### *Direct Operating Expenses*

Direct operating expenses for the year ended December 31, 2017 increased by \$0.4 million, or 0.1%, as compared to 2016. The increase was driven by an increase in Local Marketing Solutions direct operating expenses of \$11.2 million, partially offset by a decrease in Entertainment direct operating expenses of \$10.8 million.

Local Marketing Solutions direct operating expenses for the year ended December 31, 2017 increased \$11.2 million, or 5.0%, as compared to 2016. The increase was primarily a result of higher costs in headcount-related expenses including salaries, sales commissions and benefits, to support growth within our digital businesses.

Entertainment direct operating expenses for the year ended December 31, 2017 decreased \$10.8 million, or 6.7%, as compared to 2016. This decrease was primarily related to a decrease in variable costs associated with the aforementioned revenue declines, partially offset by higher costs at our NAME business.

### *Depreciation and Amortization*

Depreciation and amortization expense for the year ended December 31, 2017 increased \$1.7 million, or 7.1%, as compared to 2016 primarily related to an increase in amortization of capitalized software development costs.

### *Corporate Expenses*

Corporate expenses for the year ended December 31, 2017 increased \$0.5 million, or 1.8%, as compared to 2016 primarily related to additional installation and training costs related to the transition of our local traffic and billing system.

### *Stock-based Compensation*

Stock-based compensation expense for the year ended December 31, 2017 decreased \$3.5 million as compared to 2016. The decrease primarily relates to a one-time \$3.4 million stock option repricing expense in the fourth quarter of 2016 that was not repeated in 2017.

### *Transaction Costs*

Transaction costs for the year ended December 31, 2017 were \$1.2 million as compared to \$0.8 million in 2016.

### *Business Realignment Costs*

Business realignment costs of \$6.2 million in 2017 represent the costs associated with discontinuing two music festivals and streamlining the operations of our national digital business and certain live event verticals.

### *Goodwill and Other Intangible Impairment Charges*

Based on the results of the Company's 2017 annual impairment evaluations, the Company recorded impairment charges aggregating \$51.8 million. For the year ended December 31, 2017, \$48.9 million of the impairment pertained to goodwill in our Entertainment segment, which was recorded in connection with our strategic review and restructuring of that segment, and \$2.9 million of the impairment pertained to FCC licenses in our Rochester and Wichita Falls markets. No such impairment was recorded in 2016.

### *Net Loss on Sale and Retirement of Assets*

Net loss on sale and retirement of assets for the year ended December 31, 2017, increased \$0.1 million, as compared to 2016. The net loss in 2017 primarily relates to retirement of certain assets. The net loss in 2016 was primarily comprised of a \$1.0 million loss on the sale of certain live events, which was partially offset by a \$0.8 million gain from an earnout payment related to the sale of certain towers.

### *Impairment on Investment*

During the year ended December 31, 2016, there was objective evidence to indicate certain events had adversely impacted estimated future cash flows for one of our investments and as a result we recorded a \$4.2 million impairment charge for the year ended December 31, 2016. No such impairment was recorded in 2017.

### *Other Expense (Income)*

Interest expense, net is the major recurring component of other expense (income). Interest expense, net decreased \$1.3 million, or 3.9%, in the year ended December 31, 2017 as compared to 2016. This decrease was primarily due to the repayment of debt in 2016 and 2017, and a decrease in interest rate as a result of the repricing of our Term Loans in 2017.

The following table illustrates the components of our interest expense, net for the periods indicated.

	Year Ended December 31,	
	2016	2017
<i>(in thousands)</i>		
Unsecured Senior Notes	\$ 18,836	\$ 18,199
Term Loans	13,238	12,816
Capital leases and other	42	9
Loan origination cost	1,956	1,729
<b>Interest expense, net</b>	<b>\$ 34,072</b>	<b>\$ 32,753</b>

*Provision (Benefit) from Income Taxes*

The income tax benefit for the year ended December 31, 2017 was \$13.0 million at an effective tax rate of approximately 59.5% compared to an income tax provision of \$17.0 million at an effective tax rate of approximately 42.2% for the year ended December 31, 2016. Our effective tax rate may vary significantly from year to year 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, certain expenses that are not deductible for tax purposes and changes in the valuation of deferred tax assets and liabilities. The effective tax rate for the year ended December 31, 2017 reflects a \$19.1 million benefit primarily due to a change in the federal tax rate from 35% to 21% under the Tax Cuts and Jobs Act and a \$13.9 million expense for nondeductible goodwill impairment. The difference between the effective tax rate and the federal statutory rate of 35% for the year ended December 31, 2017 primarily relates to state, local and foreign income taxes.

*Net income (loss) from Discontinued Operations, net of income taxes*

During the year ended December 31, 2017, we discontinued the operations of two live event verticals, Premium Music and Holiday. The operations and related expenses of these verticals are presented as net income (loss) from discontinued operations. Net income from discontinued operations was \$0.1 million for the year ended December 31, 2016 and a net loss of \$1.4 million for the year ended December 31, 2017.

**Year Ended December 31, 2015 compared to Year Ended December 31, 2016**

The following table summarizes our historical consolidated results of operations:

(\$ in thousands)	Year Ended December 31,		\$ Change	% Change
	2015	2016		
<b>Statement of Operations Data:</b>				
Local Marketing Solutions net revenue	\$ 326,646	\$ 342,191	\$ 15,545	4.8 %
Entertainment net revenue	114,576	173,804	59,228	51.7 %
<b>Net revenue</b>	<b>441,222</b>	<b>515,995</b>	<b>74,773</b>	<b>16.9 %</b>
Operating costs and expenses:				
Local Marketing Solutions direct operating expenses	212,110	223,286	11,176	5.3 %
Entertainment direct operating expenses	105,679	160,708	55,029	52.1 %
<b>Direct operating expenses, excluding depreciation, amortization and stock-based compensation</b>	<b>317,789</b>	<b>383,994</b>	<b>66,205</b>	<b>20.8 %</b>
Depreciation and amortization	17,577	23,971	6,394	36.4 %
Corporate expenses	25,458	25,370	(88)	(0.3)%
Stock-based compensation	4,278	4,253	(25)	(0.6)%
Transaction costs	1,739	844	(895)	(51.5)%
Goodwill and other intangible impairment charges	1,680	—	(1,680)	(100)%
Net (gain) loss on sale and retirement of assets	(12,029)	282	12,311	**
<b>Total operating costs and expenses</b>	<b>356,492</b>	<b>438,714</b>	<b>82,222</b>	<b>23.1 %</b>
<b>Operating income</b>	<b>84,730</b>	<b>77,281</b>	<b>(7,449)</b>	<b>(8.8)%</b>
Other expense (income):				
Interest expense, net	35,979	34,072	(1,907)	(5.3)%
Impairment on investment	—	4,236	4,236	**
Cancellation and (repurchase) of debt	30,305	(546)	(30,851)	**
Other expense (income), net	276	(665)	(941)	**
<b>Total other expense</b>	<b>66,560</b>	<b>37,097</b>	<b>(29,463)</b>	<b>(44.3)%</b>
Income from continuing operations before income taxes	18,170	40,184	22,014	121.2 %
Provision for income taxes	7,924	16,982	9,058	114.3 %
Net income from continuing operations	10,246	23,202	12,956	126.4 %
Net income from discontinued operations, net of income taxes	—	91	91	**
<b>Net income</b>	<b>\$ 10,246</b>	<b>\$ 23,293</b>	<b>\$ 13,047</b>	<b>127.3 %</b>

\*\*Percent change not meaningful.

*Net Revenue*

Net revenue for the year ended December 31, 2016 increased by \$74.8 million, or 16.9%, as compared to 2015. The increase was driven by increases in Local Marketing Solutions net revenue of \$15.5 million and Entertainment net revenue of \$59.2 million.

Local Marketing Solutions net revenue for the year ended December 31, 2016 increased \$15.5 million or 4.8%, as compared to 2015. The increase was driven by an increase in political net revenue of \$6.1 million and non-political net revenue of \$9.4 million.

Entertainment net revenue for the year ended December 31, 2016 increased \$59.2 million or 51.7%, as compared to 2015. The increase was driven by \$63.1 million of growth from the acquisition of NAME on September 1, 2015, including its subsequent performance from the date of acquisition, offset by a decrease of \$3.9 million from our existing business.

### *Direct Operating Expenses*

Direct operating expenses for the year ended December 31, 2016 increased by \$66.2 million, or 20.8%, as compared to 2015. The increase was driven by increases in Local Marketing Solutions direct operating expenses of \$11.2 million and Entertainment direct operating expenses of \$55.0 million.

Local Marketing Solutions direct operating expenses for the year ended December 31, 2016 increased \$11.2 million, or 5.3%, as compared to 2015. The increase was primarily a result of (i) higher costs in headcount-related expenses including salaries and benefits, to support the growth of our digital marketing solutions offering and (ii) increases in costs associated with a new product which launched in the second half of 2015.

Entertainment direct operating expenses for the year ended December 31, 2016 increased \$55.0 million, or 52.1%, as compared to 2015. The increase in Entertainment direct operating expenses was primarily related to NAME, which we acquired on September 1, 2015.

### *Depreciation and Amortization*

Depreciation and amortization expense for the year ended December 31, 2016 increased \$6.4 million, or 36.4%, as compared to 2015 primarily related to depreciation on property and equipment acquired through the acquisition of NAME and amortization of capitalized software development costs.

### *Corporate Expenses*

Corporate expenses were approximately flat for the year ended December 31, 2016 as compared to 2015.

### *Stock-based Compensation*

Stock-based compensation expense was approximately flat for the year ended December 31, 2016 as compared to 2015. The stock-based compensation expense in 2016 was related to (i) the grant of stock options in the first quarter that vest over a period of four years and (ii) a one-time \$3.4 million stock option repricing expense in the fourth quarter. The stock-based compensation expense in 2015 was related to a stock option grant that provided for immediate vesting.

### *Transaction Costs*

Transaction costs for the year ended December 31, 2016 were \$0.8 million as compared to \$1.7 million in 2015. The fluctuation in transaction costs primarily relates to costs associated with the NAME acquisition, which closed on September 1, 2015.

### *Goodwill and Other Intangible Impairment Charges*

Based on the results of the Company's 2015 annual impairment evaluations, the Company recorded impairment charges aggregating \$1.7 million pertaining to FCC licenses in our Quad Cities and Grand Junction markets in the year ended December 31, 2015. No such impairment was recorded in 2016.

### *Net (Gain) Loss on Sale and Retirement of Assets*

Net (gain) loss on sale and retirement of assets for the year ended December 31, 2016, increased \$12.3 million, as compared to 2015. The net gain in 2015 primarily resulted from the Tower Sale. The net loss in 2016 was primarily composed of a \$1.0 million loss on the sale of certain live events, which was partially offset by a \$0.8 million gain from earn-out payments related to the Tower Sale.

### *Impairment on Investment*

During the year ended December 31, 2016, there was objective evidence to indicate certain events had adversely impacted estimated future cash flows for one of our investments and as a result we recorded a \$4.2 million impairment charge for the year ended December 31, 2016. No such impairment was recorded in 2015.

### *Other Expense (Income)*

Interest expense, net is the major recurring component of other expense (income). Interest expense, net decreased \$1.9 million, or 5.3%, in the year ended December 31, 2016 as compared to 2015, primarily due to the refinancing of our outstanding indebtedness at more favorable rates on April 1, 2015, and the repayment of debt in 2016.

On April 1, 2015, the Company issued \$300.0 million of 6.5% Unsecured Senior Notes due in 2023 (the "2023 Notes") and entered into a Senior Secured Credit Facility, including a seven year, \$275.0 million term loan facility (the "Term Loans") and a five year, \$50.0 million revolving credit facility (the "Revolver" and together with the Term Loans, the "Senior Secured Credit Facility"). The proceeds from the 2023 Notes and Term Loans were used to repay substantially all of our previous long-term borrowings. We recognized a \$30.0 million net loss on debt extinguishment in connection with these repayments. See "Liquidity and Capital Resources" for information on the recent repricing of our Senior Secured Credit Facility.

The following table illustrates the components of our interest expense, net for the periods indicated.

	Year Ended December 31,	
	2015	2016
<i>(in thousands)</i>		
Unsecured Senior Notes	\$ 23,447	\$ 18,836
Term Loans	10,757	13,238
Capital leases and other	55	42
Loan origination cost	1,720	1,956
<b>Interest expense, net</b>	<b>\$ 35,979</b>	<b>\$ 34,072</b>

#### Provision for Income Taxes

The income tax provision for the year ended December 31, 2016 was \$17.0 million at an effective tax rate of approximately 42.2% compared to \$7.9 million at an effective tax rate of approximately 43.6% for the year ended December 31, 2015. Our effective tax rate may vary significantly from year to year, 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 35% for the year ended December 31, 2016 primarily relates to state, local and foreign income taxes.

#### Net Income from Discontinued Operations, net of income taxes

During the year ended December 31, 2017, we discontinued the operations of Premium Music and Holiday. The operations and related expenses of these verticals are presented as net income (loss) from discontinued operations. Net income from discontinued operations was \$0.1 million during the year ended December 31, 2016. There were no discontinued operations in 2015.

#### Supplemental Pro Forma Net Revenue

For comparative purposes and to enable the reader to adequately compare prior year results with current year results, the following discussion and tables present net revenue for Townsquare, pro forma for the Transactions disclosed in more detail in our Consolidated Financial Statements contained elsewhere in this Annual Report on Form 10-K. The following tables present our pro forma results, which include the results of acquisitions and exclude the results of divestitures prior to the transaction dates. Also provided are constant currency adjustments which aim to normalize the effect of fluctuations in the Canadian-US dollar exchange rate, and its effect on our Canadian-based NAME business over time.

The following table summarizes our pro forma, constant currency net revenue for the years ended December 31, 2016 and 2017:

	Year Ended December 31,		\$	%	Constant Currency Year Ended December 31,		\$	%
	2016	2017			2016 (1)	2017		
<i>(\$ in thousands)</i>			Change	Change			Change	Change
Local Marketing Solutions net revenue	\$ 342,191	\$ 348,660	\$ 6,469	1.9 %	\$ 342,191	\$ 348,660	\$ 6,469	1.9 %
Entertainment net revenue	173,804	158,774	(15,030)	(8.6)%	174,497	158,774	(15,723)	(9.0)%
<b>Net revenue</b>	<b>\$ 515,995</b>	<b>\$ 507,434</b>	<b>\$ (8,561)</b>	<b>(1.7)%</b>	<b>\$ 516,688</b>	<b>\$ 507,434</b>	<b>\$ (9,254)</b>	<b>(1.8)%</b>

(1) 2016 constant currency adjustment was calculated using prevailing 2017 rates.

On a pro forma consolidated basis, net revenue for the year ended December 31, 2017 decreased by \$8.6 million, or 1.7%, as compared to 2016. The decrease resulted from a decrease in Entertainment net revenue of \$15.0 million or 8.6%, offset by an increase of \$6.5 million, or 1.9%, in Local Marketing Solutions net revenue. Adjusted for the effects of fluctuations in the Canadian dollar to U.S. dollar exchange rate, net revenue for the year ended December 31, 2016 decreased by \$9.3 million, or 1.8%.

The increase in Local Marketing Solutions net revenue was driven by an increase in non-political net revenue of \$13.1 million partially offset by a decrease in political net revenue of \$6.6 million.

The decrease in Entertainment net revenue was primarily the result of declines in revenue in our national digital business and certain live events. On a constant currency basis, Entertainment net revenue decreased by \$15.7 million, or 9.0%, as compared to \$15 million, the difference attributable to changes in the Canadian dollar to U.S. dollar exchange rate.

The following table summarizes our pro forma, constant currency net revenue for the years ended December 31, 2015 and 2016:

(\$ in thousands)	Year Ended December 31,		\$	%	Constant Currency Year Ended December 31,		\$	%
	2015	2016	Change	Change	2015 <sup>(1)</sup>	2016 <sup>(1)</sup>	Change	Change
Local Marketing Solutions net revenue	\$ 325,685	\$ 342,191	\$ 16,506	5.1 %	\$ 325,685	\$ 342,191	\$ 16,506	5.1 %
Entertainment net revenue	176,237	173,804	(2,433)	(1.4)%	176,783	174,497	(2,286)	(1.3)%
<b>Net revenue</b>	<b>\$ 501,922</b>	<b>\$ 515,995</b>	<b>\$ 14,073</b>	<b>2.8 %</b>	<b>\$ 502,468</b>	<b>\$ 516,688</b>	<b>\$ 14,220</b>	<b>2.8 %</b>

(1) 2015 and 2016 constant currency adjustments were calculated using prevailing 2017 rates.

On a pro forma consolidated basis, net revenue for the year ended December 31, 2016 increased by \$14.1 million , or 2.8% , as compared to 2015. The increase resulted from an increase of \$16.5 million, or 5.1%, in Local Marketing Solutions net revenue, offset by a decrease in Entertainment net revenue of \$2.4 million or 1.4% . Adjusted for the effects of fluctuations in the Canadian dollar to U.S. dollar exchange rate, net revenue for the year ended December 31, 2016 increased by \$14.2 million , or 2.8% .

The increase in Local Marketing Solutions net revenue was driven by an increase in political net revenue of \$6.1 million and non-political net revenue of \$10.4 million.

The decrease in Entertainment net revenue was primarily the result of inclement weather, specifically for our NAME events, and reduced revenue from our music festivals. On a constant currency basis, Entertainment net revenue decreased by \$2.3 million , or 1.3% , the difference attributable to changes in the Canadian dollar to U.S. dollar exchange rate.

### Liquidity and Capital Resources

(\$ in thousands)	Year Ended December 31,		
	2015	2016	2017
Cash	\$ 33,298	\$ 51,540	\$ 65,295
Cash provided by operating activities	25,943	59,797	50,684
Cash used in investing activities	(71,777)	(20,963)	(28,930)
Cash provided by (used in) financing activities	54,431	(19,715)	(7,954)
Net effect of foreign currency exchange rate changes	239	(877)	(45)
<b>Net increase in cash and restricted cash</b>	<b>\$ 8,836</b>	<b>\$ 18,242</b>	<b>\$ 13,755</b>

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, together with funds available under our revolving credit facility, will enable us to meet our working capital, capital expenditures, debt service, dividend and other funding requirements for at least one year from the date of this report. As of December 31, 2017 , we had \$565.1 million of outstanding indebtedness, net of deferred financing costs of \$6.8 million , and based on interest rates in effect as of that date, we expect our debt service requirements to be approximately \$40.5 million including the required excess cash flow payment, over the next twelve months. As of December 31, 2017 , we will be required to make an excess cash flow payment on the outstanding Term Loans of \$9.5 million in the first quarter of 2018. In addition, as of December 31, 2017 , we had \$65.3 million of cash and restricted cash, \$61.7 million of receivables from customers, which historically have had an average collection cycle of approximately 45 days and \$50.0 million of available borrowing capacity under our revolving credit facility. We had restricted cash of \$0.9 million as of December 31, 2016 and 2017, respectively, included within cash, that was held as collateral in connection with certain agreements. From time to time, such restricted funds could be returned to us or we could be required to pledge additional cash.

Our anticipated uses of cash in the near term include working capital needs, debt payments, dividend payments, other obligations, and capital expenditures. However, our ability to fund our working capital needs, debt payments, dividend 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.

Additionally, on a continuing basis, we evaluate and consider strategic acquisitions and divestitures to enhance our strategic and competitive position as well as our financial performance. Any future acquisitions, joint ventures or other similar transactions will likely require additional capital, which may not be available to us on acceptable terms, if at all.

We closely monitor the impact of capital and credit market conditions on our liquidity as related to our floating rate debt. We also routinely monitor the changes in the financial condition of our customers and the potential impact on our results of operations.

### ***Operating Activities***

Net cash provided by operating activities decreased \$9.1 million for the year ended December 31, 2017 to \$50.7 million . This decrease was primarily due to a decrease in net revenue and an increase in benefit from income taxes partially offset by impairment of goodwill and FCC licenses.

Net cash provided by operating activities increased \$33.9 million for the year ended December 31, 2016 to \$59.8 million . This increase was primarily due to a one-time cash payment of \$27.7 million made on April 1, 2015 to lenders for the redemption of the Unsecured Senior Notes due 2019, that was not repeated in 2016. In addition, cash provided by operating activities increased due to lower cash interest expense payments in 2016 as compared to 2015.

### ***Investing Activities***

Our investing activities primarily relate to payments made for capital expenditures and acquisitions consistent with our strategy to prudently invest in market leading properties. Cash used in investing activities for the years ended December 31, 2015 , 2016 and 2017 was \$71.8 million , \$21.0 million and \$28.9 million , respectively. Cash used in investing activities related to capital expenditures for the years ended December 31, 2015 , 2016 and 2017 was \$14.7 million , \$20.7 million and \$22.8 million , respectively. Cash used in investing activities related to acquisitions for the years ended December 31, 2015 , 2016 and 2017 was \$76.2 million , \$2.2 million and \$5.5 million , respectively. Cash used in investing activities has been partially offset by proceeds from the sale of assets for the years ended December 31, 2015 , 2016 and 2017 of \$19.1 million , \$1.7 million and \$1.1 million , respectively.

### ***Financing Activities***

Cash flows used in financing activities in 2017 were \$8.0 million and primarily consisted of a \$6.7 million excess cash flow payment on Term Loans.

Cash flows used in financing activities in 2016 were \$19.7 million and primarily consisted of \$19.4 million of voluntary payments made to repurchase and cancel our 2023 Notes outstanding at a market price below par, plus accrued interest.

Cash flows provided by financing activities in 2015 were \$54.4 million , and primarily consisted of \$620.0 million of proceeds from our new long-term borrowing arrangements, partially offset by \$553.6 million of repayments of our existing debt and \$11.4 million of costs related to debt financing.

### ***Financing Arrangements***

On April 1, 2015, the Company issued \$300.0 million of 6.5% Unsecured Senior Notes due in 2023 and entered into a Senior Secured Credit Facility, including a seven year, \$275.0 million term loan facility and a five year, \$50.0 million revolving credit facility. On September 1, 2015, the Company issued incremental term loans of \$45.0 million under the Senior Secured Credit Facility.

On February 8, 2017, the Company amended its Senior Secured Credit Facility agreement to reduce the applicable interest rate on its Term Loan. Under the amended Term Loan, the applicable margin was reduced by 25 basis points to 300 basis points, bringing the interest rate to LIBOR plus 3.00% from LIBOR plus 3.25%. The LIBOR floor of 1.00% remained unchanged. As of December 31, 2017, LIBOR increased to 1.42% bringing the interest rate to 4.42%. All other terms of the Senior Secured Credit Facility agreement remain substantially unchanged. The Revolver has an interest rate based either on LIBOR and an applicable margin of 250 basis points, or an alternative base rate and an applicable margin of 150 basis points. The Company paid \$0.4 million of deferred financing costs in connection with this repricing.

On March 20, 2017, the Company made an excess cash flow payment on the outstanding Term Loans of \$6.7 million and recognized an expense of \$0.1 million on the accelerated depreciation of unamortized deferred financing costs in the first quarter of 2017.

As of December 31, 2017, the Company had \$291.9 million of Term Loan borrowings, and no outstanding borrowings under the Revolver. As of December 31, 2017, the Company is in compliance with all terms and covenants of its borrowing arrangements, and has \$50 million of revolving credit availability under the Senior Secured Credit Facility.

We have historically serviced our debt obligations from funds generated by operating activities. We believe that our cash balance, together with our remaining capacity under the Revolver and cash generated by operating activities, will be sufficient to fund our operations, service our debt obligations and pursue our strategy for one year from the date of this report.

## Contractual Obligations and Commitments

The below table reflects our estimated contractual obligations and other commercial commitments as of December 31, 2017 .

<i>(in thousands)</i>	Payments due by period				
	2018	2019-2020	2021-2022	Thereafter	Total
2023 Notes	\$ —	\$ —	\$ —	\$ 280,079	\$ 280,079
Term Loans <sup>(1)</sup>	9,519	—	282,332	—	291,851
Capitalized obligations	5	10	—	—	15
Interest payments <sup>(2)</sup>	30,971	61,765	52,192	9,103	154,031
Significant contracts <sup>(3)</sup>	14,381	26,759	11,841	3,859	56,840
Operating leases	10,185	15,369	8,907	14,310	48,771
<b>Total contractual cash obligations</b>	<b>\$ 65,061</b>	<b>\$ 103,903</b>	<b>\$ 355,272</b>	<b>\$ 307,351</b>	<b>\$ 831,587</b>

(1) Includes excess cash flow payment on the Term Loans to be paid in the first quarter of 2018.

(2) The interest amounts relate to our 2023 Notes and Senior Secured Credit Facility and represent an annual amount estimated based on interest rates in effect as of December 31, 2017 .

(3) Significant contracts relate to our agreements with Nielsen, the radio broadcast industry's principal ratings service, other broadcast service products and unconditional fee obligations which result from our advance commitments to provide rides, games and concessions at certain fairs.

## Off-Balance Sheet Arrangements

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

## Impact of Inflation

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

## Critical Accounting Policies and Estimates

The preparation of our Consolidated Financial Statements requires management to make estimates that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosures of contingent items. Actual results could differ significantly from those estimates. The following discussion addresses our critical accounting policies. These policies are important to the presentation of our operating results and financial position and require significant judgment or the use of estimates.

### Revenue Recognition

We recognize broadcast revenue for commercial broadcasting advertisements when the commercial is broadcast. We report revenue net of agency commissions. We calculate agency commissions based on a stated percentage applied to gross billing revenue for advertisers that use agencies. We recognize live event revenue and other non-broadcast advertising revenue as events are conducted. We derive internet revenue primarily from the sale of internet-based advertising campaigns to local and national advertisers and we recognize it over the duration of the campaigns.

We adopted the new accounting guidance regarding revenue from contracts with customers on January 1, 2018 using the modified retrospective approach (refer to Note 2). Adoption of the guidance will not have a material impact on our financial statements.

### ***Allowance for Doubtful Accounts***

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

### ***Acquisitions and Business Combinations***

We account for our business acquisitions under the purchase method of accounting in accordance with ASC, Business Combination Topic 805. 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. 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 in the Company's Consolidated Balance Sheets related to acquired liabilities and qualifying restructuring costs and contingencies based on assumptions made at the time of acquisition. We evaluate these reserves on a regular basis to determine the adequacies of the amounts.

ASC, Business Combination Topic 805 requires an acquiring entity to recognize all the assets acquired and liabilities assumed in a transaction at the acquisition date's fair value with limited exceptions and changes in the accounting treatment for certain specific items, including:

- acquisition costs are generally expensed as incurred;
- noncontrolling interests (previously referred to as "minority interests") are valued at fair value at the acquisition date; and
- restructuring costs associated with a business combination are generally expensed subsequent to the acquisition date.

### ***Intangible Assets***

We consider our FCC licenses to be indefinite lived intangibles. We evaluate our FCC licenses for impairment annually or more frequently if events or changes in circumstances indicate that the assets might be impaired. We evaluate the fair value of our FCC licenses at the unit of account level and have determined that the geographic market is the appropriate unit of accounting. We determine the fair value of our FCC licenses using an income-based approach.

We evaluate our goodwill for impairment at least on an annual basis, or when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. During our evaluation we determined that there were indicators of impairment present, see Footnote 6.

### ***Stock-based Compensation***

We measure and recognize stock-based compensation expense related to stock-based transactions, including employee awards, in the Consolidated Financial Statements based on the fair value of the award on the grant date. We estimate the fair value of option awards using the Black-Scholes option-pricing model. This model requires assumptions including the fair value of our common stock, expected volatility, expected term of the award, expected dividend yield and risk-free interest rate. Stock-based compensation expense is recognized as the equity awards vest. The calculated compensation expense is adjusted based on an estimate of awards ultimately expected to vest.

### ***Income Taxes***

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary

differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

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

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

### ***Contingencies and Litigation***

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

### **Recent Accounting Pronouncements**

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

## **Item 7A. Quantitative and Qualitative Disclosure about Market Risk**

### **Interest Rate Risk**

As of December 31, 2017 we were not subject to market risk from exposure to changes in interest rates with respect to borrowings under our existing 2023 Notes.

As of December 31, 2017 we were subject to market risk from exposure to changes in interest rates on borrowings under our Senior Secured Credit Facility, specifically the impact of LIBOR interest rates on our variable rate borrowings. Based upon our December 31, 2017 outstanding term loan borrowings of \$291.9 million under the Senior Secured Credit Facility, an increase in the LIBOR interest rate of 1% would result in an increase in our annual interest expense of approximately \$2.9 million. We anticipate such interest rate risk will remain a market risk exposure for the foreseeable future.

## **Item 8. Financial Statements and Supplementary Data**

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

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

Not applicable.

## **Item 9A. Controls and Procedures**

### *Evaluation of Disclosure Controls and Procedures*

We maintain “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act, 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 such information is accumulated and communicated to a company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

In designing and evaluating the disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Furthermore, our controls and procedures can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the control and misstatements due to error or fraud may occur and not be detected on a timely basis.

Our management, with the participation of our Co-Chief Executive Officers and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2017, the end of the period covered by this Annual Report on Form 10-K. Based upon such evaluation, our Co-Chief Executive Officers and our Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of such date.

### *Report of Management on Internal Control over Financial Reporting*

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, for our Company. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect our transactions; providing reasonable assurance that transactions and disposition of assets are recorded as necessary for preparation of our financial statements; providing reasonable assurance that receipts and expenditures are made in accordance with the authorization of our management and directors; and providing reasonable assurance that unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. Furthermore, our controls and procedures can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the control and misstatements due to error or fraud may occur and not be detected on a timely basis.

Management conducted its evaluation of the effectiveness of our Company’s internal controls over financial reporting based on the framework in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013, and concluded that our Company’s internal control over financial reporting was effective as of December 31, 2017.

### *Changes in Internal Controls*

During 2016, the Company began implementing WideOrbit to replace Marketron as its local billing and traffic system. As of December 31, 2017, WideOrbit has been implemented in all of the Company’s 67 markets. The Company has enhanced the documentation of internal control processes and procedures relating to the new system to supplement existing internal controls over financial reporting, as appropriate. The system changes were undertaken to increase the efficiency of system integration and information consolidation.

## **Item 9B. Other Information**

None.

## **PART III**

### **Item 10. Directors, Executive Officers and Corporate Governance**

The information required by this Item 10 is incorporated in this report by reference to the applicable information set forth in our proxy statement for the 2018 Annual Meeting of Shareholders, which we expect to file with the Securities and Exchange Commission within 120 days of our fiscal year end (the “2018 Proxy Statement”).

### **Item 11. Executive Compensation**

The information required by this Item 11 is incorporated in this report by reference to the applicable information set forth in our 2018 Proxy Statement.

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

The information required by this Item 12 is incorporated in this report by reference to the applicable information set forth in our 2018 Proxy Statement.

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

The information required by this Item 13 is incorporated in this report by reference to the applicable information set forth in our 2018 Proxy Statement.

### **Item 14. Principal Accountant Fees and Services**

The information required by this Item 14 is incorporated in this report by reference to the applicable information set forth in our 2018 Proxy Statement.

## 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.

- 2.1†\*\*\* Asset Purchase and Exchange Agreement, dated as of April 28, 2012, among Townsquare Radio, LLC, Townsquare Media of Bloomington, Inc., Townsquare Media of Peoria, Inc. and companies set forth as Townsquare Purchasers on the signature page thereto and Cumulus Media Inc., Cumulus Broadcasting LLC, Cumulus Licensing LLC, Citadel Broadcasting Company and Radio License Holding CBC, LLC
- 2.2†\*\*\* Asset Purchase and Exchange Agreement, dated as of August 30, 2013, among Townsquare Radio, LLC, on the one hand, and Cumulus Media Holdings Inc., Cumulus Broadcasting LLC and Cumulus Licensing LLC
- 2.3†\*\*\* Asset Purchase Agreement, dated as of August 30, 2013, among Townsquare Radio, LLC and Cumulus Media Holdings Inc., Cumulus Broadcasting LLC, Cumulus Licensing LLC, Citadel Broadcasting Company and Radio License Holding CBC, LLC
- 2.4\*\* Securities Purchase Agreement by and among Townsquare Live Events, LLC, Townsquare Media, Inc., Heartland Group, LLC, Danny Huston and Jeffrey Blomsness Dated as of August 14, 2015
- 3.1\*\*\* Certificate of Incorporation of Townsquare Media, Inc.
- 3.2\*\*\* Bylaws of Townsquare Media, Inc.
- 4.1\*\*\*\* Indenture dated as of April 1, 2015, among Townsquare Media, Inc., the guarantors named therein and Wilmington Trust, National Association, as trustee
- 4.2\*\*\*\* Form of 6.500% Senior Note due 2023
- 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
- 10.1\*\*\*\* 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
- 10.2\*\*\*\* 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
- 10.3\*\* 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
- 10.4\*\*\*\*\* 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.
- 10.5♦♦ 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.
- 10.6♦♦♦ Employment Agreement, between Townsquare Media, Inc. and Bill Wilson, dated October 16, 2017.
- 10.7♦♦♦ Employment Agreement, between Townsquare Media, Inc. and Dhruv Prasad, dated October 16, 2017.
- 10.8♦♦♦ Letter Agreement, between Townsquare Media, Inc. and Steven Price, dated October 16, 2017.
- 10.9♦♦♦ Employment Agreement, between Townsquare Media, Inc. and Stuart Rosenstein, dated October 16, 2017.
- 10.10\*\* Selldown Agreement
- 10.11\*\*\* 2014 Omnibus Incentive Plan

10.12***	Form of Option Grant Agreement
10.13***	Form of Option Grant at IPO
10.14***	Form of Indemnification Agreement
10.15*****	Plan of Conversion, dated as of July 25, 2014, by and among Townsquare Media, LLC, OCM POF AIF GAP Holdings, L.P. and OCM PF/FF Radio Holdings PT, L.P.
10.16*****	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
10.17*****	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.
10.18*	Registration Agreement, dated as of August 16, 2016, by and between Townsquare Media, Inc. and Madison Square Garden Investments, LLC
21.1 ♦	List of Subsidiaries of Townsquare Media, Inc.
23.1 ♦	Consent of Independent Registered Public Accounting Firm
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
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
31.3 ♦	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
32.1 ♦	Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350
32.2 ♦	Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350
32.3 ♦	Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350
101.0† ♦	The following materials from Townsquare Media, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2017, formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Statements of Operations, (ii) Consolidated Statements of Comprehensive Income, (iii) Consolidated Balance Sheets, (iv) Consolidated Statements of Cash Flows, (v) Consolidated Statements of Stockholders' Equity and (vi) Notes to Consolidated Financial Statements
101.INS ♦	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH ♦	XBRL Taxonomy Extension Schema Document
101.CAL ♦	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF ♦	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB ♦	XBRL Taxonomy Extension Label Linkbase Document
101.PRE ♦	XBRL Taxonomy Extension Presentation Linkbase Document

♦ Filed herewith.

♦♦ Previously filed as an exhibit to our Quarterly Report on Form 10-Q filed on November 7, 2017.

♦♦♦ Previously filed as an exhibit to our Current Report on Form 8-K filed on October 19, 2017

\*Previously filed as an exhibit to our Quarterly Report on Form 10-Q filed on November 8, 2016.

\*\*Previously filed as an exhibit to our Quarterly Report on Form 10-Q filed on November 9, 2015.

\*\*\*Previously filed as an exhibit to our Registration Statement No. 333-197002 on Form S-1, as amended.

\*\*\*\*Previously filed as an exhibit to our Form 8-K filed on April 1, 2015.

\*\*\*\*\*Previously filed as an exhibit to our Form 8-K filed on July 31, 2014.

\*\*\*\*\*Previously filed as an exhibit to our Form 10-K filed on March 13, 2017.

† Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company hereby undertakes to furnish supplemental copies of any of the omitted schedules upon request by the SEC.

‡ The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.

(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 13th day of March 2018 .

**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.

<u>Signature</u>	<u>Title</u>	
<u>/s/ Dhruv Prasad</u> Dhruv Prasad	Co-Chief Executive Officer and Director (Principal Executive Officer)	March 13, 2018
<u>/s/ Bill Wilson</u> Bill Wilson	Co-Chief Executive Officer and Director (Principal Executive Officer)	March 13, 2018
<u>/s/ Stuart Rosenstein</u> Stuart Rosenstein	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	March 13, 2018
<u>/s/ Linda Lie</u> Linda Lie	Senior Vice President and Chief Accounting Officer	March 13, 2018
<u>/s/ Steven Price</u> Steven Price	Executive Chairman and Director	March 13, 2018
<u>/s/ B. James Ford</u> B. James Ford	Director	March 13, 2018
<u>/s/ Gary Ginsberg</u> Gary Ginsberg	Director	March 13, 2018
<u>/s/ Stephen Kaplan</u> Stephen Kaplan	Director	March 13, 2018
<u>/s/ David Lebow</u> David Lebow	Director	March 13, 2018
<u>/s/ David Quick</u> David Quick	Director	March 13, 2018

## INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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

(1)	<a href="#">Report of Independent Registered Public Accounting Firm</a>	<a href="#">F- 2</a>
	<a href="#">Consolidated Balance Sheets as of December 31, 2016 and 2017</a>	<a href="#">F- 3</a>
	<a href="#">Consolidated Statements of Operations for the years ended December 31, 2015, 2016 and 2017</a>	<a href="#">F- 4</a>
	<a href="#">Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2015, 2016 and 2017</a>	<a href="#">F- 5</a>
	<a href="#">Consolidated Statements of Stockholders' Equity for the years ended December 31, 2015, 2016 and 2017</a>	<a href="#">F- 6</a>
	<a href="#">Consolidated Statements of Cash Flows for the years ended December 31, 2015, 2016 and 2017</a>	<a href="#">F- 7</a>
	<a href="#">Notes to Consolidated Financial Statements</a>	<a href="#">F- 9</a>
(2)	Financial Statement Schedule	
	<a href="#">Schedule II: Valuation and Qualifying Accounts</a>	<a href="#">S- 1</a>

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders  
Townsquare Media, Inc. and subsidiaries

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Townsquare Media, Inc. and its subsidiaries as of December 31, 2016 and 2017, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity and cash flows for each of the three years in the period ended December 31, 2017, and the related notes to the consolidated financial statements and schedule (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2016 and 2017, 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.

**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (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 audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ RSM US LLP

We have served as the Company's auditor since 2010.

New York, NY  
March 13, 2018

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

	December 31, 2016	December 31, 2017
<b>ASSETS</b>		
Current assets:		
Cash	\$ 51,540	\$ 65,295
Accounts receivable, net of allowance of \$1,433 and \$1,079, respectively	59,580	61,659
Prepaid expenses and other current assets	11,253	10,471
Current assets held for sale	—	879
Current assets of discontinued operations	254	100
<b>Total current assets</b>	<b>122,627</b>	<b>138,404</b>
Property and equipment, net	139,408	146,992
Intangible assets, net	513,915	508,399
Goodwill	292,953	243,042
Investments	4,313	8,092
Other assets	7,290	10,998
Long-term assets of discontinued operations	—	431
Long-term assets held for sale	199	—
<b>Total assets</b>	<b>\$ 1,080,705</b>	<b>\$ 1,056,358</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 10,602	\$ 14,559
Current portion of long-term debt	6,901	9,524
Deferred revenue	17,208	17,683
Accrued expenses and other current liabilities	25,748	25,160
Accrued interest	4,622	5,699
Current liabilities of discontinued operations	71	680
<b>Total current liabilities</b>	<b>65,152</b>	<b>73,305</b>
Long-term debt, less current portion (net of deferred financing costs of \$8,006 and \$6,803, respectively)	564,315	555,618
Deferred tax liability	50,907	36,965
Other long-term liabilities	10,221	9,390
Long-term liabilities of discontinued operations	59	—
<b>Total liabilities</b>	<b>690,654</b>	<b>675,278</b>
Stockholders' equity:		
Class A common stock, par value \$0.01 per share; 300,000,000 shares authorized; 13,735,690 and 13,819,639 shares issued and outstanding, respectively	137	138
Class B common stock, par value \$0.01 per share; 50,000,000 shares authorized; 3,022,484 shares issued and outstanding	30	30
Class C common stock, par value \$0.01 per share; 50,000,000 shares authorized; 1,636,341 shares issued and outstanding	17	17
<b>Total common stock</b>	<b>184</b>	<b>185</b>
Additional paid-in capital	365,434	367,041
Retained earnings	24,450	13,265
Accumulated other comprehensive loss	(722)	(532)
Noncontrolling interest	705	1,121
Total stockholders' equity	390,051	381,080
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,080,705</b>	<b>\$ 1,056,358</b>

*See Notes to Consolidated Financial Statements*

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

	Years Ended December 31,		
	2015	2016	2017
Net revenue	\$ 441,222	\$ 515,995	\$ 507,434
Operating costs and expenses:			
Direct operating expenses, excluding depreciation, amortization and stock-based compensation	317,789	383,994	384,412
Depreciation and amortization	17,577	23,971	25,683
Corporate expenses	25,458	25,370	25,828
Stock-based compensation	4,278	4,253	748
Transaction costs	1,739	844	1,175
Business realignment costs	—	—	6,204
Goodwill and other intangible impairment charges	1,680	—	51,848
Net (gain) loss on sale and retirement of assets	(12,029)	282	397
<b>Total operating costs and expenses</b>	<b>356,492</b>	<b>438,714</b>	<b>496,295</b>
<b>Operating income</b>	<b>84,730</b>	<b>77,281</b>	<b>11,139</b>
Other expense (income):			
Interest expense, net	35,979	34,072	32,753
Impairment on investment	—	4,236	—
Cancellation and (repurchase) of debt	30,305	(546)	—
Other expense (income), net	276	(665)	288
<b>Income (loss) from continuing operations before income taxes</b>	<b>18,170</b>	<b>40,184</b>	<b>(21,902)</b>
Provision (benefit) from income taxes	7,924	16,982	(13,027)
Net income (loss) from continuing operations	10,246	23,202	(8,875)
Net income (loss) from discontinued operations, net of income taxes	—	91	(1,398)
<b>Net income (loss)</b>	<b>\$ 10,246</b>	<b>\$ 23,293</b>	<b>\$ (10,273)</b>
<b>Net income (loss) attributable to:</b>			
Controlling interests	\$ 9,830	\$ 23,059	\$ (11,185)
Noncontrolling interests	416	234	912
<b>Basic income (loss) per share:</b>			
Continuing operations	\$ 0.58	\$ 1.28	\$ (0.48)
Discontinued operations	—	—	(0.08)
	<u>\$ 0.58</u>	<u>\$ 1.28</u>	<u>\$ (0.56)</u>
<b>Diluted income (loss) per share:</b>			
Continuing operations	\$ 0.37	\$ 0.85	\$ (0.48)
Discontinued operations	—	—	(0.08)
	<u>\$ 0.37</u>	<u>\$ 0.85</u>	<u>\$ (0.56)</u>
<b>Weighted average shares outstanding:</b>			
Basic	17,537	18,255	18,459
Diluted	27,724	27,313	18,459

*See Notes to Consolidated Financial Statements*

**TOWNSQUARE MEDIA, INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(in Thousands)

	Year Ended December 31,		
	2015	2016	2017
<b>Net income (loss)</b>	<b>\$ 10,246</b>	<b>\$ 23,293</b>	<b>\$ (10,273)</b>
Other comprehensive income:			
Foreign currency translation adjustments	44	(766)	190
<b>Total comprehensive income (loss)</b>	<b>10,290</b>	<b>22,527</b>	<b>(10,083)</b>
Less: comprehensive income attributable to noncontrolling interest	416	234	912
<b>Comprehensive income (loss) attributable to controlling interest</b>	<b>\$ 9,874</b>	<b>\$ 22,293</b>	<b>\$ (10,995)</b>

*See Notes to Consolidated Financial Statements*

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

	Shares of Common Stock			Warrants	Common Stock	Additional Paid-in Capital	Retained (Deficit) Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total
	Class A	Class B	Class C							
	Shares	Shares	Shares							
<b>Balance at January 1, 2015</b>	9,457,242	3,022,484	4,894,480	9,508,878	\$ 174	\$ 351,984	\$ (8,439)	\$ —	\$ 443	\$344,162
Net income	—	—	—	—	—	—	9,830	—	416	10,246
Offering costs	—	—	—	—	—	(92)	—	—	—	(92)
Stock-based compensation	—	—	—	—	—	4,278	—	—	—	4,278
Stock options exercised	7,164	—	—	—	—	71	—	—	—	71
Issuance of common stock in connection with NAME acquisition	481,948	—	—	—	5	4,945	—	—	225	5,175
Foreign currency translation adjustment	—	—	—	—	—	—	—	44	—	44
Cash distribution to noncontrolling interests	—	—	—	—	—	—	—	—	(444)	(444)
<b>Balance at December 31, 2015</b>	<b>9,946,354</b>	<b>3,022,484</b>	<b>4,894,480</b>	<b>9,508,878</b>	<b>\$ 179</b>	<b>\$ 361,186</b>	<b>\$ 1,391</b>	<b>\$ 44</b>	<b>\$ 640</b>	<b>\$363,440</b>
Net income	—	—	—	—	—	—	23,059	—	234	23,293
Exercise of warrants	531,197	—	—	(531,202)	5	(5)	—	—	—	—
GE Capital Equity Holdings, LLC conversion	3,258,139	—	(3,258,139)	—	—	—	—	—	—	—
Proceeds from sale of minority interest in subsidiary	—	—	—	—	—	—	—	—	50	50
Stock-based compensation	—	—	—	—	—	4,253	—	—	—	4,253
Foreign currency translation adjustment	—	—	—	—	—	—	—	(766)	—	(766)
Cash distribution to noncontrolling interests	—	—	—	—	—	—	—	—	(219)	(219)
<b>Balance at December 31, 2016</b>	<b>13,735,690</b>	<b>3,022,484</b>	<b>1,636,341</b>	<b>8,977,676</b>	<b>\$ 184</b>	<b>\$ 365,434</b>	<b>\$ 24,450</b>	<b>\$ (722)</b>	<b>\$ 705</b>	<b>\$390,051</b>
Net (loss) income	—	—	—	—	—	—	(11,185)	—	912	(10,273)
Joint venture acquisition	48,035	—	—	—	1	513	—	—	—	514
Stock-based compensation	—	—	—	—	—	748	—	—	—	748
Stock options exercised	35,914	—	—	—	—	346	—	—	—	346
Foreign currency translation adjustment	—	—	—	—	—	—	—	190	—	190
Cash distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(496)	(496)
<b>Balance at December 31, 2017</b>	<b>13,819,639</b>	<b>3,022,484</b>	<b>1,636,341</b>	<b>8,977,676</b>	<b>\$ 185</b>	<b>\$ 367,041</b>	<b>\$ 13,265</b>	<b>\$ (532)</b>	<b>\$ 1,121</b>	<b>\$381,080</b>

*See Notes to Consolidated Financial Statements*

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

	Year Ended December 31,		
	2015	2016	2017
Cash flows from operating activities:			
Net income (loss) attributable to:			
Controlling interests	\$ 9,830	\$ 23,059	\$ (11,185)
Noncontrolling interests	416	234	912
Net income (loss)	\$ 10,246	\$ 23,293	\$ (10,273)
Adjustments to reconcile net income (loss) to net cash from operating activities:			
Depreciation and amortization	17,577	23,971	25,683
Amortization of deferred financing costs	1,720	1,579	1,646
Deferred income tax expense (benefit)	7,737	15,831	(13,806)
Provision for doubtful accounts	1,170	1,921	2,186
Stock-based compensation expense	4,278	4,253	748
Trade activity, net	(5,357)	(9,731)	(11,754)
Repurchase of debt	—	(546)	—
Amortization of bond premium	(424)	—	—
Write-off deferred financing costs	9,348	376	83
Write-off of bond premium	(6,779)	—	—
Impairment of goodwill	—	—	48,933
Impairment of FCC licenses	1,680	—	2,915
Write-off of goodwill	—	—	4,105
Write-off of trademark	—	—	771
Impairment on investment	—	4,236	—
Net (gain) loss on sale and retirement of assets	(12,029)	282	397
Changes in assets and liabilities, net of acquisitions:			
Accounts receivable	3,342	3,987	(864)
Prepaid expenses and other assets	(6,805)	(704)	(676)
Accounts payable	33	(2,463)	669
Accrued expenses	1,657	(5,002)	(625)
Accrued interest	(4,335)	(288)	1,107
Other long-term liabilities	2,884	(1,074)	(835)
Net cash provided by operating activities - continuing operations	25,943	59,921	50,410
Net cash (used in) provided by operating activities - discontinued operations	—	(124)	274
<b>Net cash provided by operating activities</b>	<b>25,943</b>	<b>59,797</b>	<b>50,684</b>
Cash flows from investing activities:			
Payments for acquisitions, net of cash received	(76,213)	(2,160)	(5,511)
Payment for investment	—	—	(857)
Acquisition of intangibles	(377)	(11)	(150)
Purchase of property and equipment	(14,724)	(20,722)	(22,824)
Proceeds from insurance settlement	450	451	—
Proceeds from sale of assets	19,087	1,678	1,092
Net cash used in investing activities - continuing operations	(71,777)	(20,764)	(28,250)
Net cash used in investing activities - discontinued operations	—	(199)	(680)
<b>Net cash used in investing activities</b>	<b>(71,777)</b>	<b>(20,963)</b>	<b>(28,930)</b>
Cash flows from financing activities:			
Offering costs	(92)	—	—
Proceeds from exercise of employee stock options	72	—	346
Repayment of long-term debt	(553,552)	(19,375)	(6,662)
Proceeds from the issuance of long-term debt	620,000	—	—
Debt financing costs	(11,394)	—	(526)
Proceeds from sale of noncontrolling interest in subsidiary	—	50	—

Cash distributions to noncontrolling interests	(444)	(219)	(496)
Repayments of capitalized obligations	(159)	(171)	(616)
<b>Net cash provided by (used in) financing activities</b>	<b>54,431</b>	<b>(19,715)</b>	<b>(7,954)</b>
<b>Net effect of foreign currency exchange rate changes</b>	<b>239</b>	<b>(877)</b>	<b>(45)</b>
<b>Net increase in cash and restricted cash</b>	<b>8,836</b>	<b>18,242</b>	<b>13,755</b>
Cash and restricted cash:			
Beginning of period	24,462	33,298	51,540
<b>End of period</b>	<b>\$ 33,298</b>	<b>\$ 51,540</b>	<b>\$ 65,295</b>

*See Notes to Consolidated Financial Statements*

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

	Year Ended December 31,		
	2015	2016	2017
<b>Supplemental Disclosure of Cash Flow Information:</b>			
Cash payments:			
Payments to redeem long-term debt prior to contractual maturity	\$ 27,735	\$ —	\$ —
Interest	38,978	32,371	29,917
Income taxes	622	1,878	3,170
Purchase obligations:			
Capital lease	\$ —	\$ 525	\$ —
Equity issued in respect of acquisitions:			
Common stock, NAME acquisition	\$ 4,950	\$ —	\$ —
Common stock, joint venture acquisition	—	—	513
Allocation of business acquisition to noncontrolling interest:			
NAME	\$ 225	\$ —	\$ —
Non-cash investment:			
Investments	\$ —	\$ 3,500	\$ 2,972

*See Notes to Consolidated Financial Statements*

**TOWNSQUARE MEDIA, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1. Organization and Basis of Presentation**

***Description of Business***

On July 25, 2014, Townsquare Media, LLC converted into a Delaware corporation (the “LLC Conversion”), and was renamed Townsquare Media, Inc. The accompanying Consolidated Financial Statements are presented post-conversion as Townsquare Media, Inc. (together with its consolidated subsidiaries, except as the context may otherwise require, “we,” “us,” “our,” “Company,” or “Townsquare”).

Pursuant to the conversion, each unit and warrant to purchase units of Townsquare Media, LLC was exchanged for a number of shares of Class A, Class B or Class C common stock of Townsquare Media Inc., and warrants to purchase shares of Class A common stock of Townsquare Media, Inc. The conversion was structured to retain the relative equity interests of each of the respective equity holders of Townsquare Media, LLC in Townsquare Media, Inc.

In conjunction with the LLC Conversion, the Company’s shares began trading on the New York Stock Exchange (“NYSE”) in an initial public offering (“IPO”) on July 24, 2014. The Company’s shares are traded on the NYSE under the symbol “TSQ.” See Note 8 for additional information.

***Nature of Business***

Townsquare is a radio, digital media, entertainment and digital marketing solutions company principally focused on being the premier local advertising and marketing solutions platform in small and mid-sized markets across the United States. Our assets include 317 radio stations and more than 325 local websites in 67 U.S. markets, a digital marketing solutions company (Townsquare Interactive) serving approximately 12,400 small to medium sized businesses, a proprietary digital programmatic advertising platform (Townsquare Ignite) and approximately 350 live events with nearly 18 million annual attendees in the U.S. and Canada. Our brands include local media assets such as *WYRK*, *KLAQ*, *K2* and *NJ101.5*; music festivals such as *Mountain Jam*, *WE Fest* and the *Taste of Country Music Festival*; touring lifestyle and entertainment events such as the *America on Tap* craft beer festival series and *North American Midway Entertainment*, North America’s largest mobile amusement company; and tastemaker music and entertainment owned and affiliated websites such as *XXLmag.com*, *TasteofCountry.com* and *Loudwire.com*.

**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 subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. Certain amounts in the prior year’s financial statements have been reclassified to conform to the current year’s presentation.

**Segment Reporting**: Operating segments are organized internally by type of products and services provided. The Company has aggregated similar operating segments into two reportable segments, which are Local Marketing Solutions and Entertainment. The Company’s Local Marketing Solutions segment provides broadcast and digital products and solutions to advertisers and businesses within our local markets. The Company’s Entertainment segment provides live event experiences and music and lifestyle content directly to consumers and promotion, advertising and product activations to local and national advertisers. Prior to the second quarter of 2016, the Company reported its results in two reportable segments, Local Advertising and Live Events, and reported the remainder of its business in its Other Media and Entertainment category. The prior Local Advertising segment, together with the Company’s digital marketing and e-commerce solutions, which were previously part of the Other Media and Entertainment category, are now reported within Local Marketing Solutions. The prior Live Events segment, together with the Company’s national digital assets which were previously part of the Other Media and Entertainment category, are now reported within Entertainment. The segment disclosure is consistent with the management decision-making process that determines the allocation of resources and the measurement of performance.

**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.

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**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.

**Cash** : 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.

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

**Property and Equipment** : Property and equipment are stated at cost. 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 determined on a straight-line basis. The estimated useful lives for depreciation are as follows:

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

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 (gain) loss on sale and retirement of assets in the Consolidated Statements of Operations.

**Software Development Costs** : During the years ending December 31, 2016 and 2017 , the Company had capitalized software development costs of \$4.7 million and \$5.6 million (net of write downs of \$0.4 million and \$0.3 million ), respectively, in accordance with Accounting Standards Codification (“ASC”) Topic 350, *Internally Developed Software* . Costs incurred for software development prior to technological feasibility are expensed in the period incurred. Once technological feasibility is reached, which is generally at the point of time of the completion of a working model, development costs are capitalized until the product is ready for general release. Software development costs consist primarily of salary and benefits for the Company’s development and technical support staff, contractors’ fees and other costs associated with the development and localization of products and services.

**Acquisitions and Business Combinations** : The Company accounts for its business acquisitions under the acquisition method of accounting in accordance with ASC Topic 805, *Business Combinations* . The total cost of acquisitions is allocated to the underlying identifiable net assets, based on their respective estimated fair values at the date of acquisition. Goodwill represents the excess of the purchase price over the fair value of net assets acquired, including the amounts assigned to identifiable intangible assets. Determining the fair value of assets acquired and liabilities assumed requires management’s judgment and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, asset lives and market multiples, among other items.

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This standard requires an acquiring entity to recognize all the assets acquired and liabilities assumed in a transaction at the acquisition date's fair value with limited exceptions and changes the accounting treatment for certain specific items, including:

- Acquisition costs are generally expensed as incurred;
- Noncontrolling interests are valued at fair value at the acquisition date; and
- Restructuring costs associated with a business combination are generally expensed subsequent to the acquisition date.

Intangible Assets : Intangible assets consist principally of FCC broadcast licenses, which have been recorded at their estimated fair value as of the date of acquisition.

*FCC Broadcast Licenses*: FCC broadcast licenses have an indefinite useful life and therefore are not amortized. Costs associated with other definite-lived intangible assets are being amortized using the straight-line method over the term of the related agreements, which range from 1 to 39 years.

The Company evaluates the fair value of its FCC licenses at the unit of account level. Each market's broadcasting licenses are combined into a single unit of accounting for purposes of testing for impairments. The Company has determined that the geographic market is the appropriate unit of accounting. The Company evaluates its FCC licenses for impairment as of December 31, or more frequently if events or changes in circumstances indicate that the assets might be impaired. The Company determines the fair value of its FCC licenses using an income approach. This income approach attempts to isolate the local advertising income that is attributable to FCC licenses at the unit of account level. The fair value is calculated by estimating and discounting the cash flows that a typical market participant would assume could be available from similar radio stations operated as part of a group of commonly owned radio stations in a similar sized geographic radio market. The Company believes this method of valuation provides the best estimate of the fair value of the FCC licenses. The Company did not utilize a market approach as transactions involving FCC licenses are frequently private transactions that are highly dependent on the collection of assets with limited disclosure. The cost approach is not applicable as FCC licenses are not able to be re-created or duplicated.

For purposes of testing the carrying value of the Company's FCC licenses for impairment, the fair value of FCC licenses for each geographic market contains significant assumptions incorporating variables that are based on past experiences and judgments about future performance using industry information within each market. These variables would include, but are not limited to: (1) forecasted revenue growth rates for each geographic market; (2) profit margin for the market; (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 FCC licenses. If the carrying amount of the FCC licenses is greater than its estimated fair value in a given geographic market, the carrying amount of the FCC license is reduced to its estimated fair value and this reduction may have a material impact on the Company's consolidated financial condition and results of operations. An impairment loss is recognized if the carrying value amount of the FCC license is not recoverable and exceeds its fair value, as noted above.

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 ASU 2017-04, *Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* , goodwill is not amortized, but is reviewed for impairment at least on an annual basis at December 31, or when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. The Company evaluates goodwill for impairment at the reporting unit level and has determined appropriate reporting units. The most material, the Local Marketing Solutions operating segment, is comprised of the components representing the local advertising businesses of all geographic markets, which are aggregated into one reporting unit for testing. Other reporting units tested for goodwill impairment come from within our Entertainment operating segment and include in-market operations, NAME, Music Festivals, national digital assets, and other national events. In-market operations comprise the events that occur within our 67 distinct markets, NAME consists of the operations of North American Midway Entertainment, Music Festivals consists of the operations of our multi-day music festivals and other national events include other expos, lifestyle and active events which occur outside of our 67 distinct markets.

Recoverability of goodwill is evaluated by comparison of the fair value of a reporting unit with its carrying value. For purposes of testing the carrying value of the Company's goodwill for impairment, the fair value of goodwill for each reporting unit contains significant assumptions incorporating variables that are based on past experiences and

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judgments about future performance using industry information. These variables would include, but are not limited to: (1) forecasted revenue growth rates; (2) profit margin; (3) estimated capital expenditures and working capital requirements during the projection period; (4) risk-adjusted discount rate; and (5) expected growth rates in perpetuity to estimate terminal values. These variables are susceptible to changes in estimates, which could result in significant changes to the fair value of the goodwill. Impairment of goodwill is calculated by comparing the fair value as described above to the carrying value of goodwill.

The Company also performed a reasonableness test on the fair value results for goodwill by comparing the carrying value of the Company's assets to the Company's enterprise value based on its market capitalization. The Company determined the results were reasonable.

**Investments** : Long-term investments consist of minority holdings in companies that management believes are synergistic with Townsquare. Management does not exercise significant control over operating and financial policies of the investees, accordingly the investments are reflected under the cost method of accounting. The initial equity valuations were based upon a combination of valuation analysis using observable inputs categorized as Level 2 and performing discounted cash flows analysis, using unobservable inputs categorized as Level 3 within the ASC 820 framework. Management periodically reviews the carrying values of the investments initially valued using a discounted cash flows analysis during the year and determined that there were no indicators of impairment present during the year. The valuation analysis using observable inputs were performed near year end and believes that current market value is not materially different from carrying value.

**Deferred Financing Costs** : Deferred financing costs related to the issuance of debt are capitalized and are amortized over the life of the notes 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. The Company has early-adopted ASU 2015-03 in 2015, *Interest-Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs* , accordingly unamortized deferred financing costs as of December 31, 2016 and 2017 have been deducted from the long-term debt balance in the Consolidated Balance Sheets presented herein.

**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 was no impairment at December 31, 2015 , 2016 and 2017 .

**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.

**Asset Retirement Obligations** : Under the provisions of ASC 410, *Asset Retirement and Environmental Obligations* , the Company is required to recognize a liability for the fair value of a conditional asset retirement obligation when incurred if the fair value can be reasonably estimated. The liability is accreted to its present value each period and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, the Company settles the obligation for its recorded amount and records a gain or loss upon settlement. The obligation for equipment removal at the end of the lease term as of December 31, 2016 and 2017 was \$0.9 million , which is included in other long-term liabilities in the Consolidated Balance Sheets.

**Revenue Recognition** : Broadcast revenue for commercial broadcasting advertisements is recognized when the commercial is broadcast. Revenue is reported net of agency commissions. Agency commissions are calculated based on a stated percentage applied to gross billing revenue for advertisers that use agencies. Live events revenue and other non-broadcast advertising revenue are recognized as events are conducted. Deferred revenue consists primarily of advance ticket sales on events scheduled to take place at dates in the future. Digital revenue is derived primarily

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from the sale of internet-based advertising campaigns to local and national advertisers and is recognized over the duration of the campaigns.

**Barter Transactions:** Barter transactions (advertising provided in exchange for goods and services) are reported at the estimated fair value of the products or services received. Revenue from barter transactions is recognized when advertisements are broadcast. Merchandise or services received is charged to expense when received or utilized. If merchandise or services are received prior to the broadcast of the advertising, a liability is recorded. If advertising is broadcast before the receipt of the goods or services, a receivable is recorded.

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

As of December 31, 2017, the Company operated two non-owned radio stations under LMAs. The total net revenue for the contractual portion of the LMA of the radio stations and its total expenses for the contractual portion of the LMA were immaterial.

**Financial Instruments:** ASC 825, *Disclosures about Fair Value of Financial Instruments*, requires the Company to disclose estimated fair values for its financial instruments. Management has reviewed its cash, 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 7.

**Fair Value Measurements:** ASC 820, *Fair Value Measurements and Disclosures* (“ASC 820”), 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 \$5.1 million, \$7.0 million, and \$5.4 million for the years ended December 31, 2015, 2016 and 2017, 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.

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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 2013.

**Stock-based compensation:** Stock-based compensation expense related to stock-based transactions, including employee awards, is measured and recognized in the Consolidated Financial Statements based on the fair value of the award on the grant date. The fair value of option awards is estimated using the Black-Scholes option-pricing model. This model requires assumptions including the fair value of the Company's common stock, expected volatility, expected term of the award, expected dividend yield and risk-free interest rate. Stock-based compensation expense is recognized as the equity awards vest. The calculated compensation expense is adjusted based on an estimate of awards ultimately expected to vest.

**Legal Costs:** In accordance with ASC Topic 450, *Contingencies*, the Company accrues for estimated legal costs to be incurred in defending lawsuits and asserted claims. The Company monitors the stage of progress of its litigation matters and relates that to estimated accrual of cost 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, 2015, 2016 and 2017 management does not believe any such matters are material to the Company's consolidated operations or financial condition.

**Foreign Currency:** North American Midway Entertainment ("NAME"), acquired by a subsidiary of the Company on September 1, 2015, conducts a portion of its business in Canada. Results of operations for our Canadian entity are translated into U.S. dollars using the average exchange rates during the period. The assets and liabilities of our Canadian entity are translated into U.S. dollars using the exchange rates at the balance sheet date. The related translation adjustments are recorded in a separate component of stockholders' equity, "Accumulated other comprehensive income." Foreign currency transaction gains and losses are included in operations in other expense (income), net.

***Recently Issued Accounting Pronouncements***

In January 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-01, *Financial Instruments - Overall*. ASU 2016-01 requires cost-method equity investments to be measured at fair value with changes in fair value recognized in net income. An entity may choose to measure equity investments that do not have readily determinable fair values at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. The ASU simplifies the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment, and a measurement of the investment at fair value only when an impairment is qualitatively identified to exist. Additionally, ASU 2016-01 requires public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes. The standard is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption is not permitted. The Company is currently assessing the potential impact ASU 2016-01 will have on its Consolidated Financial Statements.

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In February 2016, the FASB issued ASU 2016-02, *Leases*. ASU 2016-02 requires the lessee to recognize in the statement of financial position a liability to make lease payments, and a right-of-use asset representing its right to use the underlying asset for the lease term. The liability and asset are initially measured at the present value of the lease payments. The ASU applies to all leases, including those previously classified as operating leases under ASC Topic 842. The standard is effective for fiscal years beginning after December 15, 2018, and will require measurement of leases at the beginning of the earliest period presented, using a modified retrospective approach. The Company is currently assessing the potential impact ASU 2016-02 will have on its Consolidated Financial Statements and has begun the process of implementing new policies and procedures.

In January 2017, the FASB issued ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*. ASU 2017-01 clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill, and consolidation. ASU 2017-01 is effective for annual periods beginning after December 15, 2017, including interim periods within those periods. The Company does not expect the adoption of this new standard to have a material impact on its Consolidated Financial Statements.

In May 2017, the FASB issued ASU 2017-09, *Compensation-Stock Compensation (Topic 718): Scope of Modification Accounting*. ASU 2017-09 clarifies when a change to the terms or conditions of a share-based payment award must be accounted for as a modification. The new guidance requires modification accounting if the fair value, vesting condition or the classification of the award is not the same immediately before and after a change to the terms and conditions of the award. The standard is effective for annual reporting periods beginning after December 15, 2017, with early adoption permitted. The Company does not expect the adoption of this new standard to have a material impact on its Consolidated Financial Statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) (“ASU 2014-09”). This new standard will replace all current U.S. GAAP related to revenue recognition and will eliminate all industry-specific guidance. The core principle of this new standard is that a company should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects consideration to which the company expects to be entitled in exchange for those goods or services. In July 2015, the FASB affirmed its proposal to defer the effective date of this new standard. As a result, public companies will apply the new revenue standard to annual reporting periods beginning after December 15, 2017. From March 2016 through September 2017, the FASB issued ASU 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*, ASU 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing*, ASU 2016-12, *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients*, ASU 2016-20, *Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers and ASU 2017-13, Revenue Recognition (Topic 605), Revenue from Contracts with Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842)*. These amendments are intended to improve and clarify implementation guidance of Topic 606. The effective date and transition requirements for these amendments are the same as the effective date and transition requirements of ASU 2014-09.

To assess the impact of the standard, the Company dedicated management personnel to lead the implementation effort and supplemented them with additional external resources. These personnel reviewed the amended guidance and subsequent clarifications, consulted with relevant leadership to obtain a detailed understanding of contracts with customers within operating segments of the business, and reviewed a sample of contracts judgmentally selected based on the size and complexity of all major revenue streams and assessed the standard requirements against the current revenue recognition practice. The Company has completed its review and analysis and effective January 1, 2018, we will adopt FASB ASC Topic 606, *Revenue from Contracts with Customers*, or ASC 606. ASC 606 will be applied using the modified retrospective method, where the cumulative effect of the initial application is recognized as an adjustment to opening retained earnings at January 1, 2018 and is not expected to have a material impact on our financial position. ASC 606 provides a five-step model where revenue is recognized when the customer obtains control of the promised goods or services in an amount that reflects the consideration that we expect to receive in exchange for those goods or services. The Company has determined that there will not be a material impact as of the date of adoption between the new revenue standard and how we previously recognized revenue, and will not have a material effect on our consolidated results of operations, balance sheets, and cash flows in future periods. However, additional disclosures will be included in future reporting periods in accordance with requirements of the new guidance.

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As a result of adoption of ASC 606 we will recognize an asset for the incremental costs of obtaining a contract if we expect the benefit of those costs to be longer than one year. We have determined that certain sales commissions will meet the requirements to be capitalized, and expenses incurred under these programs will therefore be capitalized and amortized over the estimated customer contract life, whereas our current policy is to expense these costs as incurred. We do not expect the new guidance to have a material impact on the financial statements in future periods.

***Recently Adopted Accounting Pronouncements***

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230) Classification of Certain Cash Receipts and Cash Payments*. ASU 2016-15 eliminates the diversity in practice related to the classification of certain cash receipts and payments for debt prepayment or extinguishment costs, the maturing of a zero-coupon bond, the settlement of contingent liabilities arising from a business combination, proceeds from insurance settlements, distributions from certain equity method investees and beneficial interests obtained in a financial asset securitization. ASU 2016-15 designates the appropriate cash flow classification, including requirements to allocate certain components of these cash receipts and payments among operating, investing and financing activities. The retrospective transition method, requiring adjustment to all comparative periods presented, is required unless it is impracticable for some of the amendments, in which case those amendments would be prospectively as of the earliest date practicable. The standard is effective for annual reporting periods beginning after December 15, 2017, including interim periods within those annual reporting periods. The Company early adopted ASU 2016-15 in the first quarter of 2017. Early adoption of this guidance did not have an impact on the Company's Consolidated Financial Statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230) Restricted Cash*. ASU 2016-18 relates to the classification of restricted cash on the statement of cash flows. ASU 2016-18 provides guidance on the classification of restricted cash and cash equivalents in the statement of cash flows. Amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning and end-of period total amounts shown on the statement of cash flows. The standard is effective for interim and annual reporting periods beginning after December 15, 2017 with early adoption permitted. The Company early adopted ASU 2016-18 in the first quarter of 2017. Early adoption of this guidance did not have a material impact on the Company's Consolidated Financial Statements.

In January 2017, the FASB issued ASU 2017-04, *Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. ASU 2017-04 removes Step 2 from the goodwill impairment test. The standard is effective for annual reporting periods beginning after December 15, 2021. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The early adoption of ASU 2017-04, *Intangibles-Goodwill and Other (Topic 350)* for the year ended December 31, 2017 impacted the Company's calculation of impairment. Refer to Note 6, for a description of the Company's processes and results of its impairment testing.

**Note 3. Significant Acquisitions**

NAME Acquisition: On September 1, 2015, the Company, through a subsidiary of Townsquare Live Events, LLC, purchased all of the issued and outstanding membership interests of Heartland Group, LLC and its wholly-owned subsidiary NAME for approximately \$70.0 million in cash, 481,948 unregistered shares of the Company's Class A common stock valued at \$4.9 million, and a working capital adjustment of \$0.4 million. Cash consideration was satisfied from cash on hand, \$45.0 million of incremental term loan borrowings and a working capital adjustment of approximately \$0.4 million. The \$1.3 million remaining payable balance as of December 31, 2015 was subsequently paid in full in January 2016. The Company estimated the fair value of acquired intangibles using the discounted cash flow method. The purchase price was allocated to the tangible and intangible assets and liabilities at their fair value at the date of acquisition, with any excess of the purchase price over the net assets acquired being reported as goodwill. None of this goodwill was deductible for tax purposes. The Company has recognized an opening deferred tax liability in connection with the acquisition of NAME, as the initial tax basis of the acquired assets differed from their initial basis under GAAP, which reflected estimated fair market value. Refer to Note 9 for more information regarding the income tax effects of the NAME acquisition.

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The purchase price allocation is as follows (in thousands):

Current assets	\$	5,148
Customer relationships		8,700
Trade name		4,600
Other intangibles		1,000
Property and Equipment		42,894
Goodwill		39,866
Noncontrolling interest		(225)
Accounts payable and accrued expenses		(9,586)
Deferred tax liabilities		(17,035)
<b>Total purchase price</b>	<b>\$</b>	<b>75,362</b>

**Note 4. Investments**

Long-term investments consist of minority holdings in companies that management believes are synergistic with Townsquare. Management does not exercise significant control over operating and financial policies of the investees, accordingly the investments are reflected under the cost method of accounting. The initial equity valuations were based upon a discounted cash flow analysis, using unobservable inputs categorized as Level 3 within the Accounting Standards Codification Section 820 framework.

The Company determined there was objective evidence to indicate certain events had adversely impacted estimated future cash flows for one of its investments and as a result recorded a \$4.2 million impairment charge for the year ended December 31, 2016. There was no impairment for the year ended December 31, 2017.

During the year ended December 31, 2017 the Company made certain investments in several small businesses totaling \$3.8 million . The investments represent minority ownership positions and are accounted for under the cost method of accounting. These transactions are recorded as investments in the Company's Consolidated Balance Sheet as of December 31, 2017 .

During the year ended December 31, 2016 the Company made a \$3.5 million investment in an online services business. The investment represents a minority ownership position and is accounted for under the cost method of accounting. This transaction is recorded as an investment in the Company's Consolidated Balance Sheet as of December 31, 2016.

**Note 5. Property and Equipment**

Property and equipment consisted of the following:

<i>(in thousands)</i>	December 31, 2016	December 31, 2017
Land and improvements	\$ 20,223	\$ 20,870
Buildings and leasehold improvements	36,556	41,890
Broadcast equipment	71,159	74,851
Rides and related equipment	45,159	50,558
Computer and office equipment	11,827	13,331
Furniture and fixtures	10,886	13,936
Transportation equipment	14,249	17,504
Software development costs	10,641	15,943
<b>Total property and equipment, gross</b>	<b>220,700</b>	<b>248,883</b>
Less: Accumulated depreciation and amortization	(81,292)	(101,891)
<b>Total property and equipment, net</b>	<b>\$ 139,408</b>	<b>\$ 146,992</b>

Depreciation and amortization expense for property and equipment was \$14.7 million , \$20.0 million and \$22.7 million for the years ended December 31, 2015 , 2016 and 2017 , respectively.

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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 antennae that broadcast certain of the Company’s radio stations. The Company also entered into an agreement with Vertical Bridge whereby Vertical Bridge will serve as the exclusive marketing agent for the 283 towers retained by the Company. The Company received total cash proceeds of \$21.6 million, net of closing adjustments, in exchange for the sale of the towers and the exclusive marketing arrangement. In addition, the Company has leased a portion of the space of the sold towers that house certain of the Company’s antennae. The lease is for a period of 35 years, including an initial term of 20 years and three optional 5 -year renewal periods. The Company will pay \$41 of rent per annum ( \$1 per site per annum) to Vertical Bridge for the right to house its existing antennae on the divested towers.

The Company has determined that the relative fair value of the towers sold and the exclusive marketing arrangement were \$25.8 million and \$3.1 million, respectively. The following was recognized in the Company’s Consolidated Balance Sheets during 2015 in connection with the transaction with Vertical Bridge:

<i>(in thousands)</i>	<b>Fair Value</b>	<b>Balance Sheet Location</b>
Long-term prepaid rent asset	\$ 7,311	Other long term assets
Deferred gain on the sale of towers	\$ 7,311	Other long term liabilities
Exclusive marketing arrangement	\$ 3,111	Other long term liabilities

The Company realized an \$11.5 million gain in connection with the sale of these towers during the year ended December 31, 2015, which is included in net gain on sale in the Company’s Consolidated Statements of Operations. 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 exclusive marketing arrangement is being amortized through net revenue over the 5 -year term of the arrangement in the Company’s Consolidated Statements of Operations.

**Note 6. Goodwill and Other Intangible Assets**

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

The Company has selected December 31<sup>st</sup> as the annual testing date. Based on the results of the Company’s annual impairment evaluations of its FCC licenses, the Company recorded \$1.7 million of impairment charges pertaining to FCC licenses in our Quad Cities and Grand Junction markets for the year ended December 31, 2015, and \$2.9 million of impairment charges in our Rochester and Wichita Falls markets for the year ended December 31, 2017. These impairment charges pertain to our Local Marketing Solutions segment. There was no impairment for the year ended December 31, 2016. All other fair values of the Company’s other intangible assets exceeded their carrying value, therefore, no impairment of these assets had occurred as of the date of the annual tests.

If market conditions and operational performance of the Company’s reporting units were to deteriorate and management had no expectation that the performance would improve within a reasonable period of time or if an event occurs or circumstances change that would reduce the fair value of its goodwill and intangible assets below the amounts reflected in the balance sheet, the Company may be required to recognize additional impairment charges in future periods. Goodwill impairment testing conducted as of December 31, 2015 and 2016 did not result in any goodwill impairment. The testing conducted as of December 31, 2017 resulted in a goodwill impairment charge of \$48.9 million in our Entertainment segment.

During the fourth quarter of 2017 Management undertook a corporate strategic review and concluded the Company would exit certain Entertainment businesses. These businesses represent components within the Entertainment business and not an exit from this line of business as other similar events will continue to be held. In connection with this realignment the Company wrote off \$4.1 million of goodwill and \$0.8 million of trademarks, respectively as of December 31, 2017. These charges are included on the Consolidated Statement of Operations in Business Realignment Costs.

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The following represents the changes in goodwill (in thousands):

<b>Balance at December 31, 2016 and 2015</b>	<b>\$ 292,953</b>
Local Marketing Solutions acquisitions	3,014
Entertainment acquisitions	114
Write-off of goodwill related to Entertainment businesses discontinued operations	(4,105)
Impairment of goodwill	(48,934)
<b>Balance at December 31, 2017</b>	<b>\$ 243,042</b>

Intangible assets consist of the following:

<i>(in thousands)</i>	Estimated Useful Life	December 31, 2016	December 31, 2017
<b>Intangible Assets:</b>			
FCC licenses	Indefinite	\$ 486,525	\$ 484,535
Trademarks and trade names	Indefinite	4,600	4,600
Customer and advertising relationships	10 years	14,317	14,317
Customer relationships	15 years	8,700	8,700
Leasehold interests	5 to 39 years	1,085	1,085
Tower space	3 to 9 years	454	454
Sports broadcast rights	1 to 2 years	665	665
Non-compete agreements	1 to 2 years	243	243
Trademarks	15 years	10,695	9,815
Permits/licenses	1 year	1,000	1,000
Other intangibles	3 years	991	1,141
<b>Total</b>		<b>529,275</b>	<b>526,555</b>
Less: Accumulated amortization		(15,360)	(18,156)
<b>Net amount</b>		<b>\$ 513,915</b>	<b>\$ 508,399</b>

Amortization expense for definite-lived intangible assets for the years ended December 31, 2015 , 2016 and 2017 was \$2.9 million , \$4.0 million and \$3.0 million , respectively.

Estimated future amortization expense for each of the five succeeding fiscal years and thereafter as of December 31, 2017 is as follows (in thousands):

2018	\$ 2,092
2019	1,969
2020	1,921
2021	1,912
2022	1,909
Thereafter	9,461
	<b>\$ 19,264</b>

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**Note 7. Long-Term Debt**

Total debt outstanding is summarized as follows:

<i>(in thousands)</i>	<b>December 31, 2016</b>	<b>December 31, 2017</b>
2023 Notes	\$ 280,079	\$ 280,079
Term Loans	298,512	291,851
Capitalized leases	631	15
Debt before deferred financing costs	579,222	571,945
Deferred financing costs	(8,006)	(6,803)
Total debt	571,216	565,142
Less: current portion of long-term debt	(6,901)	(9,524)
Total long-term debt	<b>\$ 564,315</b>	<b>\$ 555,618</b>

On April 1, 2015, the Company issued \$300.0 million of 6.5% Unsecured Senior Notes due in 2023 (the “2023 Notes”) and a Senior Secured Credit Facility, which includes a seven year, \$275.0 million term loan facility (the “Term Loans”) and a five year, \$50.0 million revolving credit facility (the “Revolver”). Borrowings are guaranteed by each of the Company’s direct and indirect subsidiaries, and subject to certain exceptions, are secured by substantially all of the tangible and intangible assets of the Company and its subsidiaries. The proceeds from the 2023 Notes and Term Loans were used to redeem the 9% Unsecured Senior Notes due 2019 issued by the Company’s wholly-owned, indirect subsidiary Townsquare Radio, LLC (“Townsquare Radio”) together with Townsquare Radio, Inc., as co-borrowers (the “2019 Notes”), and repay all outstanding borrowings under Townsquare Radio’s previously existing senior secured credit facility, including a \$10.0 million revolving credit facility. The Company paid \$27.7 million in redemption premiums to holders of the 2019 Notes in connection with the redemption. In addition, the Company had a loss of \$9.1 million and a gain of \$6.8 million on the write-off of unamortized deferred financing costs and bond premium, respectively in connection with these repayments. The payment to holders of the 2019 Notes and the write-off of the unamortized deferred financing costs and bond premium are included in cancellation and (repurchase) of debt in the Company’s Consolidated Statements of Operations for the year ended December 31, 2015.

On September 1, 2015, the Company issued incremental term loans of \$45.0 million under the Senior Secured Credit Facility, the proceeds of which were used to partially fund the purchase price of NAME. Further, on September 30, 2015, the Company made a \$20.0 million voluntary prepayment of borrowings under the Term Loans. The Company recognized a loss of \$0.3 million on the write-off of unamortized deferred financing costs in connection with this voluntary prepayment in the third quarter of 2015.

During the year ended December 31, 2016, the Company voluntarily repurchased \$19.9 million of its 2023 Notes at a market price below par, plus accrued interest and recognized a gain of \$0.5 million, which is included in other expense (income), net in the Company’s Consolidated Statements of Operations. The repurchased notes were canceled by the Company. The Company recognized a loss of \$0.4 million on the write-off of unamortized deferred financing costs in connection with the voluntary repurchases of its 2023 Notes, which is included in interest expense, net in the Company’s Consolidated Statements of Operations for the year ended December 31, 2016.

On February 8, 2017, the Company amended its Senior Secured Credit Facility agreement to reduce the applicable interest rate on its Term Loan. Under the amended Term Loan, the applicable margin has been reduced by 25 basis points to 300 basis points. The LIBOR floor of 1% remains unchanged. All other terms of the Senior Secured Credit Facility agreement remain substantially unchanged. The Company capitalized \$0.4 million of deferred financing costs in connection with this repricing. As of December 31, 2017, the interest rate on the Term Loans was 4.42%. The Revolver has an interest rate based either on LIBOR and an applicable margin of 250 basis points, or an alternative base rate and an applicable margin of 150 basis points. As of December 31, 2017, the Company had no outstanding borrowings under the Revolver.

The 2023 Notes mature on April 1, 2023, with interest payable on April 1 and October 1 of each year. Prior to maturity, the Company may redeem all or part of the 2023 Notes at specified redemption premiums as set forth in the indenture, together with any accrued and unpaid interest thereon. Additionally, if the Company experiences certain

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change of control events, holders of the 2023 Notes may require the Company to repurchase all or part of their notes at 101% of the principal amount thereof.

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

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

The Term Loans mature on April 1, 2022, and the Revolver matures on April 1, 2020. Borrowings under the Senior Secured Credit Facility are subject to mandatory prepayments equal to the net proceeds to the Company of any additional debt issuances or asset sales, as well as half of the annual excess cash flow as defined in the credit agreement (subject to certain reductions). As of December 31, 2016, we were required to make an excess cash flow payment on the outstanding Term Loans of \$6.7 million, which was subsequently paid on March 20, 2017. As of December 31, 2017, we will be required to make an excess cash flow payment on the outstanding Term Loans of \$9.5 million in the first quarter of 2018. Borrowings are guaranteed by each of the Company's direct and indirect subsidiaries, and subject to certain exceptions, are secured by substantially all of the tangible and intangible assets of the Company and its subsidiaries.

The Senior Secured Credit Facility contains covenants that, among other things, limit or restrict the ability of the Company and its subsidiaries to incur additional indebtedness or liens; engage in mergers or other fundamental changes; sell certain property or assets; pay dividends or other distributions; make acquisitions, investments, loans and advances; prepay certain indebtedness including the 2023 Notes; change the nature of its business; engage in certain transactions with affiliates and incur restrictions on interactions between the Company and its subsidiaries, or limit actions in relation to the Senior Secured Credit Facility.

The Company is in compliance with its covenants under the 2023 Notes and the Senior Secured Credit Facility as of December 31, 2017.

As of December 31, 2016 and 2017, based on available market information, the estimated fair value of the 2023 Notes was \$268.4 million and \$275.8 million, respectively, and \$299.6 million and \$288.9 million, respectively, for the Term Loans. The Company used Level 2 measurements under the fair value measurement hierarchy established under *Fair Value Measurement (Topic 820)*.

Annual maturities of the Company's long-term debt as of December 31, 2017 are as follows (in thousands):

2018	\$	9,524
2019		5
2020		5
2021		—
2022		282,332
Thereafter		280,079
	<b>\$</b>	<b>571,945</b>

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**Note 8. Stockholders' Equity**

The table below presents a summary, as of December 31, 2017, of our authorized and outstanding common stock, and securities convertible into common stock, excluding options issued under our 2014 Omnibus Incentive Plan.

Security <sup>1</sup>	Par Value Per Share	Number Authorized	Number Outstanding	Description
Class A common stock	\$ 0.01	300,000,000	13,819,639	One vote per share.
Class B common stock	\$ 0.01	50,000,000	3,022,484	10 votes per share. <sup>2</sup>
Class C common stock	\$ 0.01	50,000,000	1,636,341	No votes. <sup>2</sup>
Warrants			8,977,676	Each warrant is exercisable for one share of Class A common stock, at an exercise price of \$0.0001 per share. The aggregate exercise price for all warrants currently outstanding is \$898. <sup>3</sup>
<b>Total</b>		<b>400,000,000</b>	<b>27,456,140</b>	

<sup>1</sup> Each of the shares of common stock, including the shares of Class A common stock issuable upon exercise of the warrants, have equal economic rights.

<sup>2</sup> 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.

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

The foregoing share totals exclude 4,032,989 of Class A common stock and 4,511,236 of Class B common stock issuable upon exercise of stock options, which options have an exercise price of between \$8.24 and \$10.62 per share. Additionally, the Company is authorized to issue 50,000,000 shares of undesignated preferred stock.

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

On September 1, 2015, in connection with the purchase of NAME, the Company issued 481,948 shares of Class A common stock. These transactions are more fully described in Note 3.

On April 6, 2016, a warrant holder exercised 531,202 warrants in exchange for 531,197 shares of Class A common stock upon the holder exercising the warrants on a cashless basis.

On August 16, 2016, GE Capital Equity Holdings, LLC, GE Business Financial Services, Inc. and AN Capital Corporation (collectively, the "Selling Entities"), each existing stockholders of the Company, entered into a purchase agreement with Madison Square Garden Investments, LLC ("MSG"), pursuant to which MSG agreed to acquire a total of 3,208,139 shares of the Company's Class C common stock from the Selling Entities, which, in accordance with the terms of the Class C common stock, converted into a like number of shares of the Company's Class A common stock upon completion of the transaction (the "MSG Transaction"). In connection with the MSG Transaction, the Company entered into a registration agreement with MSG, dated as of August 16, 2016, which provides MSG, subject to certain customary limitations and other conditions, with the ability to cause the Company to register shares of Class A common stock held by MSG for resale under the Securities Act of 1933, as amended, and grants MSG the right to participate in certain registrations by the Company of its equity securities. In addition, pursuant to a letter agreement, dated as August 16, 2016 (the "Board Observer Letter"), the Company has granted MSG the right to send one representative to observe meetings of the Company's Board of Directors and committees (the "Observer Rights"). MSG's Observer Rights will expire at such time as MSG holds less than 75% of the number of shares of Class A common stock it held on the date of the Board Observer Letter.

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Also on August 16, 2016, Steven Price, Executive Chairman of the Company's Board of Directors, entered into a purchase agreement with GE Capital Equity Holdings, LLC pursuant to which he agreed to acquire a total of 50,000 shares of Class C common stock from GE Capital Equity Holdings, LLC. In accordance with their terms, the shares of Class C common stock acquired by Mr. Price converted into shares of Class A common stock upon completion of the transaction.

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

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

***Stock-based Compensation***

The Company's 2014 Omnibus Incentive Plan (the "2014 Incentive Plan") provides grants of stock options, stock appreciation rights, restricted stock, other stock-based awards and other cash-based awards. Directors, officers and other employees of the Company and its subsidiaries, as well as others performing consulting or advisory services for the Company, are eligible for grants under the 2014 Incentive Plan. The purpose of the 2014 Incentive Plan is to provide incentives that will attract, retain and motivate high performing officers, directors, employees and consultants by providing them with appropriate incentives and rewards either through a proprietary interest in our long-term success or compensation based on their performance in fulfilling their personal responsibilities. The aggregate number of shares of common stock which may be issued or used for reference purposes under the 2014 Incentive Plan or with respect to which awards may be granted may not exceed 12,000,000 shares. As of December 31, 2017, 3,407,697 shares were available for grant.

No restricted stock was granted during the years ended December 31, 2015 and 2016. 5,000 restricted stock shares were issued during the year ended December 31, 2017. The Company has aggregate commitments for restricted stock units of \$0.2 million through 2021.

On January 26, 2016, the Company granted 1,600,000 options under the 2014 Omnibus Incentive Plan at an exercise price of \$8.96 to employees and directors of the Company.

In November 2016, the Board of Directors of the Company and the holders of a majority of the voting power of the Company's issued and outstanding shares of common stock approved a one-time stock option repricing program (the "Option Repricing"). For each outstanding option to acquire shares of our Class A common stock, and each outstanding stock option to acquire shares of our Class B common stock, granted under the Company's 2014 Incentive Plan, in each case with an exercise price in excess of \$9.00 per share, the Option Repricing authorized a reduction in the exercise price to \$9.00 per share or fair market value, whichever was higher, and on January 3, 2017, the exercise price was amended to \$9.63. Under ASC Topic 718, the Company recognized a one-time expense relating to the Option Repricing in the fourth quarter of 2016.

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On January 25, 2017, the Company granted 50,000 options. The weighted average grant date fair value of stock options granted was \$3.68 . The options granted have a five-year term with 50% vesting in year three and 50% vesting in year four.

On December 21, 2017, the Company granted 100,000 options. The weighted average grant date fair value of stock options granted was \$2.89 . The options granted have a five-year term with 50% vesting in year three and 50% vesting in year four.

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

	2015	2016	2017
Expected volatility	30% - 40%	30.0%	40.0%
Expected term	6.3 years	4.25 - 6.33 years	4.25 years
Risk free interest rate	1.8% - 2.1%	1.4% - 1.7%	2.1%
Expected dividend yield	0.0%	0.0%	0.0%

With the exception of the options that were granted to employees in the first quarter of 2016 and all of 2017, the options provide for immediate vesting. The options have an exercise price of between \$8.24 and \$10.62 per share. The expected term was calculated using the simplified method, defined as the midpoint between the vesting period and the contractual term of each award. The expected volatility was based on market conditions of the Company and comparable companies. The risk-free interest rate was based on the U.S. Treasury yield curve in effect on the date of grant which most closely corresponds to the expected term of the option. The Company historically has not paid dividends and therefore did not utilize a dividend yield in the calculations.

The following table summarizes stock option activity for the year ended December 31, 2017 :

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Aggregate Intrinsic Value (in thousands)
<b>Outstanding at December 31, 2016</b>	<b>8,653,712</b>	<b>\$ 9.51</b>	<b>7.06</b>	<b>\$ 7,805</b>
Granted	150,000	9.03		
Exercised	(35,914)	9.63		
Forfeited and expired	(223,573)	9.45		
<b>Outstanding at December 31, 2017</b>	<b>8,544,225</b>	<b>9.50</b>	<b>6.11</b>	—
<b>Exercisable at December 31, 2017</b>	<b>6,914,225</b>	<b>\$ 9.63</b>	<b>6.63</b>	—

During 2017, 50,000 and 100,000 options were granted to officers of the Company. The weighted average grant date fair value of stock options granted were \$3.68 and \$2.86 , respectively. Of the 1,600,000 options granted during 2016, 1,565,000 were granted to employees and 35,000 were granted to directors of the Company. The weighted average grant date fair value of stock options granted was \$2.38 and \$2.98 for options granted to employees and independent directors of the Company, respectively. The options granted to directors provide for immediate vesting, whereas the options granted to employees have a five-year term with 50% vesting in year three and 50% vesting in year four. The weighted average grant date fair value of stock options granted during the year ended December 31, 2015 was \$4.62 .

As of December 31, 2017, there were 5,000 restricted stock units outstanding with a weighted average grant date fair value per share of \$9.16 . The fair value of the restricted stock units is equal to the closing share price on the date of grant. The restricted stock units granted have a five-year vesting term.

For the years ended December 31, 2015 , 2016 and 2017 , the Company recognized approximately \$4.3 million , \$4.3 million and \$0.7 million , respectively, of stock-based compensation expense with respect to the options and

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restricted stock units granted. Included within the 2016 stock-based compensation expense was \$3.4 million related to the Option Repricing. As of December 31, 2017, total unrecognized stock-based compensation expense related to our stock options and restricted stock units was \$2.3 million and \$27 thousand, respectively, and is expected to be recognized over a weighted average period of 2.3 and 3.1 years, respectively.

The Company has issued stock to employees and independent directors. Certain of the shares were subject to a Selldown Agreement, pursuant to which the holders are subject to certain restrictions on sales of the Company's common stock held by them. Pursuant to the terms of the Selldown Agreement, FiveWire Media Ventures LLC ("FiveWire") (an entity formed for the purpose of investing in the Company by certain members of management) and certain other members of management were generally restricted from transferring a specified percentage (which is expected to range between 50% and 100%) of the shares of the Company's common stock held by them at the closing of the July 24, 2014 initial public offering (the "IPO"). If Oaktree sold a portion of the shares of common stock or warrants to purchase common stock that it holds (the percentage of shares and warrants, collectively, held by Oaktree at such time that it sells in such a transaction, referred to as the "Sale Percentage"), those subject to the Selldown Agreement were permitted to sell a percentage of the shares of common stock and warrants held by them, up to an amount equal to the Sale Percentage. The Selldown Agreement would terminate on the earlier of (i) the date that Oaktree no longer holds at least 10% of the shares of common stock and warrants exercisable for common stock, collectively, held by Oaktree immediately following closing of the IPO, and (ii) the third anniversary of the closing of the IPO. This agreement was terminated on the third anniversary of the IPO, July 24, 2017.

**Note 9. Income Taxes**

Income tax expense (benefit) from continuing operations for the years ended December 31, 2015, 2016 and 2017 consisted of the following:

<i>(in thousands)</i>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Current income tax expense (benefit)			
State	\$ 350	\$ 896	\$ 683
Foreign	(163)	255	96
<b>Total current income tax expense</b>	<b>\$ 187</b>	<b>\$ 1,151</b>	<b>\$ 779</b>
Deferred tax expense (benefit)			
Federal	\$ 6,402	\$ 13,195	\$ (14,813)
State	1,377	2,677	1,063
Foreign	(42)	(41)	(56)
<b>Total deferred income tax expense (benefit)</b>	<b>7,737</b>	<b>15,831</b>	<b>(13,806)</b>
<b>Total income tax expense (benefit)</b>	<b>\$ 7,924</b>	<b>\$ 16,982</b>	<b>\$ (13,027)</b>

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Total income tax expense (benefit) from continuing operations differed from the amount computed by applying the federal statutory tax rate of 35.0% for the years ended December 31, 2015, 2016 and 2017 due to the following:

<i>(in thousands)</i>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Pretax income (loss) at federal statutory rate	\$ 6,359	\$ 14,064	\$ (7,666)
Foreign taxes at different rates from the U.S. rate	77	(68)	11
State income tax expense, net federal expense	1,156	2,315	1,135
Non-deductible items	366	318	424
Goodwill impairment	—	—	13,953
Purchase price adjustments	—	—	(819)
Federal tax rate change adjustments	—	—	(19,157)
Adjustment of prior year deferred taxes	(128)	257	(832)
Change in valuation allowance	94	106	(76)
Other items	—	(10)	—
<b>Total provision (benefit) for income taxes</b>	<b>\$ 7,924</b>	<b>\$ 16,982</b>	<b>\$ (13,027)</b>

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 2016 and 2017 are presented below:

<i>(in thousands)</i>	<b>2016</b>	<b>2017</b>
Deferred tax assets:		
Allowance for doubtful accounts	\$ 402	\$ 119
Accrued expenses and other current liabilities	684	330
Stock-based compensation	16,194	10,877
Prepaid rent	1,448	1,326
Deferred revenue	899	433
Noncurrent liabilities	337	94
Net operating loss and credit carryforwards	46,030	38,705
	<b>65,994</b>	<b>51,884</b>
Less: valuation allowance	(13,705)	(10,190)
<b>Deferred tax assets</b>	<b>52,289</b>	<b>41,694</b>
Deferred tax liabilities:		
Intangible assets	91,447	69,943
Property and equipment	7,825	5,465
Software development costs	3,924	3,251
<b>Deferred tax liabilities</b>	<b>103,196</b>	<b>78,659</b>
<b>Net deferred tax liabilities</b>	<b>\$ 50,907</b>	<b>\$ 36,965</b>

Net deferred tax liabilities as of December 31, 2017 include \$0.9 million pertaining to Canadian operations.

As of December 31, 2017, the Company has federal net operating loss carryforwards of approximately \$136.8 million available to offset future income which will expire in the years 2018 through 2037, of which \$50.4 million is applicable to Townsquare Radio, Inc. and can only be utilized against its future earnings (subject to further limitations under Section 382 of the Internal Revenue Code) and \$86.4 million applicable to post IPO operations of the Company and can be utilized against future earnings without limitation through 2037. Additionally, the Company has net operating loss carry forwards for state purposes aggregating \$10.7 million as of December 31, 2017, which are subject to the foregoing limitations. The valuation allowance decrease of \$3.5 million as of December 31, 2017, was primarily due to the Federal tax rate change on certain of the Company's net operating losses.

**TOWNSQUARE MEDIA, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

***New Tax Reform Legislation***

In December 2017, the Tax Cuts and Jobs Act (the “Act”) was enacted. The Tax Act makes significant changes in U.S. tax law including a reduction in the corporate income tax rate, repeal of the alternative minimum tax, requiring a one-time transition tax on certain unrepatriated earnings of foreign subsidiaries and changes to net operating loss carryforwards and carry backs. The Tax Act reduced the U.S. corporate income tax rate from the current rate of 35% to 21%. As a result of the Tax Act, the Company was required to revalue its deferred tax assets and liabilities at the enacted rate. This revaluation resulted in a benefit of \$19.2 million to income tax expense and a corresponding reduction in the net deferred tax liability. The Company also computed an estimate of approximately \$0.3 million of the deemed mandatory repatriation as of December 31, 2017.

The SEC issued guidance on accounting for the tax effects of the Tax Act. The Company must reflect the income tax effects of those aspects of the Tax Act for which the accounting is known. To the extent that a company’s accounting for certain income tax effects of the Tax Act is incomplete but it is able to determine a reasonable estimate, it must record a provisional estimate in the financial statements and the Tax Act provides a measurement period that should not extend beyond one year from the Tax Act enactment date. The Company has determined a reasonable estimate for these amounts, and based on a continued analysis of the estimates and further guidance and interpretations on the application of the law, additional revisions may occur, however the Company does not expect any material adjustments.

**Note 10. Accrued Expenses and Other Current Liabilities**

Accrued expenses and other current liabilities consist of the following:

<i>(in thousands)</i>	<b>December 31, 2016</b>	<b>December 31, 2017</b>
Accrued compensation and benefits	\$ 12,468	\$ 11,519
Accrued professional fees	1,172	1,057
Accrued commissions	1,883	2,010
Accrued taxes	2,230	2,017
Accrued music and FCC licensing	338	291
Accrued publisher fees	1,593	2,752
Accrued national representation fees	1,265	947
Deferred rent	1,694	1,951
Accrued other	3,105	2,616
	<b>\$ 25,748</b>	<b>\$ 25,160</b>

**Note 11. Lease and Other Commitments**

Operating Leases : The Company leases certain facilities and equipment used in its operations. Certain of the Company’s operating leases contain renewal options through 2062, escalating rent provisions and/or cost of living adjustments. Total rental expense was approximately \$19.2 million , \$23.7 million and \$22.6 million for the years ended December 31, 2015 , 2016 and 2017 , respectively. Total rental expense includes costs incurred for live events such as venue and equipment rentals.

**TOWNSQUARE MEDIA, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

As of December 31, 2017, the total minimum annual rental commitments under non-cancelable operating leases are as follows (in thousands):

2018	\$	10,185
2019		8,775
2020		6,594
2021		4,951
2022		3,956
Thereafter		14,310
<b>Total minimum payments</b>	<b>\$</b>	<b>48,771</b>

Other Commitments: The radio broadcast industry’s principal ratings service is Nielsen Holdings N.V. (“Nielsen”), which publishes surveys for domestic radio markets. The Company’s remaining aggregate obligation under the agreements with Nielsen as of December 31, 2017 is approximately \$23.9 million and is expected to be paid in accordance with the agreements through September 2021. In addition, the Company has aggregate commitments of \$3.0 million for other broadcasting services through December 2019 and aggregate commitments of \$12.5 million for a business management platform through 2023.

We normally commit one or more years in advance to provide rides, games and concessions at certain fairs. These agreements include an obligation to pay event fees, which may be expressed as a flat fee or as a percentage of revenue. As of December 31, 2017, our total minimum fee commitments for contracts with a remaining term in excess of one year are as follows (in thousands):

2018	\$	3,662
2019		3,670
2020		2,363
2021		2,138
2022		3,932
Thereafter		1,684
<b>Total minimum payments</b>	<b>\$</b>	<b>17,449</b>

**Note 12. Segment Reporting**

The Company has two reportable segments, Local Marketing Solutions, which provides broadcast and digital products and solutions to advertisers and businesses within our local markets, and Entertainment, which provides live event experiences and music and lifestyle content directly to consumers, and promotion, advertising and product activations to local and national advertisers.

**TOWNSQUARE MEDIA, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

The following table presents the Company's reportable segment results for the year ended December 31, 2015 :

<i>(in thousands)</i>	<b>Local Marketing Solutions</b>	<b>Entertainment</b>	<b>Corporate and other reconciling items</b>	<b>Consolidated</b>
<b>Year Ended December 31, 2015</b>				
Net revenue	\$ 326,646	\$ 114,576	\$ —	\$ 441,222
Direct operating expenses, excluding depreciation, amortization and stock-based compensation	212,110	105,679	—	317,789
Depreciation and amortization	12,448	3,203	1,926	17,577
Corporate expenses	—	—	25,458	25,458
Stock-based compensation	1,255	653	2,370	4,278
Transaction costs	—	—	1,739	1,739
Goodwill and other intangible impairment charges	1,680	—	—	1,680
Net (gain) on sale and retirement of assets	—	—	(12,029)	(12,029)
<b>Operating income (loss)</b>	<b>\$ 99,153</b>	<b>\$ 5,041</b>	<b>\$ (19,464)</b>	<b>\$ 84,730</b>
<b>Long-lived Assets</b>	<b>\$ 774,967</b>	<b>\$ 158,080</b>	<b>\$ 11,828</b>	<b>\$ 944,875</b>
<b>Capital expenditures</b>	<b>\$ 9,597</b>	<b>\$ 3,261</b>	<b>\$ 1,866</b>	<b>\$ 14,724</b>
<b>Goodwill</b>	<b>\$ 202,862</b>	<b>\$ 90,091</b>	<b>\$ —</b>	<b>\$ 292,953</b>

The following table presents the Company's reportable segment results for the year ended December 31, 2016 :

<i>(in thousands)</i>	<b>Local Marketing Solutions</b>	<b>Entertainment</b>	<b>Corporate and other reconciling items</b>	<b>Consolidated</b>
<b>Year Ended December 31, 2016</b>				
Net revenue	\$ 342,191	\$ 173,804	\$ —	\$ 515,995
Direct operating expenses, excluding depreciation, amortization and stock-based compensation	223,286	160,708	—	383,994
Depreciation and amortization	12,612	8,545	2,814	23,971
Corporate expenses	—	—	25,370	25,370
Stock-based compensation	863	445	2,945	4,253
Transaction costs	—	—	844	844
Net loss on sale and retirement of assets	—	—	282	282
<b>Operating income (loss)</b>	<b>\$ 105,430</b>	<b>\$ 4,106</b>	<b>\$ (32,255)</b>	<b>\$ 77,281</b>
<b>Long-lived Assets</b>	<b>\$ 774,908</b>	<b>\$ 156,676</b>	<b>\$ 14,692</b>	<b>\$ 946,276</b>
<b>Capital expenditures</b>	<b>\$ 10,325</b>	<b>\$ 8,020</b>	<b>\$ 2,377</b>	<b>\$ 20,722</b>
<b>Goodwill</b>	<b>\$ 202,862</b>	<b>\$ 90,091</b>	<b>\$ —</b>	<b>\$ 292,953</b>

**TOWNSQUARE MEDIA, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

The following table presents the Company's reportable segment results for the year ended December 31, 2017 :

<i>(in thousands)</i>	<b>Local Marketing Solutions</b>	<b>Entertainment</b>	<b>Corporate and other reconciling items</b>	<b>Consolidated</b>
<b>Year Ended December 31, 2017</b>				
Net revenue	\$ 348,660	\$ 158,774	\$ —	\$ 507,434
Direct operating expenses, excluding depreciation, amortization and stock-based compensation	234,524	149,888	—	384,412
Depreciation and amortization	14,458	9,043	2,182	25,683
Corporate expenses	—	—	25,828	25,828
Stock-based compensation	132	101	515	748
Transaction costs	—	—	1,175	1,175
Business realignment costs	—	6,204	—	6,204
Goodwill and other intangible impairment charges	2,915	48,933	—	51,848
Net loss on sale and retirement of assets	—	—	397	397
<b>Operating income (loss)</b>	<b>\$ 96,631</b>	<b>\$ (55,395)</b>	<b>\$ (30,097)</b>	<b>\$ 11,139</b>
<b>Long-Lived Assets</b>	<b>\$ 779,464</b>	<b>\$ 102,074</b>	<b>\$ 16,895</b>	<b>\$ 898,433</b>
<b>Capital expenditures</b>	<b>\$ 13,969</b>	<b>\$ 7,737</b>	<b>\$ 1,118</b>	<b>\$ 22,824</b>
<b>Goodwill</b>	<b>\$ 205,876</b>	<b>\$ 37,166</b>	<b>\$ —</b>	<b>\$ 243,042</b>

NAME, acquired by a subsidiary of the Company on September 1, 2015, conducts a portion of its business in Canada. Consolidated revenue for the years ended December 31, 2015, 2016 and 2017 includes \$5.1 million, \$25.8 million and \$27.7 million, respectively, of Canadian revenue, and long-lived assets located in Canada aggregated \$3.9 million and \$4.4 million as of December 31, 2016 and 2017, respectively.

**Note 13. Discontinued Operations and Business Realignment Costs**

*Discontinued Operations*

During the fourth quarter of 2017, Management undertook a corporate strategic review of the Company's operations and concluded the Company should exit certain Entertainment businesses. These businesses are classified as discontinued operations as they represent separate lines of business and the discontinuation thereof represents a strategic shift towards core business offerings. The Company commenced a search for a buyer for these businesses.

As part of this strategic review, Management determined that following the completion of contractually committed 2017 events, the live event verticals, Premium Music and Holiday, would be discontinued.

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

**TOWNSQUARE MEDIA, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

<i>(in thousands)</i>	<b>December 31, 2016</b>	<b>December 31, 2017</b>
Accounts receivable	\$ 62	\$ 81
Prepaid expenses and other current assets	192	19
Current assets of discontinued operations	\$ 254	\$ 100
Current assets held for sale	—	879
Long term assets of discontinued operations	—	431
Long term assets held for sale	199	—
Accrued expenses and other current liabilities	(71)	(680)
Long term liabilities of discontinued operations	(59)	—
Net assets	<u>\$ 324</u>	<u>\$ 730</u>

Summarized operating results related to these entities are included in discontinued operations in the accompanying Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income (Loss) for the years ended:

<i>(in thousands)</i>	<b>December 31, 2015</b>	<b>December 31, 2016</b>	<b>December 31, 2017</b>
Revenues	\$ —	\$ 871	\$ 3,002
Costs and expenses	—	(721)	(4,890)
Income tax (expense) benefit	—	(59)	490
Net income (loss) from discontinued operations, net of tax	<u>\$ —</u>	<u>\$ 91</u>	<u>\$ (1,398)</u>

Summarized supplemental cash flow changes from discontinued operations in the accompanying Consolidated Statements of Cash Flows for the years ended:

<i>(in thousands)</i>	<b>December 31, 2015</b>	<b>December 31, 2016</b>	<b>December 31, 2017</b>
Net cash provided by operating activities - discontinued operations	\$ —	\$ (124)	\$ 274
Net cash used in investing activities - discontinued operations	\$ —	\$ (199)	\$ (680)

**Business Realignment Costs**

During Management's strategic review it was also decided that two musical festivals would be terminated following the 2017 music festival season and that other expo, active, lifestyle and direct national digital sales operations would be streamlined. These terminated events represent components within the Entertainment business and not an exit from this line of business as other similar events will continue to be held. These terminated events have been effectively abandoned with any assets transferred to other components within the segment. In connection with this restructuring, the Company recorded the following business realignment costs for the year ended December 31, 2017:

<i>(in thousands)</i>	
Compensation costs	\$ 798
Contract termination costs	510
Goodwill	4,105
Trademarks	771
Other	20
	<u>\$ 6,204</u>

**TOWNSQUARE MEDIA, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**Note 14. Net Income (loss) Per Common Share**

***Net Income (loss) per Common Share***

Basic earnings (loss) per common share (“EPS”) is generally calculated as income available to common shareholders divided by the weighted average number of common shares outstanding. Diluted EPS is generally calculated as income available to common shareholders divided by the weighted average number of common shares outstanding plus the dilutive effect of common share equivalents.

The calculation of basic and diluted EPS for the years ended December 31, 2015, 2016 and 2017 was as follows:

<i>(in thousands, except per share data)</i>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Numerator:</b>			
Net income (loss) from continuing operations	\$ 10,246	\$ 23,202	\$ (8,875)
Net income (loss) from discontinued operations, net of income taxes	—	91	(1,398)
<b>Net income (loss)</b>	<b>\$ 10,246</b>	<b>\$ 23,293</b>	<b>\$ (10,273)</b>
<b>Denominator:</b>			
Weighted average shares of common stock outstanding	17,537	18,255	18,459
Effect of dilutive common stock equivalents	10,187	9,058	—
Weighted average diluted common shares outstanding	27,724	27,313	18,459
<b>Basic income (loss) per share:</b>			
Continuing operations	\$ 0.58	\$ 1.28	\$ (0.48)
Discontinued operations	—	—	(0.08)
	<b>\$ 0.58</b>	<b>\$ 1.28</b>	<b>\$ (0.56)</b>
<b>Diluted income (loss) per share:</b>			
Continuing operations	\$ 0.37	\$ 0.85	\$ (0.48)
Discontinued operations	—	—	(0.08)
	<b>\$ 0.37</b>	<b>\$ 0.85</b>	<b>\$ (0.56)</b>

The Company had the following dilutive securities for the years ended December 31, that were not included in the computations of net income per share as they were considered anti-dilutive:

<i>(in thousands)</i>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Warrants	—	—	8,978
Stock options	167	7,079	8,544
Restricted Stock	—	—	5

**TOWNSQUARE MEDIA, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**Note 15. Selected Quarterly Financial Data (Unaudited)**

<i>(in thousands, except per share data)</i>	<b>2016 Quarter Ended</b>			
	<b>March 31,</b>	<b>June 30,</b>	<b>September 30,</b>	<b>December 31,</b>
Net revenue	\$ 94,432	\$ 137,157	\$ 165,756	\$ 118,650
Operating income	5,792	17,783	38,938	14,768
Net (loss) income from continuing operations	(1,383)	5,602	15,863	3,120
Net income from discontinued operations, net of income taxes	—	—	—	91
Net (loss) income	<u>\$ (1,383)</u>	<u>\$ 5,602</u>	<u>\$ 15,863</u>	<u>\$ 3,211</u>
Basic (loss) income per share <sup>1</sup> :				
Continuing operations	\$ (0.08)	\$ 0.31	\$ 0.86	\$ 0.17
Discontinued operations	0.00	0.00	0.00	0.00
	<u>\$ (0.08)</u>	<u>\$ 0.31</u>	<u>\$ 0.86</u>	<u>\$ 0.17</u>
Diluted (loss) income per share <sup>1</sup> :				
Continuing operations	\$ (0.08)	\$ 0.20	\$ 0.58	\$ 0.12
Discontinued operations	0.00	0.00	0.00	0.00
	<u>\$ (0.08)</u>	<u>\$ 0.20</u>	<u>\$ 0.58</u>	<u>\$ 0.12</u>
	<b>2017 Quarter Ended</b>			
	<b>March 31,</b>	<b>June 30,</b>	<b>September 30,</b>	<b>December 31,</b>
<i>(in thousands, except per share data)</i>				
Net revenue	\$ 88,404	\$ 140,663	\$ 164,112	\$ 114,255
Operating income (loss)	3,447	17,561	32,980	(42,849)
Net (loss) income from continuing operations	(2,843)	5,743	14,495	(26,271)
Net income from discontinued operations, net of income taxes	(165)	(181)	(202)	(850)
Net (loss) income	<u>\$ (3,008)</u>	<u>\$ 5,563</u>	<u>\$ 14,293</u>	<u>\$ (27,121)</u>
Basic (loss) income per share <sup>1</sup> :				
Continuing operations	\$ (0.15)	\$ 0.31	\$ 0.78	\$ (1.42)
Discontinued operations	(0.01)	(0.01)	(0.01)	(0.05)
	<u>\$ (0.16)</u>	<u>\$ 0.30</u>	<u>\$ 0.77</u>	<u>\$ (1.47)</u>
Diluted (loss) income per share <sup>1</sup> :				
Continuing operations	\$ (0.15)	\$ 0.20	\$ 0.51	\$ (1.42)
Discontinued operations	(0.01)	0.00	0.00	(0.05)
	<u>\$ (0.16)</u>	<u>\$ 0.20</u>	<u>\$ 0.51</u>	<u>\$ (1.47)</u>

<sup>1</sup> Basic and Diluted (loss) income per share is computed independently for each quarter presented. Therefore, the sum of the quarters may not necessarily equal the total for the year.

**TOWNSQUARE MEDIA, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**Note 16. Subsequent Events**

*Acquisitions*

On February 15, 2018, the Company announced that it had entered into an agreement to acquire classic rock station WOUR-FM 96.9 in Utica, NY from Galaxy Communications, LLC for \$4.0 million . In addition, pursuant to a Joint Sales Agreement, the Company took over all sales efforts for the station effective immediately. The Company expects the acquisition to close in the second quarter of 2018, subject to closing conditions and customary regulatory approvals.

*Dividend*

On March 12, 2018 the Board of Directors approved a dividend of \$0.075 per share. The dividend will be paid to holders of record as of April 2, 2018. The estimated \$2.1 million dividend will be paid on May 15, 2018. The Company expects to also pay a similar dividend in each of the succeeding three quarters.

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

<b>Fiscal Year</b>	<b>Balance at Beginning of Year</b>	<b>Charged to Costs and Expenses</b>	<b>Deductions</b>	<b>Balance at End of Year</b>
Allowance for doubtful accounts				
2015	\$ 3,350	\$ 1,170	\$ (2,406)	\$ 2,114
2016	\$ 2,114	\$ 1,921	\$ (2,602)	\$ 1,433
2017	\$ 1,433	\$ 2,186	\$ (2,540)	\$ 1,079

## Subsidiaries of Townsquare Media, Inc.

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

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

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

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

Townsquare Expos II, LLC	Delaware
Townsquare Live Events Colorado, LLC	Delaware
Townsquare Live Events Montana, LLC	Delaware
Townsquare Lifestyle Events, LLC	Delaware
Townsquare Food and Wine, LLC	Delaware
Taste of Country Productions, LLC	Delaware
Mountain Jam, 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
Heartland Group LLC	Delaware
North American Midway Entertainment, LLC	Delaware
Hollywood Attractions, LLC	Mississippi
Mid-America Shows Delaware, LLC	Delaware
Mid-America Shows Transportation, LLC	Delaware
North American Midway Entertainment- All Star Amusement, LLC	Delaware
North American Midway Entertainment- Amusement South, LLC	Delaware
North American Midway Entertainment- Astro Amusement, LLC	Delaware
North American Midway Entertainment- Canada Holdings, Inc.	Delaware
North American Midway Entertainment- Canada Co.	Nova Scotia, Canada
North American Midway Entertainment- Catering South, LLC	Delaware
North American Midway Entertainment- Shows South, LLC	Delaware
North American Midway Entertainment- Southeast, LLC	Delaware

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the Registration Statement (No. 333-205366) on Form S-8 of Townsquare Media, Inc. of our report dated March 13, 2018 , relating to the consolidated financial statements and the financial statement schedule of Townsquare Media, Inc. appearing in this Annual Report on Form 10-K of Townsquare Media, Inc. for the year ended December 31, 2017 .

/s/ RSM US LLP

New York, New York  
March 13, 2018

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

I, Stuart Rosenstein, certify that:

1. I have reviewed this Annual Report on Form 10-K of Townsquare Media, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 13, 2018

By:

/s/ Stuart Rosenstein

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Name: Stuart Rosenstein

Title: Executive Vice President and Chief Financial Officer

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

I, Bill Wilson, certify that:

1. I have reviewed this Annual Report on Form 10-K of Townsquare Media, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 13, 2018

By:

/s/ Bill Wilson

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Name: Bill Wilson

Title: Co-Chief Executive Officer

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

I, Dhruv Prasad, certify that:

1. I have reviewed this Annual Report on Form 10-K of Townsquare Media, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 13, 2018

By:

/s/ Dhruv Prasad

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Name: Dhruv Prasad

Title: Co-Chief Executive Officer

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

In connection with the Annual Report on Form 10-K of Townsquare Media, Inc. (the “Company”) for the year ended December 31, 2017 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 13, 2018

/s/ Stuart Rosenstein

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Name: Stuart Rosenstein

Title: Executive Vice President and Chief Financial Officer

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

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

In connection with the Annual Report on Form 10-K of Townsquare Media, Inc. (the “Company”) for the year ended December 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Bill Wilson, as Co-Chief Executive Officer of Townsquare Media, Inc., hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge: the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Townsquare Media, Inc.

Dated: March 13, 2018

/s/ Bill Wilson

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Name: Bill Wilson

Title: Co-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.

**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, 2017 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Dhruv Prasad, as Co-Chief Executive Officer of Townsquare Media, Inc., hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge: the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Townsquare Media, Inc.

Dated: March 13, 2018

/s/ Dhruv Prasad

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Name: Dhruv Prasad

Title: Co-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.