UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE

ACT OF 1934

For the fiscal year ended December 31, 2018

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	**4832**	**27-1996555**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(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	The New York Stock Exchange
(Title of each class)	(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	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☒
		Emerging growth company	☒

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

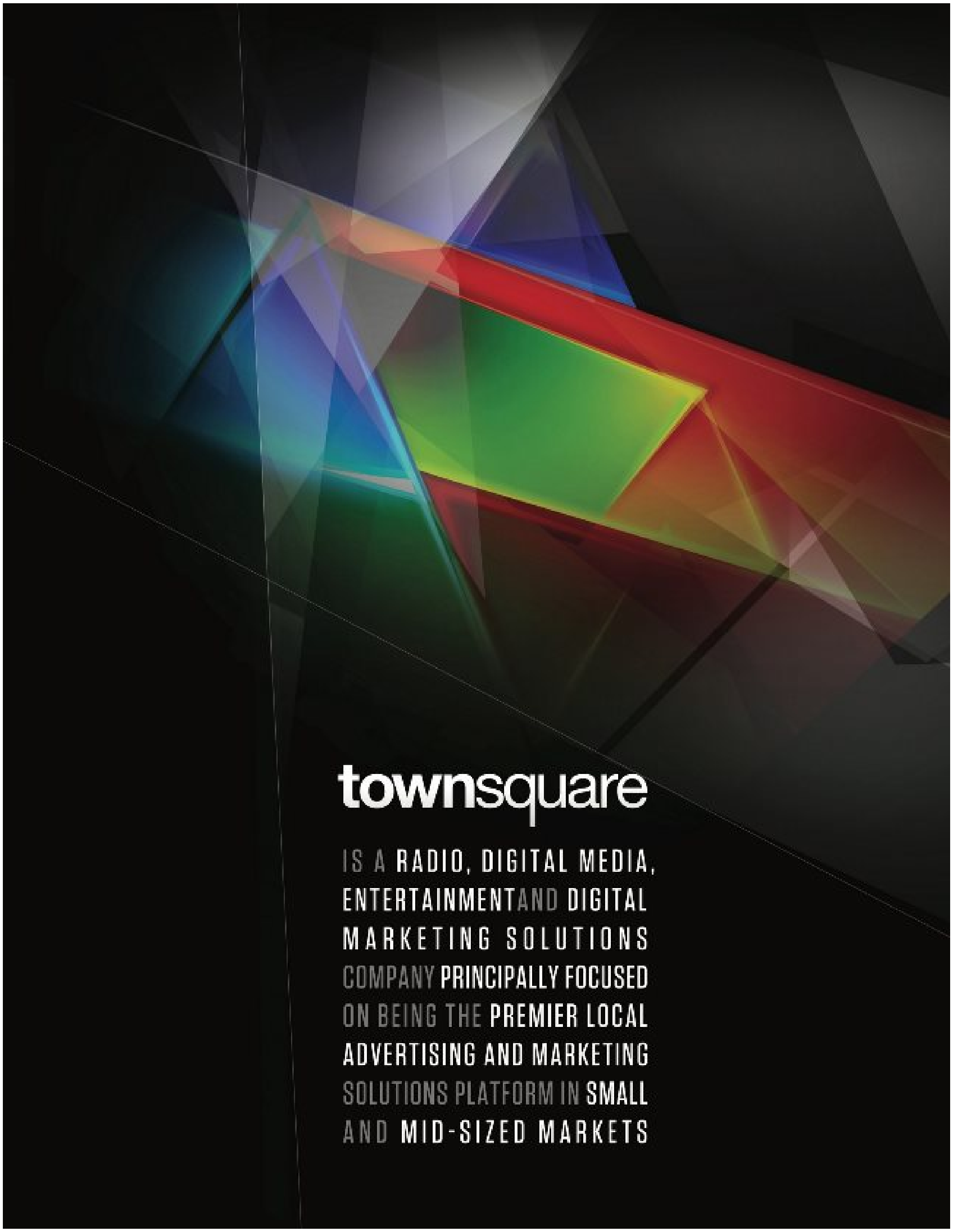
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of March 8, 2019 , the registrant had 18,945,041 outstanding shares of common stock consisting of: (i) 14,297,066 shares of Class A common stock, par value $0.01 per share; (ii) 3,011,634 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 $87,894,821 based upon the closing price on the New York Stock Exchange on June 30, 2018, 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 2019 annual meeting of stockholders (the " 2019 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.


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

TOWNSQUARE MEDIA, INC.

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MARKET, RANKING AND OTHER INDUSTRY DATA

In this Annual Report of Townsquare Media, Inc. (together with its consolidated subsidiaries, except as the context may otherwise require, "we," "us," "our," "Company," or "Townsquare") we rely on and refer to information and statistics regarding our industry, the size of certain markets and our position within the sectors in which we compete. Some of the market and industry data contained in this Annual Report 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 a 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. 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 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 or as of the date specified herein. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as required by law. If we do update one or more forward-looking statements, no inference should be made that we will make additional updates with respect to those or other forward-looking statements.

ELECTRONIC ACCESS TO COMPANY REPORTS

Our investor website can be accessed at www.townsquaremedia.com under the "Equity Investors" section. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed with or furnished to the SEC pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended, 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 Media, Inc. (together with its consolidated subsidiaries, except as the context may otherwise require, "we," "us," "our," "Company," or "Townsquare") is a radio, digital media, entertainment and digital marketing solutions company principally focused on being the premier local advertising and marketing solutions platform in small and mid-sized markets across the United States. Our assets include 321 radio stations and more than 330 local websites in 67 U.S. markets, a digital marketing solutions company (Townsquare Interactive) serving approximately 15,350 small to medium sized businesses, a proprietary digital programmatic advertising platform (Townsquare Ignite), and approximately 200 live events with over one million attendees each year. Our brands include local media assets such as *WYRK* , *KLAQ* , *K2* and *NJ101.5* ; iconic regional and national events such as the *Taste of Country Music Festival* , *WE Fest* , *Country Jam* , the *Boise Music Festival* , the *Red Dirt BBQ & Music Festival* and *Taste of Fort Collins* ; and leading tastemaker music and entertainment websites such as *XXLmag.com* , *TasteofCountry.com* and *Loudwire.com* .

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, digital, mobile, video and social media properties, and live events. 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.

Townsquare owns and operates 321 radio stations and over 330 local websites serving 67 small and mid-sized markets, a digital marketing solutions company Townsquare Interactive, a digital programmatic advertising platform Townsquare Ignite and an e-commerce offering. Almost all of our radio stations have local companion websites that utilize the station brands and are populated with proprietary, original content created or curated by our local media personalities. In addition, Townsquare owns and operates a diverse range of live events which we create, promote and produce. This includes festivals, concerts, expositions and other experiential events within and beyond our markets.

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

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

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

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

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

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

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

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

Competitive Strengths

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

National Scale and 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 45 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, 2018 , we generated approximately 84% of our revenue from a broad array of local and regional advertisers in a number of industries, including automotive dealers, banking and mortgage service providers, furniture and home furnishings retailers, food and beverage service providers, healthcare service providers and media and telecommunications service providers. We generate a majority of our local advertising revenue by selling directly to local advertisers, as well as to local and regional advertising agencies which affords us the opportunity to better present our products 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, at the workplace 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, programmatic digital advertising platform 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, 2018 , approximately 40% 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, 2018 , 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 12% of our revenue in any one market or 13% 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, 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 pay-walls that restrict access to their digital content. We believe these trends will continue and will provide an advantage to our offerings as compared to other media offerings.

Expertise in Music and Entertainment.

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

Attractive Radio Industry Fundamentals.

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

Stable and Engaged Audience Base.

Despite the increased number of alternative media, terrestrial radio has experienced negligible audience fragmentation over the past 50 years and remains a significant source of daily media exposure. According to Nielsen Holdings N.V. ("Nielsen"), terrestrial radio broadcasts reached approximately 90% of American adults ages 12+ each week as of December 2018, 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. According to Nielsen's U.S. Music 360 Report from 2017, approximately 37% of music listeners say that one of the things they like most about listening to traditional radio is the radio personalities.

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, 2018 , we recorded $18.1 million of capital expenditures, excluding $3.2 million of capital expenditures related to our discontinued operations, which represented 4.2% 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 Country, News/Talk/Sports, and Rock Formats.

We own 71 radio stations formatted with Country content, 68 formatted with News/Talk/Sports content and 62 formatted with Rock content, representing approximately 22%, 21% and 19% of our radio stations, respectively. The majority of our radio stations airing these formats capture the largest audience among radio stations airing similar content in their respective markets, as ranked by Nielsen or other ratings services. We create audio programming, online content and live events which leverage our strength in these formats, together with the strength of our brands. We intend to continue to use our expertise and knowledge in these formats to share best practices and optimize content across our portfolio in order to maximize audience 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 321 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, 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 diversifies our revenue and demonstrates 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:

- 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, owned and operated national websites as well as our affiliate websites, mobile applications, 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 and voice activated smart speakers 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 and/or national digital properties and social media channels, sold to local, regional and national advertisers.

- Portfolio of digital marketing solutions including both traditional and mobile enabled website development and hosting services, e-commerce platforms, search engine and online directory optimization services, online reputation management, social media management and website retargeting sold to local and regional small and mid-sized businesses.

- E-Commerce offerings, including daily deals, ongoing deals and auctions sold to local and regional advertisers.

- Admission tickets, merchandise, food and other concessions, and other ancillary products and services sold to our audience.

- Sponsorships, exhibit space and activations sold to our local, regional and national advertisers.

- Licenses of our brands and content, sold to other media companies.

We believe we are positioned to generate 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, 2016 , 2017 and 2018 . A significant percentage of our advertising revenue is generated from the sale of advertising to the automotive, financial services, health services, entertainment, and retail industries.

Our Industry

The local media industry is an important medium for advertisers to reach targeted local consumers and for consumers to engage with relevant local content and events. According to SNL Kagan, in 2018 local advertising spending across all U.S. major media categories totaled $88.0 billion. Since 2013, U.S. local advertising has increased at a 4.7% compound annual growth rate and is projected to grow at a 4.3% compound annual growth rate through 2023. In 2018, local advertising spending on radio and digital, among our target categories, totaled $52.4 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 2013, U.S. local advertising spending on radio and digital has increased at a 13.5% compound annual growth rate and is projected to grow at a 7.5% compound annual growth rate through 2023.

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 5.5% to 7.3% of the overall U.S. advertising market, and has typically followed macroeconomic growth trends. In 2018, radio advertising revenue reached $14.0 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 Nielsen, terrestrial radio broadcasts reached approximately 90% of American adults age 12+ each week as of December 2018, 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 2018 digital advertising revenue reached $91.9 billion of which $42.0 billion was local. Since 2013, local digital advertising has represented one of the fastest growing local media advertising categories with a compound annual growth rate of 20.5%, outpacing national advertising which grew at 13.7%. Local digital advertising is projected to grow at a compound annual growth rate of 9.1% through 2023 and continue to gain market share on national advertising which is projected to grow at 3.4%.

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 $31.0 billion in 2018, up from $23.9 billion in 2013, which represents a 5.3% compound annual growth rate. According to Pollstar, North American live events gross ticket sales totaled $6.8 billion in 2018, up from $5.0 billion in 2013, which represents a compound annual growth rate of 6.2%. Concert tour gross revenues increased in 2018 by 0.4% to $3.7 billion, as measured by the top 100 grossing North American concert ticket sales.

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, 2018 , we employed approximately 2,821 full and part-time employees. None of our employees are covered by collective bargaining agreements and we consider our relations with our employees to be satisfactory.

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

Federal Regulation of Radio Broadcasting

General

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

The following is a brief summary of certain provisions of the Communications Act and relevant FCC rules and published policies (collectively, the “Communications Laws”). This description does not purport to be comprehensive and reference should be made to the Communications Laws, public notices, and decisions issued by the FCC for further information concerning the nature and extent of federal regulation of radio stations. Failure to observe the provisions of the

Communications Laws can result in the imposition of various sanctions, including monetary forfeitures and the grant of a “short-term” (less than the maximum term) license renewal. For particularly egregious violations, the FCC may deny a radio station’s license renewal application, revoke a radio station’s license, or deny applications in which an applicant seeks to acquire additional broadcast properties.

License 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 6, 2019, 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

Market (Nielsen Fall 2018 Ranking)	Station	City of License	Frequency	License Expiration Date
Abilene, TX (#233)	KEAN-FM	Abilene, TX	105.1	August 1, 2021
	KEYJ-FM	Abilene, TX	107.9	August 1, 2021
	KMWX(FM)	Abilene, TX	92.5	August 1, 2021
	KSLI(AM)	Abilene, TX	1280	August 1, 2021
	KULL(FM)	Abilene, TX	100.7	August 1, 2021
	KYYW(AM)	Abilene, TX	1470	August 1, 2021
	K234DA(FX) (3)	Abilene, TX	94.7	Construction Permit
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) (3)	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
	W238CZ(FX) (3)	Atlantic City, NJ	95.5	Construction Permit
Augusta-Waterville, ME (#254)	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) (3)	Augusta, ME	95.9	April 1, 2022
Bangor, ME (#216)	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 (#252)	WBCK(FM)	Battle Creek, MI	95.3	October 1, 2020
	WBXX(FM)	Marshall, MI	104.9	October 1, 2020
Billings, MT (#235)	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) (3)	Billings, MT	95.1	April 1, 2021

	K277DS(FX) [3]	Billings, MT	103.3	Construction Permit
Binghamton, NY (#194)	WAAL(FM)	Binghamton, NY	99.1	June 1, 2022
	WHWK(FM)	Binghamton, NY	98.1	June 1, 2022
	WNBF(AM)	Binghamton, NY	1290	June 1, 2022
	WWYL(FM)	Chenango Bridge, NY	104.1	June 1, 2022
	WYOS(AM)	Binghamton, NY	1360	June 1, 2022
	W221EJ(FX) [3]	Binghamton, NY	92.1	Construction Permit
Bismarck, ND (#253)	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 (#94)	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) [3]	Boise, ID	107.5	October 1, 2021
	K288HG(FX) [3]	Boise, ID	105.5	Construction Permit
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) [3]	Livingston, MT	98.7	April 1, 2021
	K233DR(FX) [3]	Bozeman, MT	94.5	Construction Permit
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
	K236CX(FX) [3]	Casper, WY	95.1	Construction Permit
	K270CT(FX) [3]	Casper, WY	101.9	Construction Permit
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) [1][3]	Vinton, IA	107.1	February 1, 2021
Cheyenne, WY (#263)	KGAB(AM)	Orchard Valley, WY	650	October 1, 2021
	KIGN(FM)	Burns, WY	101.9	October 1, 2021

	KLEN(FM)	Cheyenne, WY	106.3	October 1, 2021
	K258DN(FX) (3)	Orchard Valley, WY	99.5	Construction Permit
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 (3)	Brookfield, CT	105.5	June 1, 2022
	W272EC(FX) (3)	Brookfield, CT	102.3	Construction Permit
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 (#210)	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) (3)	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 (#164)	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
	K234DB(FX) (3)	Owatonna, MN	94.7	Construction Permit
	K251CS(FX) (3)	Faribault, MN	98.1	Construction Permit
Flint, MI (#139)	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 (#106)	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 (#238)	KEKB(FM)	Fruita, CO	99.9	April 1, 2021
	KBKL(FM)	Grand Junction, CO	107.9	April 1, 2021
	KMXY(FM)	Grand Junction, CO	104.3	April 1, 2021
	KKNN(FM)	Delta, CO	95.1	April 1, 2021
	KEXO(AM)	Grand Junction, CO	1230	April 1, 2021

	K243CP(FX) (3)	Grand Junction, CO	96.5	Construction Permit
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) (3)	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) (3)	Paw Paw, MI	102.5	October 1, 2020
Killeen-Temple, TX (#138)	KSSM(FM)	Copperas Cove, TX	103.1	August 1, 2021
	KUSJ(FM)	Harker Heights, TX	105.5	August 1, 2021
	KLTD(FM)	Temple, TX	101.7	August 1, 2021
	KTEM(AM)	Temple, TX	1400	August 1, 2021
	KOOC(FM)	Belton, TX	106.3	August 1, 2021
	K232FU(FX) (3)	Temple, TX	94.3	Construction Permit
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
	K277DQ(FX) (3)	Lafayette, LA	103.3	Construction Permit
Lake Charles, LA (#214)	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
	W272EB(FX) (3)	East Lansing, MI	102.3	Construction Permit
	W299CR(FX) (3)	Lansing, MI	107.7	Construction Permit
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 (#169)	KFMX-FM	Lubbock, TX	94.5	August 1, 2021
	KFYO(AM)	Lubbock, TX	790	August 1, 2021
	KKAM(AM)	Lubbock, TX	1340	August 1, 2021

	KKCL-FM	Lorenzo, TX	98.1	August 1, 2021
	KQBR(FM)	Lubbock, TX	99.5	August 1, 2021
	KZII-FM	Lubbock, TX	102.5	August 1, 2021
	K280GU(FX) (3)	Lubbock, TX	103.9	Construction Permit
Lufkin-Nacogdoches, TX (NR)	KVLL-FM	Wells, TX	94.7	August 1, 2021
	KYKS(FM)	Lufkin, TX	105.1	August 1, 2021
	KAFX-FM	Diboll, TX	95.5	August 1, 2021
	KSFA(AM)	Nacogdoches, TX	860	August 1, 2021
	KTBQ(FM)	Nacogdoches, TX	107.7	August 1, 2021
	K283CW(FX) (3)	Nacogdoches, TX	104.5	Construction Permit
Missoula, MT (NR)	KYSS-FM	Missoula, MT	94.9	April 1, 2021
	KGVO(AM)	Missoula, MT	1290	April 1, 2021
	KMPT(AM)	East Missoula, MT	930	April 1, 2021
	KBAZ(FM)	Hamilton, MT	96.3	April 1, 2021
	KLYQ(AM)	Hamilton, MT	1240	April 1, 2021
	KAMM-FM	Frenchtown, MT	101.5	April 1, 2021
	KENR(FM)	Superior, MT	107.5	April 1, 2021
	KENR-FM1 (3)	Missoula, MT	107.5	April 1, 2021
	K251CH(FX) (3)	Seeley Lake, MT	98.1	April 1, 2021
	K252FP(FX) (3)	Missoula, MT	98.3	April 1, 2021
	K259DD(FX) (3)	East Missoula, MT	99.7	April 1, 2021
Monmouth-Ocean, NJ (#55)	WADB(AM)	Asbury Park, NJ	1310	June 1, 2022
	WCHR-FM	Manahawkin, NJ	105.7	June 1, 2022
	WJLK(FM)	Asbury Park, NJ	94.3	June 1, 2022
	WOBM(AM)	Lakewood Township, NJ	1160	June 1, 2022
	WOBM-FM	Toms River, NJ	92.7	June 1, 2022
	W228EH(FX) (3)	Lakewood Township, NJ	93.5	June 1, 2022
	W244EE(FX) (3)	Asbury Park, NJ	96.7	Construction Permit
New Bedford-Fall River, MA (#182)	WBSM(AM)	New Bedford, MA	1420	April 1, 2022
	WFHN(FM)	Fairhaven, MA	107.1	April 1, 2022
	W258DR(FX) (3)	New Bedford, MA	99.5	Construction Permit
Odessa-Midland, TX (#165)	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) (3)	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) (3)	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) [3]	Norwich, NY	94.3	June 1, 2022
	W257BE(FX) [3]	Hamilton, NY	99.3	June 1, 2022
	WSRK(FM)	Oneonta, NY	103.9	June 1, 2022
	WTBD-FM	Delhi, NY	97.5	June 1, 2022
	WZOZ(FM)	Oneonta, NY	103.1	June 1, 2022
Owensboro, KY (NR)	WBKR(FM)	Owensboro, KY	92.5	August 1, 2020
	WOMI(AM)	Owensboro, KY	1490	August 1, 2020
	W256CF(FX) [3]	Owensboro, KY	99.1	August 1, 2020
	W279DV(FX) [3]	Owensboro, KY	103.7	Construction Permit
Pittsfield, MA (NR)	WBEC(AM)	Pittsfield, MA	1420	April 1, 2022
	WBEC-FM	Pittsfield, MA	95.9	April 1, 2022
	WNAW(AM)	North Adams, MA	1230	April 1, 2022
	WSBS(AM)	Great Barrington, MA	860	April 1, 2022
	WUPE(AM)	Pittsfield, MA	1110	April 1, 2022
	WUPE-FM	North Adams, MA	100.1	April 1, 2022
	W231AK(FX) [3]	Great Barrington, MA	94.1	April 1, 2022
	W277CJ(FX) [3]	Pittsfield, MA	103.3	April 1, 2022
	W234DD(FX) [3]	North Adams, MA	94.7	Construction Permit
Portland, ME (#99)	WBLM(FM)	Portland, ME	102.9	April 1, 2022
	WCYY(FM)	Biddeford, ME	94.3	April 1, 2022
	WHOM(FM)	Mount Washington, NH	94.9	April 1, 2022
	WJBQ(FM)	Portland, ME	97.9	April 1, 2022
Portsmouth-Dover-Rochester, NH (#122)	WSHK(FM)	Kittery, ME	105.3	April 1, 2022
	WOKQ(FM)	Dover, NH	97.5	April 1, 2022
	WSAK(FM)	Hampton, NH	102.1	April 1, 2022
	WPKQ(FM)	North Conway, NH	103.7	April 1, 2022
	W250AB(FX) [3]	Manchester, NH	97.9	April 1, 2022
Poughkeepsie, NY (#167)	WRRB(FM)	Arlington, NY	96.9	June 1, 2022
	WCZX(FM)	Hyde Park, NY	97.7	June 1, 2022
	WPDA(FM)	Jeffersonville, NY	106.1	June 1, 2022
	WKXP(FM)	Kingston, NY	94.3	June 1, 2022
	WRRV(FM)	Middletown, NY	92.7	June 1, 2022
	WEOK(AM)	Poughkeepsie, NY	1390	June 1, 2022
	WPDH(FM)	Poughkeepsie, NY	101.5	June 1, 2022
	WZAD(FM)	Wurtsboro, NY	97.3	June 1, 2022
	W239AC(FX) [3]	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
	KIIK-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
	K281DB(FX) [3]	Davenport, IA	104.1	Construction Permit
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 (#177)	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 (#220)	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) (3)	Rochester, MN	104.9	April 1, 2021
	K293CV(FX) (3)	Rochester, MN	106.5	April 1, 2021
	K245CX(FX) (3)	Rochester, MN	96.9	Construction Permit
Rockford, IL (#162)	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
	W241DF(FX) (3)	Rockford, IL	96.1	Construction Permit
San Angelo, TX (#256)	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 (3)	San Angelo, TX	103.1	August 1, 2021
	KNRX(FM)	Sterling City, TX	96.5	August 1, 2021
	KNRX-FM1 (3)	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) (3)	Shreveport, LA	101.7	June 1, 2020
	K277DO(FX) (3)	Shreveport, LA	103.3	Construction Permit

Sioux Falls, SD (#187)	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
	K245DH(FX) (3)	Sioux Falls, SD	96.9	Construction Permit
	K272FZ(FX) (3)	Sioux Falls, SD	102.3	Construction Permit
St. Cloud, MN (#186)	KLZZ(FM)	Waite Park, MN	103.7	April 1, 2021
	KMXK(FM)	Cold Spring, MN	94.9	April 1, 2021
	KXSS(AM)	Waite Park, MN	1390	April 1, 2021
	KZRV(FM)	Sartell, MN	96.7	April 1, 2021
	WJON(AM)	St. Cloud, MN	1240	April 1, 2021
	WWJO(FM)	St. Cloud, MN	98.1	April 1, 2021
	W230DG(FX) (3)	Waite Park, MN	93.9	Construction Permit
	W237EU(FX) (3)	St. Cloud, MN	95.3	Construction Permit
Texarkana, TX-AR (#240)	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
	K298DB(FX) (3)	Texarkana, AR	107.5	Construction Permit
Trenton, NJ (#152)	WKXW(FM)	Trenton, NJ	101.5	June 1, 2022
	WCHR(AM)	Flemington, NJ	1040	June 1, 2022
	WNJE(AM)	Trenton, NJ	920	June 1, 2022
	WPST(AM)	Trenton, NJ	94.5	June 1, 2022
Tuscaloosa, AL (#209)	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) (3)	Tuscaloosa, AL	100.1	April 1, 2020
	W265CG(FX) (3)	Tuscaloosa, AL	100.9	April 1, 2020
	W227DD(FX) (3)	Brent, AL	93.3	April 1, 2020
Twin Falls-Sun Valley, ID (#243)	KEZJ-FM	Twin Falls, ID	95.7	October 1, 2021
	KLIX(AM)	Twin Falls, ID	1310	October 1, 2021
	KLIX-FM	Twin Falls, ID	96.5	October 1, 2021
	KSNQ(FM)	Twin Falls, ID	98.3	October 1, 2021
	K241DD(FX) (3)	Twin Falls, ID	96.1	Construction Permit
Tyler-Longview, TX (#143)	KISX(FM)	Whitehouse, TX	107.3	August 1, 2021
	KNUE(FM)	Tyler, TX	101.5	August 1, 2021
	KTYL-FM	Tyler, TX	93.1	August 1, 2021
	KKTX-FM	Kilgore, TX	96.1	August 1, 2021

Utica/Rome, NY (#172)	WFRG-FM	Utica, NY	104.3	June 1, 2022
	WIBX(AM)	Utica, NY	950	June 1, 2022
	WLZW(FM)	Utica, NY	98.7	June 1, 2022
	WOUR(FM)	Utica, NY	96.9	June 1, 2022
	WODZ-FM	Rome, NY	96.1	June 1, 2022
	W295DI(FX) (3)	Utica, NY	106.9	Construction Permit
Victoria, TX (NR)	KIXS(FM)	Victoria, TX	107.9	August 1, 2021
	KLUB(FM)	Bloomington, TX	106.9	August 1, 2021
	KQVT(FM)	Victoria, TX	92.3	August 1, 2021
	KTXN-FM (2)(3)	Victoria, TX	98.7	August 1, 2021
Waterloo-Cedar Falls, IA (#236)	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 (#248)	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
	K245CZ(FX) (3)	Wichita Falls, TX	96.9	Construction Permit
Yakima, WA (#199)	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) (3)	Ellensburg, WA	94.3	February 1, 2022
	K267CV(FX) (3)	Yakima, WA	101.3	Construction Permit

(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 321 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).

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 a LMA that allows it to program more than 15.0% of the weekly content hours of another radio station that it could not own under the FCC's multiple ownership rules.

Joint Sales Agreements

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

Under the Communications Laws, a radio station owner that sells more than 15.0% of the weekly advertising time of another radio station in the same market will be attributed with the ownership of that other station. In that situation, a station cannot have a JSA with another station in the same market if the FCC's ownership rules would otherwise prohibit 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 $90.0 million as of March 8, 2019). Our acquisitions have not met this threshold. Acquisitions that are not required to be reported under the HSR Act may still be investigated by the DOJ or the FTC under the antitrust laws before or after consummation. At any time before or after the consummation of a proposed acquisition, the DOJ or the FTC could take such action under the antitrust laws as it deems necessary, including seeking to enjoin the acquisition or seeking divestiture of the business acquired or certain of our other assets. The DOJ has reviewed numerous radio station acquisitions where an operator proposes to acquire additional radio stations in its existing markets or multiple radio stations in new markets and has challenged a number of such transactions. Some of these challenges have resulted in consent decrees requiring the sale of certain radio stations, the termination of LMAs or other relief. In general, the Department of Justice has more closely scrutinized radio mergers and acquisitions resulting in local market shares in excess of 35.0% of local radio advertising revenue, depending on format, signal strength and other factors. There is no precise numerical rule, however, and certain transactions resulting in more than 35.0% revenue shares have not been challenged, while certain other transactions may be challenged based on other criteria such as audience shares in one or more demographic groups as well as the percentage of revenue share. We estimate that we have more than a 35.0% share of radio advertising revenue in many of our markets.

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

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

Formation and Form of Organization

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

ITEM 1A. RISK FACTORS

An investment in Townsquare involves a variety of risks and uncertainties. The following factors and other factors discussed in this Annual Report on Form 10-K could cause our actual results to differ materially from those contained in forward-looking statements made in this Annual Report on Form 10-K or presented elsewhere in future Securities and Exchange Commission reports or statements made by our management from time to time. These factors may have a material adverse effect on our business, financial condition, operating results and cash flows, and should be carefully considered. We may update these factors in our future periodic reports.

Risks Related to 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 or reduction in consumer confidence in the U.S. economy may have a material adverse impact on our business, financial condition and results of operations, as advertisers generally reduce their spending during such periods. Furthermore, because a substantial portion of our revenue is derived from local advertisers, our ability to generate advertising revenue in specific markets (including concentrations in and around the Northeast, Upper Midwest, Texas and the Mountain West) could be adversely affected by local or regional economic downturns. A downturn in the U.S. economy could also adversely affect our 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, 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, inflation and general economic conditions, and as a result, the risks associated with our live events business may become more acute in periods of a slowing economy or recession, which may be accompanied by a decrease in attendance at our live events. The impact of economic slowdowns on our business is difficult to predict, but they may result in reductions in ticket sales, sponsorships and our ability to generate revenue from live events or grow our live events business.

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

We operate in a highly competitive industry. Our radio operations compete for audiences and advertising market share with other radio stations and radio station groups, radio networks, other syndicated content and other media such as broadcast television, newspapers, magazines, cable television, satellite television, satellite radio, internet radio, the internet, outdoor advertising, mobile devices and other portable digital audio players. We also compete for advertising dollars with other large companies, such as Facebook, Google and Amazon. Any adverse change in a particular market or in the relative market positions of the radio stations located in a particular market, or any adverse change in audiences' preferences could have a material adverse effect on our ratings or revenue. Other radio broadcasting companies may enter the markets in which we operate or may operate in the future, offer syndicated content that competes with our content, or try to acquire distribution rights of media content and products or on-air talent that we use or have under contract, and these companies may be larger and have more financial resources than we do. In addition, some of our competitors are larger and have substantially more financial and other resources than we do, which could provide them with certain advantages in competing against us. The lifting of cross ownership rules by the FCC in 2018 also further removed barriers to competition from local media companies who might purchase radio stations in our markets.

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

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

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

The acquisition of broadcast rights is highly competitive, and we may be adversely impacted by certain exclusive content rights held by our competitors. We sometimes enter into broadcast rights contracts in the ordinary course of business for both the acquisition and distribution of media content and products, including contracts for both the acquisition and distribution of content rights for sporting events and other programs, and contracts relating to content produced by third parties on our radio stations. If we are unable to renew these contracts, as they expire, on acceptable terms, we may lose these rights, the related content and the related revenue. Even if these contracts are renewed, the cost of obtaining content rights may increase (or increase at faster rates than in the past) or the revenue from distribution of content may be reduced (or increase at slower rates than in the past). The impact of broadcast rights contracts 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.

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 2.1%, 0.6% and 2.3% of our net revenue, for the years ended December 31, 2016, 2017 and 2018, respectively, consisted of political advertising revenue. Political advertising revenue from elections, which is generally greater in even-numbered years and especially the years in which the U.S. President is elected, has the potential to create fluctuations in our operating results on a year-to-year basis. For example, during 2016 and 2018, we had political advertising revenue of $9.0 million and $10.0 million, respectively, compared to $2.4 million in 2017. In addition, political advertising revenue is dependent on the level of political ad spend and competitiveness of local, state and national elections within each local market.

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

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

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

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

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.

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

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

The ability to grow Townsquare Interactive depends in large part on maintaining and expanding our subscriber base. To do so, we must convince prospective subscribers of the benefits of our technology platform and existing subscribers of the continuing value of our products and services. Most of our contracts with subscribers are terminable upon short or no notice. The digital marketing solutions sector is highly competitive. We believe our solutions are well positioned to serve the SMBs in the small and mid-sized markets we upon which we focus. However, if our net subscriber base decreases, 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 and digital advertising industries are subject to technological change, evolving industry standards and the emergence of new media technologies and trends. We may not have the resources to acquire new technologies or to introduce new services that could compete with these new technologies and may allow us to adapt to new trends.

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

- satellite-delivered digital audio radio service, which resulted in subscriber-based satellite radio services with numerous niche formats;
- audio content by cable systems, direct-broadcast satellite systems, personal communications systems, content available over the internet and other digital audio broadcast formats;
- in-band on-channel digital radio, which provides multi-channel, multi-format digital radio services in the same bandwidth currently occupied by traditional AM and FM radio services;
- Low-Power FM radio stations, which are non-commercial FM radio broadcast outlets, that serve small, localized areas;
- applications that permit users to listen to programming on a time-delayed basis and to fast-forward through programming and/or advertisements (e.g. podcasts);
- iPhone/iPod/iPad and similar mobile devices;
- gaming consoles, in-home entertainment and enhanced automotive platforms;
- voice activated smart speakers; and
- streaming internet services such as Spotify and Pandora.

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

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

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

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

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

The success of our radio stations is significantly impacted by our on-air talent, and we compete for 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, and the contracts we have with certain talent generally are limited in duration. Any adverse changes in particular programs or on-air talent generally could have a material adverse effect on our ratings and our ability to attract advertisers, which could negatively impact our business, financial condition or results of operations.

There are risks associated with our acquisition strategy.

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

- approval of license assignments and transfers;
- limits on the number of radio stations a broadcaster may own in a given local market; and
- other rules and policies, such as the ownership attribution rules, that could limit our ability to acquire radio stations in certain markets where one or more of our stockholders, officers or directors have other media interests.

The antitrust regulatory requirements include:

- filings with the DOJ and the FTC under the HSR Act, where applicable;
- expiration or termination of any applicable waiting period under the HSR Act; and
- possible review by the DOJ or the FTC of antitrust issues under the HSR Act or otherwise.

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

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

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

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

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

We pursue strategic acquisitions when such acquisitions are strategic and financially additive and meet our overall business needs. We engage in strategic sales of our assets from time to time, as it makes financial sense to do so and meets our overall business needs. We have also been required by the FCC to divest radio stations. However, 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.

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 customers, talent, staffing and venues. Our competitors may develop services, advertising options or venues that are equal or superior to those we provide or that achieve greater market acceptance and brand recognition than we achieve. In addition, although many live events formats are annual in nature, there is risk that they will reach the end of their product life cycle as consumer tastes evolve and we will not be able to develop new events that cater to new consumer preferences. Finally, it is possible that new competitors may emerge and rapidly acquire significant market share.

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.

Our substantial indebtedness could have an adverse impact on us.

We have a significant amount of indebtedness. As of December 31, 2018, we had $555.3 million of outstanding indebtedness, net of deferred financing costs of $5.2 million , with annual interest expense requirements of approximately $34.0 million . Interest expense for the year ended December 31, 2018 was $34.3 million , which represented 72.8% of cash flow from operating activities for continuing operations. Our substantial level of indebtedness increases the risk that we may be unable to generate cash sufficient to pay amounts due in respect of our indebtedness. We may incur substantial additional amounts of indebtedness, as well as incur significant non-debt obligations, which could further exacerbate the risks associated with such indebtedness. Our substantial indebtedness could have other significant effects on our business.

For example, it could:

- increase our vulnerability to adverse changes in general economic, industry and competitive conditions;
- require us to dedicate a substantial portion of our cash flow from operations to make payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- restrict us from taking advantage of opportunities to grow our business;
- make it more difficult to satisfy our financial obligations;
- limit our ability to continue to make quarterly dividend payments;
- 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, which would have a material adverse effect on our business.

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

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

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

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

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

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

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

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

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

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

We rely on encryption and authentication technology licensed from third parties to provide the security and authentication necessary to effect secure online transmission of confidential consumer information. Advances in computer capabilities, new discoveries in the field of cryptography or other events or developments may result in a compromise or breach of the algorithms that we use to protect sensitive customer transaction data. A party who is able to circumvent our security measures could misappropriate proprietary information or cause interruptions in our operations. We may be required to expend capital and other resources to protect against such security breaches or cyber-attacks or to alleviate problems caused by such breaches or attacks. Our security measures are designed to protect against security breaches and cyber-attacks but may not be adequate, implemented properly, or appropriately complied with internally to prevent a security breach or cyber-attack. No network or system can ever be completely secure. Our failure to prevent such security breaches and cyber-attacks could subject us to liability, adversely affect our results of operations and damage our reputation.

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

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

Under recent developments in data protection laws, particularly the European Union's General Data Protection Regulation, we may be liable for the compliance of any third parties engaged to process personal information on our behalf with applicable data protection laws. If any of our third party service providers fail to comply with applicable laws, we may face additional exposure and liability on behalf of such providers. While we attempt to control against such outcomes through our vetting of third party service providers and with appropriate contractual obligations, we cannot ensure our third party service providers will fully comply with all such obligations. Moreover, the regulatory landscape is constantly evolving and subject to ongoing interpretations and guidance from regulatory authorities.

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

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

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, 2018, our FCC licenses and goodwill comprised approximately 48.0% and 24.4% of our consolidated total assets, respectively. The valuation of intangible assets is subjective and based on estimates rather than precise calculations. If actual future results are not consistent with the assumptions and estimates used, we may be exposed to impairment charges in the future. The fair value measurements for both our goodwill and indefinite-lived intangible assets use significant unobservable inputs which reflect our own assumptions about the estimates that market participants would use in measuring fair value including assumptions about risk.

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

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

At December 31, 2018 the Company performed its annual impairment test which resulted in impairment charges of $19.9 million on its FCC licenses and $12.5 million on goodwill. Refer to Note 7 for additional information.

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 or access our offerings. Such interference could result in a loss of existing audience and advertisers, and increased costs, and could impair our ability to attract new audience and advertisers, thereby harming our revenue and growth.

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 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 or live events. In addition, an act of God or a natural disaster could adversely impact any one or more of the markets where we do business, thereby impacting our business, financial condition and results of operations.

Risks Related to Governmental Regulation and Legislation

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

The radio industry is subject to extensive regulation by the FCC under the Communications Act. Our radio stations depend upon maintaining their broadcasting licenses issued by the FCC, which are currently issued for a maximum term of eight years and are renewable. Interested parties may challenge a renewal application. On rare occasions, the FCC has revoked licenses, not renewed them, or renewed them with significant qualifications, including renewals for less than a full term of eight years. In the last renewal cycle, the FCC granted all of the license renewal applications that were filed for our radio stations. The next license renewal cycle beings in 2019. 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."

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

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

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.

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

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

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

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

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

In October 2015, the FCC released a First Report and Order and Further Notice of Proposed Rulemaking titled "Revitalization of AM Radio Service," enacting several modifications to its technical rules for AM radio stations. Included in the order is the elimination of a rule which requires certain AM stations to reduce nighttime interference when seeking to modify their facilities. Also included is a relaxation of the FCC's requirements for AM stations to provide their communities of license with a specific level of signal coverage, with the intended purpose of permitting AM stations to change the locations of their transmitting facilities. As a result of these rule changes, it is possible that some of our stations may experience increased nighttime interference from other stations in connection with facility modifications. It is also possible that stations owned by others and not serving our markets could move into our markets and become new competitors and cause interference to our stations or translators. Another aspect of the FCC's revitalization order 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, or causing a new interference to reception of some of our FM stations, we cannot predict at this time to what extent, if any, the impact of the new FM translator stations will have on our Company.

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

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

We are subject to federal, state and international data protection and privacy laws and regulations that require us to comply with specific consumer protection, information security and data protection and privacy requirements. The legal and regulatory landscape continues to evolve, with new laws being enacted or coming into force. Additionally, we anticipate that we will need to comply with the new California Consumer Protection Act ("CCPA"), which will require us to update our internal policies and procedures to meet our compliance obligations under CCPA. Compliance with CCPA may require that we change or amend activities that involve personal information, which may impact business operations or our ability to effectively use personal information in our control.

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

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

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

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

Risks Related to Ownership of Our Class A Common Stock

As an "emerging growth company" under the JOBS Act and a "smaller reporting company," 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. Based on the applicable regulations, we will no longer qualify as an emerging growth company no later than as of December 31, 2019.We are also a "smaller reporting company," which allows us to take advantage of many of the same exemptions from disclosure requirements, including reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. We may continue as a smaller reporting company for an indefinite period. We cannot predict whether investors will find our common stock less attractive as a result of our reliance on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and the market price of our common stock may be reduced or may be more volatile.

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:

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

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

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

Our 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 52.0% 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, Steven Price, Stuart Rosenstein and certain other individuals (together, the "FiveWire Holders")) and the FiveWire Holders (the "Stockholders' Agreement"), Oaktree controls approximately 71.6% 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, by us or our significant stockholders 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 8, 2019 we have 14,297,066 shares of Class A common stock outstanding, outstanding warrants to purchase 8,977,676 shares of Class A common stock, 3,011,634 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, acquisitions, or a public equity offering. The amount of shares of our common stock issued in connection with an investment, acquisition or public equity offering could constitute a material portion of our then-outstanding shares of our common stock. The market price of our common stock could decline as a result of sales of a large number of shares of our common stock in the market after an offering or the perception that such sales could occur, and this could materially and adversely affect our ability to raise capital through future offerings of equity or equity-related securities.

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.

As a public company, we have significant requirements for the design, implementation and testing of internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, as amended. The process of designing and implementing effective internal controls, and the related testing thereof, 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. We may incur significant costs, and need to hire additional employees or consultants, to assist us in this process.

This Annual Report on Form 10-K includes management's report on our internal control over financial reporting as of December 31, 2018. As an emerging growth company, our auditor is not required to make a formal assessment of the effectiveness of our internal control over financial reporting in this Annual Report on Form 10-K. However, due to our loss of such status no later than December 31, 2019, our auditor will be required to provide such assessment for the year ended December 31, 2019 and present its attestation report in our Annual Report on Form 10-K for the year then ended.

If we are unable to establish or maintain effective internal control over financial reporting, it could cause us to fail to accurately report our financial results, fail to prevent fraud, fail to meet our SEC reporting obligations on a timely basis, result in material misstatements in our Consolidated Financial Statements and harm our operating results or investor confidence, all of which could have a material adverse effect on the trading price of our stock. In addition, the foregoing could subject us to sanctions or investigations by the NYSE, the SEC or other regulatory authorities, or result in the breach of covenants in our debt agreements, any of which could have a material adverse impact on our operations and your investment in our common stock.

We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal controls in the future, or that we can remediate such material weaknesses or significant deficiencies on a timely basis.

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.

We began to pay quarterly cash dividends in 2018, although any future cash dividends will be at the discretion of our board of directors and other factors. You may not receive any return on investment unless you are able to sell your Class A common stock for a price greater than your purchase price.

Beginning on March 12, 2018, the board of directors approved a quarterly dividend of $0.075 per share. Prior to 2018, we did not pay 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 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, 2018 , we owned 46 facilities containing broadcast studios and 283 towers in our 67 markets. Where we do not own studios or towers, we lease these facilities. In addition, we lease various office facilities across the U.S. for our corporate, digital marketing solutions, and e-commerce operations, including 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, certain live event production equipment and general office equipment. Where we do not own necessary equipment, we lease that equipment. In some cases, we lease the equipment in addition to our owned equipment.

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

Item 3. Legal Proceedings

There is no current material pending litigation to which we are a party and no material legal proceedings were terminated, settled or otherwise resolved during the fourth quarter of the year ended December 31, 2018. In the normal course of business, the Company is subject to various regulatory proceedings, lawsuits, claims and other matters related to intellectual property, personal injury, employee, or other matters. These matters are subject to many uncertainties and outcomes are not predictable with assurance. However, we do not believe that the ultimate resolution of these matters will have a material adverse effect on our financial position or results of operations.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

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

Market Information

Shares of our Class A common stock, par value $0.01 per share, trade under the symbol "TSQ" on the NYSE. There is no established public trading market for our Class B common stock or our Class C common stock. The initial public offering price for our Class A common stock was $11.00 per share.

Holders

On March 8, 2019 the Company had 167 Class A common stockholders of record, 8 Class B common stockholders of record and 2 Class C common stockholders of record. A substantially greater number of holders are beneficial owners whose shares are held of record by banks, brokers and other financial institutions.

Dividend Policy

In the second quarter of 2018, the Company paid its first cash dividend, of $0.075 per share, and subsequently paid equivalent dividends in the third and fourth quarters of 2018, and the first quarter of 2019. Each quarterly dividend payment was approximately $2.1 million in the aggregate. On March 11, 2019 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, 2019. The estimated $2.1 million dividend will be paid on May 15, 2019. Any future determination to pay dividends will be at the discretion of our board of directors, subject to compliance with covenants in our current and future agreements governing our indebtedness, and will depend upon our results of operations, financial condition, capital requirements and other factors that our board of directors deems relevant.

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

Recent Sale of Unregistered Securities

None.

Issuer Purchase of Equity Securities

None.

Item 6. Selected Financial Data

The following tables set forth our selected historical consolidated financial information for the five years ended December 31, 2018 . The selected historical financial data for the years ended December 31, 2016 , 2017 and 2018 and as of December 31, 2017 and 2018 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, 2014 and 2015 and as of December 31, 2014 , 2015 and 2016 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,				
	2014	2015	2016	2017	2018
(in thousands, except per share data)					
Net revenue	$ 370,393	$ 409,533	$ 421,581	$ 411,392	$ 430,599
Operating costs and expenses:					
Direct operating expenses, excluding depreciation, amortization and stock-based compensation	250,326	289,712	299,344	295,574	306,861
Depreciation and amortization	16,845	15,566	17,051	18,999	18,961
Corporate expenses	24,997	25,458	25,370	25,828	27,212
Stock-based compensation [(1)]	37,739	4,278	4,253	718	1,633
Transaction costs	217	600	767	1,174	1,466
Business realignment costs	—	—	—	1,328	2,128
Impairment of goodwill and intangible assets	—	1,680	—	16,858	32,358
Net loss (gain) on sale and retirement of assets	90	(12,029)	298	386	(415)
Total operating costs and expenses	**330,214**	**325,265**	**347,083**	**360,865**	**390,204**
Operating income	**40,179**	**84,268**	**74,498**	**50,527**	**40,395**
Other expense (income):					
Interest expense, net	46,502	35,977	34,072	32,755	34,266
Impairment loss on investment	—	—	4,236	—	5,007
Cancellation (repurchase) of debt	—	30,305	(546)	—	(140)
Other expense (income), net	111	260	(228)	363	167
(Loss) income from continuing operations before income taxes	**(6,434)**	**17,726**	**36,964**	**17,409**	**1,095**
Provision (benefit) from income taxes	10,657	8,222	16,134	(7,397)	1,589
Net (loss) income from continuing operations	(17,091)	9,504	20,830	24,806	(494)
Net income (loss) from discontinued operations, net of income taxes	138	742	2,463	(35,079)	(31,081)
Net (loss) income	**$ (16,953)**	**$ 10,246**	**$ 23,293**	**$ (10,273)**	**$ (31,575)**
Net (loss) income attributable to:					
Controlling interests	(17,257)	9,880	23,023	(11,149)	(32,930)
Noncontrolling interests	304	366	270	876	1,355
Basic (loss) income per share:					
Continuing operations	$ (1.42)	$ 0.54	$ 1.14	$ 1.34	$ (0.03)
Discontinued operations	$ 0.01	$ 0.04	$ 0.13	$ (1.90)	$ (1.68)
Diluted (loss) income per share:					
Continuing operations	$ (1.42)	$ 0.34	$ 0.76	$ 0.89	$ (0.03)
Discontinued operations	$ 0.01	$ 0.03	$ 0.09	$ (1.26)	$ (1.68)
Pro forma C Corporation data (unaudited)					
Historical loss before income taxes	$ (6,431)				
Pro forma income tax benefit	(2,533)				
Pro forma net loss	**$ (3,898)**				
Weighted average shares outstanding:	**Pro Forma**	**Actual**	**Actual**	**Actual**	**Actual**
Basic	12,013	17,537	18,255	18,459	18,478
Diluted	12,013	27,724	27,313	27,855	27,502
Cash dividend declared per share	$ —	$ —	$ —	$ —	$ 0.30

[(1)] 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 .

(in thousands, except share and per share data)	Year Ended December 31, 2014	2015	2016	2017	2018
Selected Balance Sheet Data (at end of period):					
Cash and cash equivalents	$ 24,142	$ 30,327	$ 47,145	$ 61,205	$ 61,390
Working capital	39,106	41,124	57,098	65,099	67,468
Total assets	937,312	1,060,711	1,081,047	1,056,358	987,198
Total debt, including current maturities	530,040	588,828	571,216	565,142	555,335
Stockholders' and Members' equity:					
Class A common stock, par value $0.01 per share; 300,000,000 shares authorized; 9,457,242, 9,946,354, 13,735,690, 13,819,639 and 14,297,066 shares issued and outstanding, at December 31, 2014, 2015, 2016, 2017 and 2018, respectively	95	100	137	138	143
Class B common stock, par value $0.01 per share; 50,000,000 shares authorized; 3,022,484, 3,022,484, 3,022,484, 3,022,484 and 3,011,634 shares issued and outstanding, at December 31, 2014, 2015, 2016, 2017 and 2018, respectively	30	30	30	30	30
Class C common stock, par value $0.01 per share; 50,000,000 shares authorized; 4,894,480, 4,894,480, 1,636,341, 1,636,341 and 1,636,341 shares issued and outstanding, at December 31, 2014, 2015, 2016, 2017 and 2018, respectively	49	49	17	17	17
Additional paid-in capital	351,984	361,186	365,434	367,041	365,835
Retained (deficit) earnings	(8,439)	1,391	24,414	13,265	(25,735)
Accumulated other comprehensive income (loss)	—	44	(722)	(532)	—
Noncontrolling interest	443	640	741	1,121	1,287

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.

On July 2, 2018, the Company acquired certain assets and liabilities related to three radio stations in Princeton, NJ ("the Princeton Acquisition") from Connoisseur Media, LLC. We use the term "pro forma" in this section to refer to results that include the Princeton Acquisition as if it had been completed on January 1, 2016 .

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.

On May 24, 2018, the Company, through a subsidiary of Townsquare Live Events, LLC, sold all of the issued and outstanding membership interests of Heartland Group, LLC and its wholly owned subsidiary North American Midway Entertainment ("NAME") to North American Fairs, LLC for $23.5 million . In addition, on June 29, 2018, the Company entered into an Agreement of Purchase and Sale to transfer its 70% controlling interest in Mountain Jam, LLC ("Mountain Jam") to Chet-5 Festivals ("Chet-5"), LLC and to acquire the 30% minority interest in Taste of Country Productions LLC from Chet-5. 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, digital, mobile, video and social media properties, and live events. 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.

Townsquare owns and operates 321 radio stations and over 330 local websites serving 67 small and mid-sized markets, a digital marketing solutions company, a digital programmatic advertising platform and an e-commerce offering. Almost all of our radio stations have local companion websites that utilize the station brands and are populated with proprietary, original content created or curated by our local media personalities. In addition, Townsquare owns and operates a diverse range of live events which we create, promote and produce. This includes festivals, concerts, expositions and other experiential events within and beyond our radio markets.

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

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

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

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

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

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

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

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

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 live events net revenue exhibits seasonality resulting in the second quarter being the highest revenue period. The most significant driver of seasonality in live events net revenue is our multi-day music festivals which are in the second and third quarters. 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, 2019, U.S. GDP growth for the year ended December 31, 2018 was 2.6%.

Executive Summary

The key developments in our business for the year ended December 31, 2018 as compared to 2017 are summarized below:

- Net revenue for the year ended December 31, 2018 increased $19.2 million , or 4.7% .
    - Excluding political revenue, net revenue for the year ended December 31, 2018 increased $11.6 million, or 2.8%.
- Pro forma net revenue for the year ended December 31, 2018 increased $15.4 million , or 3.7% .
    - Excluding political revenue, pro forma net revenue for the year ended December 31, 2018 increased $7.8 million, or 1.9%.

Consolidated Results of Operations

Year Ended December 31, 2017 compared to Year Ended December 31, 2018

The following table summarizes our historical consolidated results of operations:

($ in thousands)	Year Ended December 31,			
Statement of Operations Data:	**2017**	**2018**	**$ Change**	**% Change**
Net revenue	$ 411,392	$ 430,599	$ 19,207	4.7 %
Operating costs and expenses:				
Direct operating expenses, excluding depreciation, amortization and stock-based compensation	295,574	306,861	11,287	3.8 %
Depreciation and amortization	18,999	18,961	(38)	(0.2)%
Corporate expenses	25,828	27,212	1,384	5.4 %
Stock-based compensation	718	1,633	915	127.4 %
Transaction costs	1,174	1,466	292	24.9 %
Business realignment costs	1,328	2,128	800	60.2 %
Impairment of goodwill and intangible assets	16,858	32,358	15,500	91.9 %
Net loss (gain) on sale and retirement of assets	386	(415)	(801)	(207.5)%
Total operating costs and expenses	**360,865**	**390,204**	**29,339**	**8.1 %**
Operating income	**50,527**	**40,395**	**(10,132)**	**(20.1)%**
Other expense (income):				
Interest expense, net	32,755	34,266	1,511	4.6 %
Impairment loss on investment	—	5,007	5,007	**
Repurchase of debt	—	(140)	(140)	**
Other expense, net	363	167	(196)	(54.0)%
Income from continuing operations before income taxes	**17,409**	**1,095**	**(16,314)**	**(93.7)%**
(Benefit) provision from income taxes	(7,397)	1,589	8,986	(121.5)%
Net income (loss) from continuing operations	24,806	(494)	(25,300)	(102.0)%
Net loss from discontinued operations, net of income taxes	(35,079)	(31,081)	3,998	(11.4)%
Net loss	**$ (10,273)**	**$ (31,575)**	**$ (21,302)**	**207.4 %**

***Percent change not meaningful.*

Net Revenue

Net revenue for the year ended December 31, 2018 increased by $19.2 million , or 4.7% , as compared to 2017 . The increase was primarily driven by revenue gains in our digital programmatic and digital marketing solutions offerings, and political, partially offset by budgeted declines in our live events business as a result of event rationalization.

Direct Operating Expenses

Direct operating expenses for the year ended December 31, 2018 increased by $11.3 million , or 3.8% , as compared to 2017 . The increase was primarily driven by investments in headcount related expenses to support the growth of our digital programmatic and digital marketing solutions offerings, partially offset by budgeted declines in the live events business as a result of event rationalization.

Depreciation and Amortization

Depreciation and amortization expense for the year ended December 31, 2018 remained relatively unchanged as compared to 2017 .

Corporate Expenses

Corporate expenses for the year ended December 31, 2018 increased $1.4 million , or 5.4% , as compared to 2017 , primarily as a result of increased compensation costs.

Stock-based Compensation

Stock-based compensation expense for the year ended December 31, 2018 increased $0.9 million , or 127.4% , as compared to 2017 , due to new option and restricted stock grants.

Transaction Costs

Transaction costs for the year ended December 31, 2018 increased $0.3 million , or 24.9% , as compared to 2017 , primarily due to costs associated with the Princeton Acquisition.

Business Realignment Costs

Business realignment costs for the year ended December 31, 2018 increased $0.8 million , or 60.2% , as compared to 2017 . In 2017, business realignment costs included the costs associated with discontinuing two music festivals and streamlining the operations of our national digital business and certain live event verticals. During the year ended December 31, 2018, management elected to restructure the Company's programming and traffic departments, and incurred certain expenses related to a senior management restructuring.

Impairment of Goodwill and Intangible Assets

As of the annual testing date for intangible impairment, the Company's stock price and market capitalization were significantly depressed as compared to the prior year. This along with other factors led the Company to revise certain assumptions, including risk-adjusted discount rates, that had a negative impact on the fair value calculation of our intangibles. Based on the results of the Company's 2018 annual impairment testing, the Company recorded impairment charges aggregating $32.4 million. For the year ended December 31, 2018, $12.5 million of the impairment pertained to goodwill within our live events businesses and $19.9 million of the impairment pertained to FCC licenses in 11 of our 67 local markets. Based on the results of the Company's 2017 annual impairment testing, the Company recorded impairment charges aggregating $16.9 million . For the year ended December 31, 2017, $9.1 million of the impairment pertained to goodwill, which was recorded in connection with our strategic review and restructuring of our entertainment business, and $2.9 million of the impairment pertained to FCC licenses in 2 of our 67 local markets. The impairment charges of $9.1 million and $12.5 million represented 3.7% and 5.2% of our total goodwill as of December 31, 2017 and 2018, respectively.

Additionally, during the fourth quarter of 2017 management undertook a corporate strategic review and concluded the Company would exit certain live event 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.

Impairment Loss on Investment

During the year ended December 31, 2018 , 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 $5.0 million impairment charge for the year ended December 31, 2018 . No such impairment was recorded in 2017 .

Net Loss (Gain) on Sale and Retirement of Assets

During the year ended December 31, 2018 , the Company had a $0.4 million gain on the sale and retirement of assets, as compared to a loss of $0.4 million in the same period in 2017 . The net gain primarily resulted from the sale of certain live events assets that had been categorized as held for sale at December 31, 2017, as well as insurance proceeds that were received for damaged assets. The net loss in 2017 primarily related to the retirement of certain assets.

Other Expense (Income)

Interest expense, net is the major recurring component of other expense. Interest expense, net increased $1.5 million , or 4.6% , in the year ended December 31, 2018 , as compared to the same period in 2017 , due to an increase in LIBOR rates, which was partially offset by a lower term loan balance.

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

	Year Ended December 31,	
(in thousands)	**2017**	**2018**
Unsecured Senior Notes	$ 18,199	$ 17,909
Term Loans	12,816	14,698
Capital leases and other	10	9
Loan origination cost	1,730	1,650
Interest expense, net	**$ 32,755**	**$ 34,266**

(Benefit) Provision from Income Taxes

We recognized a provision for income taxes of $1.6 million for the year ended December 31, 2018 . Our effective tax rate for the period was approximately 145.1%. Our effective tax rate may vary significantly from period to period, and can be influenced by many factors. These factors include, but are not limited to, changes to statutory rates in the jurisdictions where we have operations and changes in the valuation of deferred tax assets and liabilities. The difference between the effective tax rate and the federal statutory rate of 21% for the year ended December 31, 2018 primarily relates to state and local income taxes and certain expenses that are not deductible for income tax purposes.

Net Loss from Discontinued Operations, Net of Income Taxes

For the years ended December 31, 2017 and 2018, four live event verticals were classified as discontinued operations: NAME, Mountain Jam, Premium Music and Holiday. The operations and related expenses of these verticals are presented as net loss from discontinued operations. Net loss from discontinued operations was $31.1 million for the year ended December 31, 2018 , as compared to a net loss from discontinued operations of $35.1 million for the year ended December 31, 2017 .

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,			
Statement of Operations Data:	**2016**	**2017**	**$ Change**	**% Change**
Net revenue	$ 421,581	$ 411,392	$ (10,189)	(2.4)%
Operating costs and expenses:				
Direct operating expenses, excluding depreciation, amortization and stock-based compensation	299,344	295,574	(3,770)	(1.3)%
Depreciation and amortization	17,051	18,999	1,948	11.4 %
Corporate expenses	25,370	25,828	458	1.8 %
Stock-based compensation	4,253	718	(3,535)	(83.1)%
Transaction costs	767	1,174	407	53.1 %
Business realignment costs	—	1,328	1,328	**
Impairment of goodwill and intangible assets	—	16,858	16,858	**
Net loss on sale and retirement of assets	298	386	88	29.5 %
Total operating costs and expenses	**347,083**	**360,865**	**13,782**	**4.0 %**
Operating income	**74,498**	**50,527**	**(23,971)**	**(32.2)%**
Other expense (income):				
Interest expense, net	34,072	32,755	(1,317)	(3.9)%
Impairment loss on investment	4,236	—	(4,236)	(100.0)%
Repurchase of debt	(546)	—	546	100.0 %
Other (income) expense, net	(228)	363	591	(259.2)%
Income from continuing operations before income taxes	**36,964**	**17,409**	**(19,555)**	**(52.9)%**
Provision (benefit) from income taxes	16,134	(7,397)	(23,531)	(145.8)%
Net income from continuing operations	20,830	24,806	3,976	19.1 %
Net income (loss) from discontinued operations, net of income taxes	2,463	(35,079)	(37,542)	(1,524.2)%
Net income (loss)	**$ 23,293**	**$ (10,273)**	**$ (33,566)**	**(144.1)%**

***Percent change not meaningful.*

Net Revenue

Net revenue for the year ended December 31, 2017 decreased by $10.2 million , or 2.4% , as compared to 2016 . The decrease was primarily a result of budgeted declines in our national digital business, revenue declines at certain live events and a decline in political revenue.

Direct Operating Expenses

Direct operating expenses for the year ended December 31, 2017 decreased by $3.8 million , or 1.3% , as compared to 2016 . The decrease was primarily a result of decreases in variable costs associated with the aforementioned revenue declines.

Depreciation and Amortization

Depreciation and amortization expense for the year ended December 31, 2017 increased $1.9 million , or 11.4% , 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 , or 83.1% , 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 increased $0.4 million , or 53.1% , as compared to 2016 , primarily due to costs associated with the Company's option repricing.

Business Realignment Costs

Business realignment costs of $1.3 million in the year ended December 31, 2017 represent the costs associated with discontinuing two music festivals and streamlining the operations of our national digital business and certain live event verticals.

Impairment of Goodwill and Intangible Assets

Based on the results of the Company's 2017 annual impairment testing, the Company recorded impairment charges aggregating $16.9 million . For the year ended December 31, 2017, $9.1 million of the impairment pertained to goodwill, which was recorded in connection with our strategic review and restructuring of our entertainment business, and $2.9 million of the impairment pertained to FCC licenses in 2 of our 67 markets. No such impairment was recorded in 2016 . The impairment charge of $9.1 million represented 3.7% of our total goodwill as of December 31, 2017.

Additionally, during the fourth quarter of 2017 management undertook a corporate strategic review and concluded the Company would exit certain live event 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 .

Impairment Loss 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 .

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 , or 29.5% , as compared to 2016 . The net loss in 2017 primarily relates to the 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.

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,	
(in thousands)	**2016**	**2017**
Unsecured Senior Notes	$ 18,836	$ 18,199
Term Loans	13,238	12,816
Capital leases and other	42	10
Loan origination cost	1,956	1,730
Interest expense, net	**$ 34,072**	**$ 32,755**

Provision (Benefit) from Income Taxes

The income tax benefit for the year ended December 31, 2017 was $7.4 million at an effective tax rate of approximately 42.5% compared to a provision of $16.1 million at an effective tax rate of approximately 43.8% 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 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, 2017 primarily relates to state and local income taxes and certain expenses that are not deductible for income tax purposes.

Net Income (Loss) from Discontinued Operations, Net of Income Taxes

For the years ended December 31, 2016 and 2017, four live event verticals were classified as discontinued operations: NAME, Mountain Jam, Premium Music and Holiday. The operations and related expenses of these verticals are presented as net income (loss) from discontinued operations. Net loss from discontinued operations was $35.1 million for the year ended December 31, 2017 , as compared to net income from discontinued operations of $2.5 million in 2016 .

Supplemental Pro Forma Net Revenue

For comparative purposes and to enable the reader to adequately compare prior year with current year results, the following discussion and tables present net revenue for Townsquare pro forma for the Princeton Acquisition disclosed in more detail in our Consolidated Financial Statements contained elsewhere in this annual report. The following tables present our historical results, which include the results of the Princeton Acquisition for the period after acquisition, and add the results of the Princeton Acquisition for the periods prior to acquisition as if they had been a part of Townsquare from the first day of the period.

	Year Ended December 31, 2017			Year Ended December 31, 2018				
	Townsquare	Princeton Acquisition	Townsquare Pro Forma for the Princeton Acquisition	Townsquare	Princeton Acquisition	Townsquare Pro Forma for the Princeton Acquisition	$ Change	% Change
Net Revenue	411,392	7,454	418,846	430,599	3,609	434,208	15,362	3.7%

	Year Ended December 31, 2016			Year Ended December 31, 2017				
	Townsquare	Princeton Acquisition	Townsquare Pro Forma for the Princeton Acquisition	Townsquare	Princeton Acquisition	Townsquare Pro Forma for the Princeton Acquisition	$ Change	% Change
Net Revenue	421,581	7,519	429,100	411,392	7,454	418,846	(10,254)	(2.4)%

On a pro forma basis, net revenue for the year ended December 31, 2018 increased by $15.4 million , or 3.7% , as compared to 2017 . The increase was primarily driven by revenue gains in our digital programmatic and digital marketing solutions offerings, and political, partially offset by declines in our live events business due to portfolio rationalization.

On a pro forma basis, net revenue for the year ended December 31, 2017 decreased $10.3 million , or 2.4% , as compared to 2016 . The decrease was primarily a result of declines in our national digital business, revenue declines at certain live events and a decline in political revenue.

Liquidity and Capital Resources

	Year Ended December 31,		
(in thousands)	**2016**	**2017**	**2018**
Cash and cash equivalents	$ 47,145	$ 61,205	$ 61,390
Cash provided by operating activities	58,374	50,988	36,634
Cash used in investing activities	(20,964)	(28,929)	(18,264)
Cash used in financing activities	(19,715)	(7,954)	(18,061)
Net effect of foreign currency exchange rate changes	(877)	(45)	(124)
Net increase in cash and cash equivalents	**$ 16,818**	**$ 14,060**	**$ 185**

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, 2018 , we had $555.3 million of outstanding indebtedness, net of deferred financing costs of $5.2 million , and based on interest rates in effect as of that date, we expect our debt service requirements to be approximately $33.9 million over the next twelve months. As of December 31, 2018 , we will not be required to make an excess cash flow payment on the outstanding Term Loans in the first quarter of 2019. In addition, as of December 31, 2018 , we had $61.4 million of cash and cash equivalents, $62.5 million of receivables from customers, which historically have had an average collection cycle of approximately 53 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, 2017 and 2018 , 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 $14.4 million for the year ended December 31, 2018 to $36.6 million . This decrease was primarily due to an increase in net cash used in operating activities - discontinued operations due to the timing of the sale of NAME and a decrease in accounts payable as a result of timing of payments.

Net cash provided by operating activities decreased $7.4 million for the year ended December 31, 2017 to $51.0 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.

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, 2016 , 2017 and 2018 was $21.0 million , $28.9 million and $18.3 million , respectively. Cash used in investing activities for the years ended December 31, 2016 , 2017 and 2018 from continuing operations was $14.4 million , $22.0 million and $42.1 million , respectively. Cash used in investing activities related to capital expenditures for the years ended December 31, 2016 , 2017 and 2018 was $15.0 million , $16.5 million and $18.1 million , respectively. Cash used in investing activities related to acquisitions for the years ended December 31, 2016 , 2017 and 2018 was $1.4 million , $5.5 million and $24.8 million , respectively. Cash used in investing activities has been partially offset by proceeds from the sale of assets for the years ended December 31, 2016 , 2017 and 2018 of $1.6 million , $1.0 million and $0.9 million , respectively.

Financing Activities

Cash flows used in financing activities in 2018 were $18.1 million and primarily consisted of a $9.5 million excess cash flow payment on our Term Loans and a $1.8 million voluntary payment to repurchase and cancel our 2023 Notes outstanding at a market price below par, plus accrued interest.

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 our Term Loans.

Cash flows provided by 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.

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 (the “Revolver”). On September 1, 2015, the Company issued incremental term loans of $45.0 million under the Senior Secured Credit Facility (together with the $275.0 million term loan facility, the “Term Loans”).

On February 8, 2017, the Company amended its Senior Secured Credit Facility agreement to reduce the applicable interest rate on its Term Loans. Under the amended Term Loans, 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, 2018 , LIBOR increased to 2.52% bringing the interest rate to 5.52%. All other terms of the Senior Secured Credit Facility agreement remained 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.

On March 20, 2018, the Company made an excess cash flow payment on the outstanding Term Loans of $9.5 million and recognized an expense of $0.1 million on the accelerated depreciation of unamortized deferred financing costs in the first quarter of 2018.

On December 3, 2018, the Company voluntarily repurchased and canceled $1.9 million of our 2023 Notes outstanding at a market price below par, including accrued interest.

As of December 31, 2018 , the Company had $282.3 million of Term Loans, and no outstanding borrowings under the Revolver. As of December 31, 2018 , 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, 2018 .

	Payments due by period				
(in thousands)	Less than 1 year	2 to 3 years	4 to 5 years	More than 5 years	Total
2023 Notes	$ —	$ —	$ 278,148	$ —	$ 278,148
Term Loans	—	—	282,332	—	282,332
Capitalized obligations	5	5	—	—	10
Interest payments (1)	33,888	67,818	27,797	—	129,503
Significant contracts (2)	11,436	13,802	4,335	—	29,573
Operating leases	11,143	15,865	10,987	12,522	50,517
Total contractual cash obligations	**$ 56,472**	**$ 97,490**	**$ 603,599**	**$ 12,522**	**$ 770,083**

(1) 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, 2018 .
(2) Significant contracts relate to our agreements with Nielsen, the radio broadcast industry's principal ratings service, and other broadcast service products.

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 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 recognize live event revenue and other non-broadcast advertising revenue as events are conducted.

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 resulted in an opening balance sheet adjustment of retained earnings of approximately $2.3 million related to the reclassification of costs associated with sales commissions related to obtaining certain customer contracts. In addition, the impact of the adoption of the new revenue standard was a decrease to operating expenses and an increase to net income of approximately $0.7 million as a result of capitalizing and amortizing deferred commissions.

Allowance for Doubtful Accounts

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

Acquisitions and Business Combinations

We account for our business acquisitions under the acquisition method of accounting in accordance with Accounting Standards Codification ("ASC") Topic 805, *Business Combination* . 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 Topic 805, *Business Combination* 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 FCC licenses 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. The Company has selected December 31st as the annual testing date for impairment of FCC licenses. The testing conducted as of December 31, 2017 resulted in an impairment charge of $2.9 million . The testing conducted as of December 31, 2018 resulted in an impairment charge of $19.9 million .

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. The Company has selected December 31st as the annual testing date for impairment of goodwill. The testing conducted as of December 31, 2016 did not result in any goodwill impairment. The testing conducted as of December 31, 2017 resulted in an impairment charge of $9.1 million . The testing conducted as of December 31, 2018 resulted in an impairment charge of $12.5 million .

Leases

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("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 840. The standard is effective for fiscal years beginning after December 15, 2018, and allows a number of practical expedients that the Company has elected to apply. The Company adopted the standard using the modified retrospective transition approach as of January 1, 2019, using the package of practical expedients as well as several other permitted practical expedients that allow for a more simplified transition. The Company has estimated an opening balance sheet adjustment representing a lease liability of $46.1 million and right to use asset for our operating leases of approximately $43.3 million , with the difference being our opening net deferred rent that was recorded as part of the right to use asset.

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, as well as expected dividends to be declared and paid during the period of vesting.

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 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 Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2018 , the end of the period covered by this Annual Report on Form 10-K. Based upon such evaluation, our Chief Executive Officer 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, 2018.

Changes in Internal Controls

There was no change in Townsquare's internal control over financial reporting that occurred during the three months ended December 31, 2018 that has materially affected, or is reasonably likely to materially affect Townsquare's internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item is incorporated herein by reference to the information in the 2019 Proxy Statement under the caption "Directors, Executive Officers and Corporate Governance."

Item 11. Executive Compensation

The information required by this item is incorporated herein by reference to the information in the 2019 Proxy Statement under the captions "Executive Compensation" and “"Directors, Executive Officers and Corporate Governance."

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

The information required by this item is incorporated herein by reference to the information in the 2019 Proxy Statement under the caption "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters."

Securities Authorized for Issuance Under Equity Compensation Plan

The following table summarizes information, as of December 31, 2018 , relating to equity compensation plans of the Company (including individual compensation arrangements) pursuant to which equity securities of the Company are authorized for issuance.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by shareholders	9,688,424	$8.23	1,801,921
Equity compensation plans not approved by shareholders	N/A	N/A	N/A
Total	**9,688,424**	**$8.23**	**1,801,921**

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

The information required by this item is incorporated herein by reference to the information in the 2019 Proxy Statement under the captions "Directors, Executive Officers and Corporate Governance" and “"Certain Relationships and Related Transactions."

Item 14. Principal Accountant Fees and Services

The information required by this item is incorporated herein by reference to the information in the 2019 Proxy Statement under the caption "Proposals - Proposal Two - Ratification of Appointment of Independent Registered Public Accounting Firm."

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.

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 * ◊	Employment Agreement, between Townsquare Media, Inc. and Erik Hellum, dated October 25, 2017.
10.11 † ◊	Letter Agreement between Townsquare Media, Inc. and Bill Wilson, dated April 27, 2018.
10.12 †† ◊	Separation Agreement dated as of December 31, 2018, by and between Townsquare Media, Inc. and Dhruv Prasad.
10.13 ** ◊	2014 Omnibus Incentive Plan
10.14 ** ◊	Form of Option Grant Agreement
10.15 ** ◊	Form of Option Grant at IPO
10.16 ††† ◊	Restricted Stock Award Agreement between Townsquare Media, Inc. and Bill Wilson, dated May 31, 2018
10.17 †††† ◊	Form of Restricted Stock Award Agreement
10.18 ** ◊	Form of Indemnification Agreement
10.19 ****	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.

10.20 ****	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
10.21 ****	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.
10.22 §	Registration Agreement, dated as of August 16, 2016, by and between Townsquare Media, Inc. and Madison Square Garden Investments, LLC
10.23 §§	Agreement of Purchase and Sale by and among North American Fairs, LLC, Townsquare Live Events, LLC and Danny Huston, dated May 24, 2018.
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
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
101.0 ‡ *	The following materials from Townsquare Media, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2018, 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 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 Quarterly Report on Form 10-Q filed on November 9, 2015.
¥¥	Previously filed as an exhibit to our Form 10-K filed on March 13, 2017.
¥¥¥	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 Form 8-K filed on May 3, 2018.
††	Previously filed as an exhibit to our Form 8-K filed on January 4, 2019.
†††	Previously filed as an exhibit to our Form 8-K filed on June 4, 2018.
††††	Previously filed as an exhibit to our Quarterly Report on Form 10-Q filed on November 6, 2018
§	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 Form 8-K filed on May 29, 2018.

◊ Management contract or compensatory plan or arrangement.

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

(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 12th day of March 2019 .

TOWNSQUARE MEDIA, INC.

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

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

Signature	Title	
/s/ Bill Wilson Bill Wilson	Chief Executive Officer and Director (Principal Executive Officer)	March 12, 2019
/s/ Stuart Rosenstein Stuart Rosenstein	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	March 12, 2019
/s/ Linda Lie Linda Lie	Senior Vice President and Chief Accounting Officer	March 12, 2019
/s/ Steven Price Steven Price	Executive Chairman and Director	March 12, 2019
/s/ B. James Ford B. James Ford	Director	March 12, 2019
/s/ Gary Ginsberg Gary Ginsberg	Director	March 12, 2019
/s/ Stephen Kaplan Stephen Kaplan	Director	March 12, 2019
/s/ David Lebow David Lebow	Director	March 12, 2019
/s/ David Quick David Quick	Director	March 12, 2019

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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, 2017 and 2018, 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, 2018, 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, 2017 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, 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 12, 2019

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

	December 31, 2017	December 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	$ 61,205	$ 61,390
Accounts receivable, net of allowance of $1,079 and $3,456, respectively	61,558	62,464
Prepaid expenses and other current assets	7,540	9,305
Current assets held for sale	879	—
Current assets of discontinued operations	7,222	10
Total current assets	**138,404**	**133,169**
Property and equipment, net	104,030	114,251
Intangible assets, net	495,501	482,780
Goodwill	241,888	240,584
Investments	8,092	9,505
Other assets	8,965	6,909
Long-term assets of discontinued operations	59,478	—
Total assets	**$ 1,056,358**	**$ 987,198**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 13,442	$ 13,481
Current portion of long-term debt	9,524	5
Deferred revenue	17,281	14,611
Accrued expenses and other current liabilities	24,919	32,834
Accrued interest	5,699	4,563
Current liabilities of discontinued operations	2,440	207
Total current liabilities	**73,305**	**65,701**
Long-term debt, less current portion (net of deferred financing costs of $6,803 and $5,155, respectively)	555,618	555,330
Deferred tax liability	26,283	16,031
Other long-term liabilities	9,390	8,559
Long-term liabilities of discontinued operations	10,682	—
Total liabilities	**675,278**	**645,621**
Stockholders' equity:		
Class A common stock, par value $0.01 per share; 300,000,000 shares authorized; 13,819,639 and 14,297,066 shares issued and outstanding, respectively	138	143
Class B common stock, par value $0.01 per share; 50,000,000 shares authorized; 3,022,484 and 3,011,634 shares issued and outstanding, respectively	30	30
Class C common stock, par value $0.01 per share; 50,000,000 shares authorized; 1,636,341 shares issued and outstanding	17	17
Total common stock	185	190
Additional paid-in capital	367,041	365,835
Retained earnings (deficit)	13,265	(25,735)
Accumulated other comprehensive loss	(532)	—
Noncontrolling interest	1,121	1,287
Total stockholders' equity	381,080	341,577
Total liabilities and stockholders' equity	**$ 1,056,358**	**$ 987,198**

See Notes to Consolidated Financial Statements

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

	Years Ended December 31,		
	2016	**2017**	**2018**
Net revenue	$ 421,581	$ 411,392	$ 430,599
Operating costs and expenses:			
Direct operating expenses, excluding depreciation, amortization and stock-based compensation	299,344	295,574	306,861
Depreciation and amortization	17,051	18,999	18,961
Corporate expenses	25,370	25,828	27,212
Stock-based compensation	4,253	718	1,633
Transaction costs	767	1,174	1,466
Business realignment costs	—	1,328	2,128
Impairment of goodwill and intangible assets	—	16,858	32,358
Net loss (gain) on sale and retirement of assets	298	386	(415)
Total operating costs and expenses	**347,083**	**360,865**	**390,204**
Operating income	**74,498**	**50,527**	**40,395**
Other expense (income):			
Interest expense, net	34,072	32,755	34,266
Impairment loss on investment	4,236	—	5,007
Repurchase of debt	(546)	—	(140)
Other (income) expense, net	(228)	363	167
Income from continuing operations before income taxes	**36,964**	**17,409**	**1,095**
Provision (benefit) from income taxes	16,134	(7,397)	1,589
Net income (loss) from continuing operations	20,830	24,806	(494)
Net income (loss) from discontinued operations, net of income taxes	2,463	(35,079)	(31,081)
Net income (loss)	**$ 23,293**	**$ (10,273)**	**$ (31,575)**
Net income (loss) attributable to:			
Controlling interests	23,023	(11,149)	(32,930)
Noncontrolling interests	270	876	1,355
Basic income (loss) per share:			
Continuing operations	$ 1.14	$ 1.34	$ (0.03)
Discontinued operations	$ 0.13	$ (1.90)	$ (1.68)
Diluted income (loss) per share:			
Continuing operations	$ 0.76	$ 0.89	$ (0.03)
Discontinued operations	$ 0.09	$ (1.26)	(1.68)
Weighted average shares outstanding:			
Basic	18,255	18,459	18,478
Diluted	27,313	27,855	27,502
Cash dividend declared per share	$ —	$ —	$ 0.30

See Notes to Consolidated Financial Statements

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

	Year Ended December 31,		
	2016	**2017**	**2018**
Net income (loss)	**$ 23,293**	**$ (10,273)**	**$ (31,575)**
Other comprehensive income:			
Foreign currency translation adjustments	(766)	190	(124)
Total comprehensive income (loss)	22,527	(10,083)	(31,699)
Less: comprehensive income attributable to noncontrolling interest	270	876	1,355
Comprehensive income (loss) attributable to controlling interest	**$ 22,257**	**$ (10,959)**	**$ (33,054)**

See Notes to Consolidated Financial Statements

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

	Shares of Common Stock									
	Class A	Class B	Class C							
	Shares	Shares	Shares	Warrants	Common Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total
Balance at January 1, 2016	**9,946,354**	**3,022,484**	**4,894,480**	**9,508,878**	**$ 179**	**$ 361,186**	**$ 1,391**	**$ 44**	**$ 640**	**$363,440**
Net income	—	—	—	—	—	—	23,023	—	270	23,293
Exercise of warrants	531,197	—	—	(531,202)	5	(5)	—	—	—	—
GE Capital Equity Holdings, LLC conversion	3,258,139	—	(3,258,139)	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	—	4,253	—	—	—	4,253
Proceeds from sale of minority interest in subsidiary	—	—	—	—	—	—	—	—	50	50
Foreign currency exchange	—	—	—	—	—	—	—	(766)	—	(766)
Cash distribution to noncontrolling interests	—	—	—	—	—	—	—	—	(219)	(219)
Balance at December 31, 2016	**13,735,690**	**3,022,484**	**1,636,341**	**8,977,676**	**$ 184**	**$ 365,434**	**$ 24,414**	**$ (722)**	**$ 741**	**$390,051**
Net (loss) income	—	—	—	—	—	—	(11,149)	—	876	(10,273)
Joint venture acquisition	48,035	—	—	—	1	513	—	—	—	514
Stock-based compensation	—	—	—	—	—	748	—	—	—	748
Stock options exercised	35,914	—	—	—	—	346	—	—	—	346
Foreign currency exchange	—	—	—	—	—	—	—	190	—	190
Cash distribution to noncontrolling interests	—	—	—	—	—	—	—	—	(496)	(496)
Balance at December 31, 2017	**13,819,639**	**3,022,484**	**1,636,341**	**8,977,676**	**$ 185**	**$ 367,041**	**$ 13,265**	**$ (532)**	**$ 1,121**	**$381,080**
Impact of change in accounting policy*	—	—	—	—	—	—	2,271	—	—	2,271
Adjusted balance at January 1, 2018	**13,819,639**	**3,022,484**	**1,636,341**	**8,977,676**	**185**	**367,041**	**15,536**	**(532)**	**1,121**	**383,351**
Net (loss) income	—	—	—	—	—	—	(32,930)	—	1,355	(31,575)
Dividend declared	—	—	—	—	—	—	(8,341)	—	—	(8,341)
Acquisition of non-controlling interest	—	—	—	—	—	(2,714)	—	—	(645)	(3,359)
Conversion of common shares	10,850	(10,850)	—	—	—	—	—	—	—	—
Issuance of restricted stock	466,577	—	—	—	5	(5)	—	—	—	—
Stock-based compensation	—	—	—	—	—	1,644	—	—	—	1,644
Equity award modification	—	—	—	—	—	(131)	—	—	—	(131)
Disposal of subsidiary	—	—	—	—	—	—	—	656	—	656
Foreign currency exchange	—	—	—	—	—	—	—	(124)	—	(124)
Cash distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(544)	(544)
Balance at December 31, 2018	**14,297,066**	**3,011,634**	**1,636,341**	**8,977,676**	**$ 190**	**$ 365,835**	**$(25,735)**	**$ —**	**$ 1,287**	**$341,577**

**See Note 2*

See Notes to Consolidated Financial Statements

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

	Year Ended December 31,		
	2016	**2017**	**2018**
Cash flows from operating activities:			
Net income (loss)	$ 23,293	$ (10,273)	$ (31,575)
Income (loss) from discontinued operations	2,463	(35,079)	(31,081)
Income from continuing operations	20,830	24,806	(494)
Adjustments to reconcile income from continuing operations to net cash flows from operating activities			
Depreciation and amortization	17,051	18,999	18,961
Amortization of deferred financing costs	1,580	1,646	1,516
Net deferred taxes and other	15,238	(8,080)	699
Provision for doubtful accounts	1,882	2,174	4,665
Stock-based compensation expense	4,253	718	1,633
Equity award modification	—	—	(131)
Trade activity, net	(9,730)	(11,754)	(13,245)
Repurchase of debt	(546)	—	(140)
Non-cash interest expense	—	(2)	(18)
Write-off of deferred financing fees	376	83	133
Impairment of goodwill and intangible assets	—	16,858	32,358
Impairment on investment	4,236	—	5,007
Net loss (gain) on sale of assets	298	386	(415)
Changes in assets and liabilities, net of acquisitions:			
Accounts receivable	3,830	(849)	(1,234)
Prepaid expenses and other assets	2,011	(599)	(370)
Accounts payable	(2,112)	(153)	(3,311)
Accrued expenses	(2,258)	4,943	3,266
Accrued interest	(258)	1,107	(989)
Other long-term liabilities	(1,076)	(831)	(831)
Net cash provided by operating activities - continuing operations	55,605	49,452	47,060
Net cash provided by (used in) operating activities - discontinued operations	2,769	1,536	(10,426)
Net cash provided by operating activities	**58,374**	**50,988**	**36,634**
Cash flows from investing activities:			
Payments for acquisitions, net of cash acquired	(1,410)	(5,511)	(24,785)
Payment for investment	—	(857)	—
Acquisition of intangibles	(11)	(150)	—
Purchase of property and equipment	(15,036)	(16,471)	(18,121)
Proceeds from insurance settlement	451	—	—
Proceeds from sale of assets	1,572	977	850
Net cash used in investing activities - continuing operations	(14,434)	(22,012)	(42,056)
Net cash (used in) provided by investing activities - discontinued operations	(6,530)	(6,917)	23,792
Net cash used in investing activities	**(20,964)**	**(28,929)**	**(18,264)**
Cash flows from financing activities:			
Repayment of long-term debt	(19,375)	(6,662)	(11,332)
Proceeds from stock offering and option exercises	—	346	—
Dividend payments	—	—	(6,179)
Debt financing costs	—	(526)	(2)
Investment in minority interest	50	—	—
Cash distribution to non-controlling interests	(144)	(421)	(524)
Repayments of capitalized obligations	(171)	(91)	(5)
Net cash used in financing activities - continuing operations	(19,640)	(7,354)	(18,042)
Net cash used in financing activities - discontinued operations	(75)	(600)	(19)

Net cash used in financing activities	**(19,715)**	**(7,954)**	**(18,061)**
Effect of exchange rate changes	**(877)**	**(45)**	**(124)**
Net increase in cash and cash equivalents	**16,818**	**14,060**	**185**
Cash and cash equivalents:			
Beginning of period	30,327	47,145	61,205
End of period	**$ 47,145**	**$ 61,205**	**$ 61,390**

See Notes to Consolidated Financial Statements

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

	Year Ended December 31,		
	2016	2017	2018
Supplemental Disclosure of Cash Flow Information:			
Cash payments:			
Interest	$ 32,371	$ 29,917	$ 34,029
Income taxes	1,134	722	1,203
Equity issued in respect of acquisitions:			
Common stock, joint venture acquisition	—	513	—
Non-cash investment:			
Investments	3,500	2,972	6,420
Supplemental Disclosure of Non-cash Activities:			
Dividends declared, but not paid during the period	$ —	$ —	$ 2,162

See Notes to Consolidated Financial Statements

Note 1. Organization and Basis of Presentation

Nature of Business

Townsquare Media, Inc. (together with its consolidated subsidiaries, except as the context may otherwise require, "we," "us," "our," "Company," or "Townsquare") is a radio, digital media, entertainment and digital marketing solutions company principally focused on being the premier local advertising and marketing solutions platform in small and mid-sized markets across the United States. Our assets include 321 radio stations and more than 330 local websites in 67 U.S. markets, a digital marketing solutions company (Townsquare Interactive) serving approximately 15,350 small to medium sized businesses, a proprietary digital programmatic advertising platform (Townsquare Ignite), and approximately 200 live events with over one million attendees each year. Our brands include local media assets such as *WYRK* , *KLAQ* , *K2* and *NJ101.5* ; iconic regional and national events such as the *Taste of Country Music Festival* , *WE Fest* , *Country Jam* , the *Boise Music Festival* , the *Red Dirt BBQ & Music Festival* and *Taste of Fort Collins* ; and leading tastemaker music and entertainment websites such as *XXLmag.com* , *TasteofCountry.com* and *Loudwire.com* .

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 majority 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.

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.

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 and cash equivalents : The Company maintains its cash balances principally at large financial institutions throughout the United States. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation. Balances in these accounts may at times exceed federally insured limits. The Company has not experienced any losses in such accounts. Cash equivalents are defined as short-term, highly liquid investments with original maturities of 90 days or less and consists of a money market instrument of $45.2 million valued using Level 1 inputs.

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, collection experience, customer types, creditworthiness and economic trends. From time to time, management may adjust its assumptions for anticipated changes in any of those or other factors expected to affect collectability. Account balances are charged off against the allowance when it is probable the receivable will not be recovered.

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

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

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

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

Software Development Costs : During the years ended December 31, 2017 and 2018 , the Company had capitalized software development costs of $5.6 million and $5.5 million (net of write downs of $0.3 million and $0.1 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 its intended use. Capitalized costs are amortized over the projects estimated useful life, generally 1 - 2 years. 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.

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 recreated 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.

Based on the results of the Company’s annual impairment evaluations of its FCC licenses, the Company recorded $19.9 million of impairment charges pertaining to FCC licenses in 11 of our 67 local markets for the year ended December 31, 2018.

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 Accounting Standards Update ("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 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 include Music Festivals, national digital assets and other national events. Music Festivals consists of the operations of our multi-day music festivals, national digital assets consists of music and entertainment focused national websites, 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 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 testing conducted as of December 31, 2018 resulted in a goodwill impairment charge of $12.5 million within our live events businesses.

Investments : Long-term investments consist of minority holdings in companies that management believes are synergistic with Townsquare. As management does not exercise significant control over operating and financial policies of the investees, the investments are 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. Effective January 1, 2018, the Company adopted ASU 2016-01 which requires cost method investments to be measured at fair value, with any changes in value recognized in net income. The ASU also allows the use of a qualitative assessment when analyzing impairment of equity investments without readily determinable fair values. The Company performed a qualitative assessment of its cost method investments for the year ended December 31, 2018 and as, a result, recorded an impairment of approximately $5.0 million . This impairment is reflected as “Impairment loss on investment” in the Company’s Consolidated Statement of Operations.

Deferred Financing Costs : Deferred financing costs related to the issuance of debt are capitalized and are amortized over the life of the instrument in such a way as to result in a constant rate of interest when applied to the amount outstanding at the beginning of any given period (the interest method). The amortization of these costs is recorded as interest expense, net in the Consolidated Statements of Operations. In accordance with ASU 2015-03, *Interest-Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs* , unamortized deferred financing costs as of December 31, 2017 and 2018 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, 2018 .

Changes in Operating Segment : The Company previously identified two operating segments - Local Marketing Solutions and Entertainment. During the course of 2018, two changes occurred that affected not only the quantitative factors for determining reportable segments, but also the way in which the Chief Operating Decision Makers (“CODM(s)”) view and manage the business. The North American Midway Entertainment (“NAME”) business, which represented approximately $92.2 million of revenue and $7.3 million of operating income in 2017, was sold in May 2018, and Mountain Jam, a multi-day music festival, representing $3.8 million of revenue and negligible operating income in 2017, was sold in June 2018. Both were reclassified as discontinued operations separate from the Company's continuing operations for the years ended December 31, 2016, 2017 and 2018, respectively. In addition, amounts related to NAME and Mountain Jam have been reclassified as discontinued operations within the December 31, 2017 and 2018 consolidated balance sheet.

Following these events and without the significant net revenue contribution of NAME, the Company has been reoriented and streamlined from a Local Marketing Solutions and Entertainment products and services company to a consolidated and fully integrated local marketing company. We now view our sole product as marketing solutions (including promotion, advertising, and marketing services) geared to local communities and customers in and around our markets (or markets of similar size and/or constitution). As such, the CODM(s) and management have adjusted the information used to evaluate performance and allocate resources to be based solely on net revenue and operating income, which spans across geographic regions predominately within the United States.

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, 2017 and 2018 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. Digital marketing solutions revenue, under the brand name Townsquare Interactive, is recognized as an obligation until the terms of a customer contract are satisfied, which generally occurs with the transfer of control as the Company satisfies its contractual performance obligation. Digital revenue is derived primarily from the sale of internet-based advertising campaigns to local and national advertisers and is recognized over the duration of the campaigns. Live events revenue and other non-broadcast advertising revenue are recognized as events are conducted. Deferred revenue consists primarily of advance ticket sales on events scheduled to take place at dates in the future.

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

As of December 31, 2018 , 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 8.

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

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

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identified assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 assets include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets that are not active; and inputs other than quoted prices that are observable such as models.
- Level 3: Inputs are unobservable inputs for the asset or liability. Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

Advertising and Promotion Costs : Costs of media advertising (including barter) and associated production costs are expensed to direct operating expenses the first time the advertising takes place. The Company recorded advertising expenses of $6.6 million , $5.0 million , and $2.4 million for the years ended December 31, 2016 , 2017 and 2018 , respectively.

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

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

The Company follows the provisions of ASC Topic 740, *Accounting for Income Taxes* . ASC Topic 740 clarifies the accounting for uncertainties in income taxes recognized in an enterprise’s financial statements. ASC Topic 740 also prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740 provides guidance on derecognition, classification, interest and penalties, disclosures and transition. As required by the uncertain tax position guidance in ASC Topic 740, the Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company’s policy is to recognize interest and penalties accrued on unrecognized tax benefits as part of income tax expense. The Company’s Federal income tax returns and various state tax returns remain subject to examination by taxing authorities for all years after 2014.

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, 2016 , 2017 and 2018 management does not believe any such matters are material to the Company’s consolidated results of operations or financial condition.

Recently Issued Accounting Standards

In February 2016, the Financial Accounting Standards Board ("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 840. The standard is effective for fiscal years beginning after December 15, 2018, and allows a number of practical expedients that the company has elected to apply. The Company adopted the standard using the modified retrospective transition approach as of January 1, 2019, using the package of practical expedients as well as several other permitted practical expedients that allow for a more simplified transition. The Company has estimated an opening balance sheet adjustment representing a lease liability of $46.1 million and right to use asset for our operating leases of approximately $43.3 million , with the difference being our opening net deferred rent that was recorded as part of the right to use asset.

In January 2017, the FASB issued ASU 2017-04, *Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment.* This new guidance simplifies the subsequent measurement of goodwill by eliminating Step 2 from the goodwill impairment test. Under the new standard, entities will perform goodwill impairment tests by comparing the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. The standard will be effective for the first interim period within annual reporting periods beginning after December 15, 2019 and early adoption is permitted. The Company is currently evaluating the impact that ASU 2017-04 will have on its consolidated financial statements.

Recently Adopted Accounting Standards

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* . This new standard replaced all prior U.S. GAAP related to revenue recognition and eliminated all industry-specific guidance. The core principle of this new standard is that a company should recognize revenue to depict the 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. On January 1, 2018, we adopted Topic 606, Revenue from Contracts with Customers and all the related amendments to all contracts using the modified retrospective method.

We recognized the cumulative effect of adopting Topic 606 as an adjustment to the opening balance of retained earnings. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. We expect the impact of the adoption of the new standard to be immaterial to our net income or loss, as applicable, on an ongoing basis.

The cumulative effect of the changes made to our consolidated January 1, 2018 balance sheet, after consideration of discontinued operations, for the adoption of Topic 606 were as follows (in thousands):

	As Reported December 31, 2017	Adjustment due to ASC 606	Balance at January 1, 2018
Assets			
Prepaid expenses and other current assets	$ 7,540	$ 2,271	$ 9,811
Total Current Assets	**138,404**	**2,271**	**140,675**
Total Assets	**$ 1,056,358**	**$ 2,271**	**$ 1,058,629**
Total Liabilities	**$ 675,278**	**$ —**	**$ 675,278**
Equity			
Retained earnings	$ 13,265	$ 2,271	$ 15,536
Total stockholders' equity	381,080	2,271	383,351
Total liabilities and stockholders' equity	**$ 1,056,358**	**$ 2,271**	**$ 1,058,629**

As a part of Topic 606 adoption, we reclassified costs associated with sales commissions related to obtaining certain customer contracts. In accordance with the new revenue standard's requirements, for the year ended December 31, 2018 , the impact of adoption of Topic 606 on our Consolidated Financial Statements was a decrease to operating expenses and an increase to net income of approximately $0.7 million as a result of amortizing deferred commissions under ASC 606.

In January 2016, the FASB issued 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. ASU 2016-01 became effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. We adopted the standard effective January 1, 2018, and the adoption of this new guidance did not have a material impact on our Consolidated Financial Statements.

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 became effective for annual periods beginning after December 15, 2017, including interim periods within those periods. We adopted the standard effective January 1, 2018 and the adoption of this new guidance did not have a material impact on our 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 became effective for annual reporting periods beginning after December 15, 2017, with early adoption permitted. We adopted the standard effective January 1, 2018 and the adoption of this new guidance did not have a material impact on our Consolidated Financial Statements.

Note 3. Revenue Recognition

The following tables disaggregate our revenue into the following categories; Advertising, which includes broadcast and local digital advertising products, Live Events and our digital marketing solutions business under the brand name Townsquare Interactive (in thousands):

	Year Ended December 31, 2016			
	Advertising	**Live Events**	**Townsquare Interactive**	**Total**
Net Revenue (ex Political)	$ 315,930	$ 65,043	$ 31,591	$ 412,564
Political	9,017	—	—	$ 9,017
Net Revenue	**$ 324,947**	**$ 65,043**	**$ 31,591**	**$ 421,581**

	Year Ended December 31, 2017			
	Advertising	**Live Events**	**Townsquare Interactive**	**Total**
Net Revenue (ex Political)	$ 314,891	$ 54,032	$ 40,041	$ 408,964
Political	2,428	—	—	$ 2,428
Net Revenue	**$ 317,319**	**$ 54,032**	**$ 40,041**	**$ 411,392**

	Year Ended December 31, 2018			
	Advertising	**Live Events**	**Townsquare Interactive**	**Total**
Net Revenue (ex Political)	$ 329,372	$ 42,642	$ 48,598	$ 420,612
Political	9,987	—	—	$ 9,987
Net Revenue	**$ 339,359**	**$ 42,642**	**$ 48,598**	**$ 430,599**

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

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

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

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

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

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

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

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

No impairment losses have arisen from any contracts with customers during the year ended December 31, 2018 .

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

	At Adoption January 1, 2018	December 31, 2018
Receivables	$ 61,558	$ 62,464
Short-term contract liabilities (deferred revenue)	$ 17,281	$ 14,611

We receive payments from customers based upon contractual billing schedules; accounts receivable is recorded when the right to consideration becomes unconditional. Contract receivables are recognized in the period the Company provides services when the Company's right to consideration is unconditional. Payment terms vary by the type and location of our customer and the products or services offered. Payment terms for amounts invoiced are typically net 30-60 days. The term between invoicing and when payment is due is not significant. The Company had no material bad debt expense recorded during the year ended December 31, 2018 .

We record contract liabilities when cash payments are received or due in advance of satisfying our performance obligations. Our contract liabilities include cash payments received or due in advance related to event ticket sales for events scheduled to take place over the course of the current year and digital subscriptions in which payment is received in advance of the service month. These contract liabilities are recognized as revenue as the related performance obligations are satisfied. The decrease in the contract liabilities balance that was included in the deferred revenue balance at January 1, 2018 is primarily driven by $16.9 million of recognized revenue for the year ended December 31, 2018 , offset by cash payments received or due in advance of satisfying our performance obligations. No significant changes in the timeframe of the satisfaction of contract liabilities have occurred during the year ended December 31, 2018 .

In connection with the adoption of Topic 606, we are required to capitalize certain contract acquisition costs consisting primarily of commissions paid when contracts are signed (previously such costs were expensed as incurred). Our capitalized contract acquisition costs include amounts related to sales commissions paid for contract acquisition costs related to signed contracts with perceived durations exceeding one year. For these contracts, we defer the related sales commission costs and amortize such costs to expense consistent with how the related revenue is recognized over the duration of the contracts. We have evaluated the average customer contract duration (initial term and any renewals) to determine the appropriate amortization period for these contractual arrangements. For contracts with a duration of less than one year, we follow a Topic 606 practical expedient and expense these costs when incurred. As of January 1, 2018, we had a balance of $2.3 million in deferred costs and have recognized $1.8 million for the year ended December 31, 2018 . No impairment losses have been recognized or changes made to the timeframe for performance of the obligations related to deferred contract assets during the year ended December 31, 2018 .

Arrangements with Multiple Performance Obligations

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

Practical Expedients and Exemptions

We generally expense sales commissions when incurred because the amortization period would have been one year or less. These costs are recorded within direct operating expenses.

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

Note 4. Acquisitions

On July 2, 2018, the Company acquired certain assets and liabilities related to three radio stations in Princeton, NJ ("the Princeton Acquisition") from Connoisseur Media, LLC for $17.4 million , including a working capital adjustment of $0.1 million . The acquired assets included WPST-FM, WNJE-AM and WCHR-AM. The consideration was paid with cash on hand. The Company estimated the fair value of intangibles acquired (FCC licenses) to be $6.4 million using the greenfield method and the purchase price was further allocated to the assets and liabilities acquired at their fair value at the date of acquisition, with the excess of purchase price over the net assets of $9.9 million recorded as goodwill. As of March 12, 2019, the Company was still in the process of finalizing the valuation of the acquired assets and assumed liabilities, and therefore the purchase price allocation should be considered preliminary. The preliminary purchase price allocation may be subject to further refinement. The goodwill balance may be adjusted pending the completion of the valuation of the assets acquired and liabilities assumed as described above. To the extent that significant changes occur in the future, the Company will disclose such changes in the reporting period in which they occur.

The preliminary Princeton Acquisition purchase price allocation is shown in the following table:

		(in thousands)
Prepaid and other current assets	$	256
FCC licenses		6,409
Property and equipment, net		976
Goodwill		9,915
Accounts payable and accrued expenses		(201)
Total purchase price	**$**	**17,355**

Note 5. Investments

Long-term investments consist of minority holdings in companies that management believes are synergistic with Townsquare. As management does not exercise significant control over operating and financial policies of the investees, the investments are 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. Effective January 1, 2018, the Company adopted ASU 2016-01 which requires cost method investments to be measured at fair value, with any changes in value recognized in net income. The ASU also allows the use of a qualitative assessment when analyzing impairment of equity investments without readily determinable fair values.

During the year ended December 31, 2018 , the Company made certain investments in two small businesses totaling $6.4 million . The investments represent minority ownership positions and are accounted for under the cost method of accounting. These transactions were recorded as investments in the Company's Consolidated Balance Sheet as of December 31, 2018 . The Company determined there was objective evidence to indicate certain events had adversely impacted estimated future cash flows for two of its investments in 2018 and as a result recorded a $5.0 million impairment charge for the year ended December 31, 2018.

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

Note 6. Property and Equipment

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

	December 31, 2017	December 31, 2018
Land and improvements	$ 20,870	$ 21,123
Buildings and leasehold improvements	40,567	45,098
Broadcast equipment	74,851	81,972
Computer and office equipment	13,198	14,875
Furniture and fixtures	13,894	17,098
Transportation equipment	13,509	17,054
Software development costs	15,943	21,331
Total property and equipment, gross	192,832	218,551
Less: Accumulated depreciation and amortization	(88,802)	(104,300)
Total property and equipment, net	**$ 104,030**	**$ 114,251**

Depreciation and amortization expense for property and equipment was $14.5 million , $16.7 million and $17.4 million for the years ended December 31, 2016 , 2017 and 2018 , respectively.

Note 7. 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 st as the annual testing date.

As of the annual testing date for intangible impairment, the Company's stock price and market capitalization were significantly depressed as compared to the prior year. This along with other factors led the Company to revise certain assumptions, including risk-adjusted discount rates, that had a negative impact on the fair value calculation of our intangibles. Based on the results of the Company's annual impairment evaluations of its FCC licenses, the Company recorded $19.9 million of impairment charges pertaining to FCC licenses in 11 of our 67 local markets for the year ended December 31, 2018 and $2.9 million of impairment charges pertaining to FCC licenses in 2 of our 67 local markets for the year ended December 31, 2017. 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, 2016 did not result in any goodwill impairment. The testing conducted as of December 31, 2017 and 2018 resulted in a goodwill impairment charge of $9.1 million and $12.5 million within our live events business, respectively.

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, for the year ended December 31, 2017 .

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

Balance at December 31, 2016	**$**	**251,932**
Impairment loss on goodwill		(9,067)
Write-off of goodwill		(4,105)
Acquisitions		3,128
Balance at December 31, 2017		**241,888**
Acquisitions		11,166
Impairment loss on goodwill		(12,470)
Balance at December 31, 2018	**$**	**240,584**

Intangible assets consist of the following (in thousands):

	Estimated Useful Life	December 31, 2017	December 31, 2018
Intangible Assets:			
FCC licenses	Indefinite	$ 484,535	$ 473,412
Customer and advertising relationships	10 years	14,317	6,540
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	8,675	8,675
Other intangibles	3 years	1,141	161
Total		**511,115**	**491,235**
Less: Accumulated amortization		(15,614)	(8,455)
Net amount		**$ 495,501**	**$ 482,780**

Amortization expense for definite-lived intangible assets for the years ended December 31, 2016 , 2017 and 2018 was $2.5 million , $2.3 million and $1.6 million , respectively.

Estimated future amortization expense for each of the five succeeding fiscal years and thereafter as of December 31, 2018 is as follows (in thousands):

2019	$	1,291
2020		1,243
2021		1,234
2022		1,231
2023		1,021
Thereafter		3,348
	$	**9,368**

Note 8. Long-Term Debt

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

	December 31, 2017	December 31, 2018
2023 Notes	$ 280,079	$ 278,148
Term Loans	291,851	282,332
Capitalized leases	15	10
Debt before deferred financing costs	571,945	560,490
Deferred financing costs	(6,803)	(5,155)
Total debt	565,142	555,335
Less: current portion of long-term debt	(9,524)	(5)
Total long-term debt	**$ 555,618**	**$ 555,330**

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. On September 1, 2015, the Company issued incremental term loans of $45.0 million under the Senior Secured Credit Facility.

During the year ended December 31, 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 (income) expense, 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.

During the year ended December 31, 2018, the Company voluntarily repurchased $1.9 million of its 2023 Notes at a market price below par, including accrued interest and recognized a gain of $0.1 million , which is included in other (income) expense, net in the Company’s Consolidated Statements of Operations. The repurchased notes were canceled by the Company. The Company recognized a loss of $0.04 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, 2018.

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% remained unchanged. All other terms of the Senior Secured Credit Facility agreement were substantially unchanged. The Company capitalized $0.4 million of deferred financing costs in connection with this repricing. As of December 31, 2018 , the interest rate on the Term Loans was 5.52% . 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, 2018 , 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 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, 2017, we were required to make an excess cash flow payment on the outstanding Term Loans of $9.5 million , which was subsequently paid on March 20, 2018. As of December 31, 2018, we will not be required to make an excess cash flow payment on the outstanding Term Loans in the first quarter of 2019. 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, 2018 .

As of December 31, 2017 and 2018 , based on available market information, the estimated fair value of the 2023 Notes was $275.8 million and $253.8 million , respectively, and $288.9 million and $274.9 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, 2018 are as follows (in thousands):

2019	$	5
2020		5
2021		—
2022		282,332
2023		278,148
Thereafter		—
	$	**560,490**

Note 9. Stockholders' Equity

The table below presents a summary, as of December 31, 2018 , of our authorized and outstanding common stock, and securities convertible into common stock, excluding options issued under our 2014 Omnibus Incentive Plan.

Security [1]	Par Value Per Share	Number Authorized	Number Outstanding	Description
Class A common stock	$ 0.01	300,000,000	14,297,066	One vote per share.
Class B common stock	$ 0.01	50,000,000	3,011,634	10 votes per share. [2]
Class C common stock	$ 0.01	50,000,000	1,636,341	No votes. [2]
Warrants			8,977,676	Each warrant is exercisable for one share of Class A common stock, at an exercise price of $0.0001 per share. The aggregate exercise price for all warrants currently outstanding is $898. [3]
Total		**400,000,000**	**27,922,717**	

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

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

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

The foregoing share totals include 466,577 shares of restricted Class A common stock, subject to vesting terms, but exclude 4,981,478 of Class A common stock and 4,706,946 of Class B common stock issuable upon exercise of stock options, which options have an exercise price of between $6.25 and $9.63 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 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 of 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.

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, 2018 , 1,801,921 shares were available for grant.

No restricted stock was granted during the year ended December 31, 2016. 5,000 shares of restricted Class A common stock shares were issued during the year ended December 31, 2017 under the 2014 Incentive Plan, none of which were vested as of December 31, 2018. The fair value of the restricted stock is $9.16 per share. In the year ended December 31, 2018, the Company issued 461,577 shares of restricted Class A common stock, none of which were vested as of December 31, 2018. The fair value of the restricted grants ranged from $6.31 per share to $8.24 per share.

On January 26, 2016, the Company granted 1,600,000 options under the 2014 Incentive Plan at an exercise price of $8.96 to employees and directors of the Company. The weighted average grant date fair value was $2.38 . The options have a five-year term with 50% vesting after year three and 50% vesting after year four.

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.

In the year ended December 31, 2017, the Company granted 150,000 options with a weighted average grant date fair value of $2.89 or $3.68 . The option grants have ten-year terms with 50% vesting after three years and 50% vesting after four years.

On July 18, 2018, the Company commenced an offer to eligible executive officers, employees and directors to exchange certain outstanding eligible options to purchase shares of our common stock for new options covering a lesser number of shares of our common stock exercisable at a lower price (the "Option Exchange").

On August 17, 2018, eligible option holders tendered, and Townsquare accepted for cancellation, options to purchase 7,524,807 shares of Townsquare common stock and granted replacement options to eligible option holders to purchase 2,800,301 shares of Class A common stock and approximately 3,790,745 shares of Class B common stock in exchange for the cancellation of the tendered eligible options. The exercise price per share of the replacement options granted in the exchange offer was $8.74 , the closing price of Townsquare's Class A common stock as reported on the NYSE on August 16, 2018 plus $0.50 . The Option Exchange resulted in the grant of replacement options with a fair value, for accounting purposes, approximately equal to the fair value of the eligible options that were surrendered. Replacement options granted as part of the Option Exchange retained their original vesting schedule.

In the year ended December 31, 2018, the Company granted 2,302,000 options (excluding those granted through the Option Exchange) with a weighted average grant date fair value between $1.60 and $2.70 . The option grants have ten-year terms with 50% vesting after year three and 50% vesting after year 4, with the exception of the 1.2 million shares that vest 25% each over four years.

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

	2016	2017	2018
Expected volatility	30.0%	40.0%	40.0%
Expected term	4.25 - 6.33 years	6.67 years	6.26 - 6.76 years
Risk free interest rate	1.4% - 1.7%	2.1%	2.2% - 2.9%
Expected dividend yield	0.0%	0.0%	0.0% - 4.03%

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. Prior to 2018, the Company had not paid dividends and therefore did not utilize a dividend yield in the calculations, however, beginning with grants made in 2018, we have used an annual dividend of $0.30 per share in our calculations.

The following table summarizes stock option activity for the years ended December 31, 2017 and 2018 :

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2016	**8,653,712**	**9.51**	**7.06**	**$ 7,805**
Granted	150,000	9.03		
Exercised	(35,914)	9.63		
Forfeited and expired	(223,573)	9.45		
Outstanding at December 31, 2017	**8,544,225**	**$ 9.50**	**6.11**	**$ —**
Granted	8,893,046	8.13		
Exercised	—	—		
Forfeited and expired	(7,748,847)	9.51		
Outstanding at December 31, 2018	**9,688,424**	**$ 8.23**	**6.15**	**—**
Exercisable at December 31, 2018	**5,904,471**	**$ 8.83**	**5.70**	**$ —**

The weighted average grant date fair value of the 8,893,046 options granted during 2018 was $1.71 . Of the 8,893,046 options granted, 6,591,046 were granted in respect of the Option Exchange noted above.

As of December 31, 2018, there were 466,577 shares of restricted Class A common stock outstanding with a weighted average grant date fair value per share of $6.55 . The fair value of the restricted stock is equal to the closing share price on the date of grant. The vesting term of the shares of restricted stock vary from 1 to 5 years.

For the years ended December 31, 2016 , 2017 and 2018 , the Company recognized approximately $4.3 million , $0.7 million and $1.6 million , respectively, of stock-based compensation expense with respect to the options and shares of restricted stock granted. Included within the 2016 stock-based compensation expense was $3.4 million related to the Option Repricing. As of December 31, 2018 , total unrecognized stock-based compensation expense related to our stock options and restricted stock was $4.9 million and $2.5 million , respectively, and is expected to be recognized over a weighted average period of 2.9 and 3.2 years, respectively.

Note 10. Income Taxes

Income tax expense (benefit) from continuing operations for the years ended December 31, 2016 , 2017 and 2018 consisted of the following (in thousands):

	2016	2017	2018
Current income tax expense			
State	$ 896	$ 683	$ 890
Total current income tax expense	**$ 896**	**$ 683**	**$ 890**
Deferred tax expense (benefit)			
Federal	$ 12,659	$ (9,201)	$ 475
State	2,579	1,121	224
Total deferred income tax expense (benefit)	**15,238**	**(8,080)**	**699**
Total income tax expense (benefit)	**$ 16,134**	**$ (7,397)**	**$ 1,589**

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, 2016 and 2017 and 21% for the year ended December 31, 2018 due to the following (in thousands):

	2016	2017	2018
Pretax income at federal statutory rate	$ 12,937	$ 6,093	$ 230
State income tax expense, net federal expense	2,258	1,173	880
Non-deductible items	278	381	684
Federal tax rate change adjustments	—	(14,088)	—
Adjustment of prior year deferred taxes	257	(732)	105
Change in valuation allowance	106	(76)	(251)
Other items	298	(148)	(59)
Total provision (benefit) for income taxes	**$ 16,134**	**$ (7,397)**	**$ 1,589**

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 2017 and 2018 are presented below (in thousands):

	2017	2018
Deferred tax assets:		
Allowance for doubtful accounts	$ 119	$ 899
Accrued expenses and other current liabilities	330	277
Stock-based compensation	10,877	11,228
Property and equipment	2,207	1,972
Interest expense	—	2,412
Prepaid rent	1,326	1,292
Deferred revenue	433	270
Noncurrent liabilities	95	732
Net operating loss and credit carryforwards	38,704	49,610
	54,091	**68,692**
Less: valuation allowance	(10,190)	(9,939)
Deferred tax assets	**43,901**	**58,753**
Deferred tax liabilities:		
Intangible assets	66,932	71,136
Software development costs	3,252	3,648
Deferred tax liabilities	**70,184**	**74,784**
Net deferred tax liabilities	**$ 26,283**	**$ 16,031**

As of December 31, 2018 , the Company has federal net operating loss carryforwards of approximately $189.2 million available to offset future income which will expire in the years 2019 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 $138.8 million applicable to post IPO operations of the Company and can be utilized against future earnings without limitation through 2037 . Additionally, the Company has net operating loss carry forwards for state purposes aggregating $12.1 million as of December 31, 2018 , which are subject to the foregoing limitations. The decrease in the valuation allowance was primarily due to the expiration of state net operating loss carryforwards.

Tax Reform Legislation

In December 2017, the Tax Cuts and Jobs Act (the "Tax Act") was enacted. The Tax Act made 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 then 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 $14.1 million to income tax expense and a corresponding reduction in the net deferred tax liability as of and for the year ended December 31, 2017. The Company also reported approximately $0.3 million of the deemed mandatory repatriation as of December 31, 2017.

Note 11. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following (in thousands):

	December 31, 2017	December 31, 2018
Accrued compensation and benefits	$ 10,629	$ 14,979
Accrued professional fees	1,057	1,449
Accrued commissions	2,010	1,982
Accrued taxes	2,039	2,696
Accrued music and FCC licensing	251	2,315
Accrued publisher fees	2,752	2,213
Accrued national representation fees	947	1,276
Due to sellers, business combinations	291	26
Deferred rent	1,951	2,073
Dividend payable	—	2,162
Accrued other	2,992	1,663
	$ 24,919	**$ 32,834**

Note 12. 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 $19.4 million , $17.8 million and $15.4 million for the years ended December 31, 2016 , 2017 and 2018 , respectively. Total rental expense includes costs incurred for live events such as venue and equipment rentals.

As of December 31, 2018 , the total minimum annual rental commitments under non-cancelable operating leases are as follows (in thousands):

2019	$ 11,143
2020	8,856
2021	7,009
2022	6,114
2023	4,873
Thereafter	12,522
Total minimum payments	**$ 50,517**

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, 2018 is approximately $17.5 million and is expected to be paid in accordance with the agreements through September 2021. In addition, the Company has aggregate commitments of $1.5 million for other broadcasting services through December 2019 and aggregate commitments of $10.5 million for a business management platform through 2023.

Note 13. Discontinued Operations

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.

On May 24, 2018, the Company, through a subsidiary of Townsquare Live Events, LLC, sold all of the issued and outstanding membership interests of Heartland Group, LLC and its wholly owned subsidiary NAME to North American Fairs, LLC for $23.5 million . We recognized a loss on the sale of NAME of approximately $1.8 million within net loss from discontinued operations and our Entertainment reportable segment will no longer be presented as part of our segment reporting. In addition, on June 29, 2018, the Company entered into an Agreement of Purchase and Sale to transfer its 70% controlling interest in Mountain Jam, LLC ("Mountain Jam") to Chet-5 Festivals ("Chet-5"), LLC and to acquire the 30% minority interest in Taste of Country Productions LLC from Chet-5. The purchase and sale was completed on the same day and included a payment of $1.3 million from the Company to Chet-5. The Company recognized a gain on the sale of Mountain Jam of approximately $1.2 million which is included within net loss from discontinued operations.

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

	December 31, 2017	December 31, 2018
Cash and cash equivalents	$ 4,090	$ 6
Accounts receivable	183	3
Prepaid expenses and other current assets	3,828	1
Current assets of discontinued operations	**8,101**	**10**
Property and equipment, net	42,962	—
Intangible assets, net	14,053	—
Other non-current assets	2,463	—
Long term assets of discontinued operations	**59,478**	**—**
Accounts payable	1,116	—
Accrued expenses and other current liabilities	1,324	208
Current liabilities of discontinued operations	**2,440**	**208**
Other long-term liabilities	10,682	—
Long term liabilities of discontinued operations	**10,682**	**—**
Net assets	**$ 54,457**	**$ (198)**

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

	December 31, 2016	December 31, 2017	December 31, 2018
Net revenue	$ 95,285	$ 99,044	$ 15,902
Discontinued operating costs and expenses:			
Direct operating expenses, excluding depreciation, amortization and stock-based compensation	85,367	93,686	26,830
Depreciation and amortization	6,924	6,727	2,176
Stock-based compensation	—	30	11
Impairment of goodwill	—	39,867	—
Impairment on long-lived assets	—	—	37,973
Transaction costs	77	—	—
Net (gain) loss on sale and retirement of assets	(16)	10	293
Discontinued operating income (loss)	**2,933**	**(41,276)**	**(51,381)**
Other expenses:			
Interest expense, net	—	(2)	(1)
Other (income) expense, net	(437)	(75)	24
Income (loss) from discontinued operations before income taxes	**3,370**	**(41,199)**	**(51,404)**
Provision (benefit) for income taxes	907	(6,120)	(20,323)
Net income (loss) from discontinued operations, net of income taxes	**$ 2,463**	**$ (35,079)**	**$ (31,081)**

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 business.

During the year ended December 31, 2018, management elected to restructure the Company's programming and traffic departments, and incurred certain expenses related to a senior management restructuring.

The Company recorded the following business realignment costs for the years ended December 31, 2017 and 2018 (in thousands):

	December 31, 2017	December 31, 2018
Compensation costs	798	2,128
Contract termination costs	510	—
Other	20	—
	$ 1,328	**$ 2,128**

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, 2016 , 2017 and 2018 was as follows (in thousands, except per share data):

	Year Ended December 31,		
	2016	2017	2018
Numerator:			
Net income (loss) from continuing operations	$ 20,830	$ 24,806	$ (494)
Net income (loss) from discontinued operations, net of income taxes	2,463	(35,079)	(31,081)
Net income (loss)	**$ 23,293**	**$ (10,273)**	**$ (31,575)**
Denominator			
Weighted average shares of common stock outstanding	18,255	18,459	18,478
Effect of dilutive common stock equivalents	9,058	9,396	9,024
Weighted average diluted common shares outstanding	27,313	27,855	27,502
Basic income (loss) per share			
Continuing operations	$ 1.14	$ 1.34	$ (0.03)
Discontinued operations	$ 0.13	$ (1.90)	$ (1.68)
Diluted income (loss) per share:			
Continuing operations	$ 0.76	$ 0.89	$ (0.03)
Discontinued operations	$ 0.09	$ (1.26)	$ (1.68)

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

	2016	2017	2018
Warrants	—	8,978	8,978
Stock options	7,079	8,544	8,193
Restricted Stock	—	5	41

Note 15. Selected Quarterly Financial Data (Unaudited) (in thousands, except per share data)

	2016 Quarter Ended			
	March 31,	June 30,	September 30,	December 31,
Net revenue	$ 88,014	$ 115,676	$ 117,847	$ 100,044
Operating income	10,818	21,800	26,986	14,894
Net income from continuing operations	1,393	7,831	6,235	5,371
Net (loss) income from discontinued operations	(2,776)	(2,230)	9,627	(2,158)
Net (loss) income	**$ (1,383)**	**$ 5,601**	**$ 15,862**	**$ 3,213**
Basic income (loss) per share: (1)				
Continuing operations	$ 0.08	$ 0.43	$ 0.34	$ 0.28
Discontinued operations	$ (0.16)	$ (0.12)	$ 0.52	$ (0.11)
Diluted income (loss) per share: (1)				
Continuing operations	$ 0.05	$ 0.29	$ 0.23	$ 0.20
Discontinued operations	$ (0.10)	$ (0.08)	$ 0.35	$ (0.08)

	2017 Quarter Ended			
	March 31,	June 30,	September 30,	December 31,
Net revenue	$ 84,929	$ 117,303	$ 111,897	$ 97,263
Operating income (loss)	9,432	21,243	20,853	(1,001)
Net income (loss) from continuing operations	651	7,798	7,094	9,263
Net (loss) income from discontinued operations	(3,659)	(2,236)	7,198	(36,382)
Net (loss) income	**$ (3,008)**	**$ 5,562**	**$ 14,292**	**$ (27,119)**
Basic income (loss) per share: (1)				
Continuing operations	$ 0.04	$ 0.42	$ 0.38	$ 0.50
Discontinued operations	$ (0.20)	$ (0.12)	$ 0.39	$ (1.97)
Diluted income (loss) per share: (1)				
Continuing operations	$ 0.02	$ 0.27	$ 0.25	$ 0.34
Discontinued operations	$ (0.13)	$ (0.08)	$ 0.26	$ (1.33)

	2018 Quarter Ended			
	March 31,	**June 30,**	**September 30,**	**December 31,**
Net revenue	$ 87,991	$ 119,577	$ 114,073	$ 108,958
Operating income (loss)	12,356	22,377	22,212	(16,550)
Net income (loss) from continuing operations	2,801	10,075	9,831	(23,201)
Net (loss) income from discontinued operations	(29,392)	(8,441)	(140)	6,892
Net (loss) income	**$ (26,591)**	**$ 1,634**	**$ 9,691**	**$ (16,309)**
Basic income (loss) per share: [1]				
Continuing operations	$ 0.15	$ 0.54	$ 0.52	$ (1.26)
Discontinued operations	$ (1.59)	$ (0.45)	$ (0.01)	$ 0.37
Diluted income (loss) per share: [1]				
Continuing operations	$ 0.10	$ 0.36	$ 0.35	$ (1.26)
Discontinued operations	$ (1.07)	$ (0.31)	$ (0.01)	$ 0.37

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

Note 16. Subsequent Events

On March 11, 2019 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, 2019. The estimated dividend of $2.1 million will be paid on May 15, 2019.

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

Fiscal Year	Balance at Beginning of Year	Charged to Costs and Expenses	Deductions	Balance at End of Year
Allowance for doubtful accounts				
2016	$ 2,114	$ 1,882	$ (2,563)	$ 1,433
2017	$ 1,433	$ 2,174	$ (2,528)	$ 1,079
2018	$ 1,079	$ 4,665	$ (2,288)	$ 3,456

EXECUTION COPY

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the " Agreement ") is entered into October 25, 2017 (the " Effective Date ") between Townsquare Media, Inc., a Delaware corporation (the " Company "), and Erik Hellum (" Executive ").

RECITALS

WHEREAS, the Company desires to continue to employ Executive for the period provided in this Agreement, and Executive desires to accept such continued employment with the Company, subject to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the respective agreements of the parties contained herein, it is agreed as follows:

1. Commencement Date; Term; Effect on Other Agreements .

(a) The employment term (the " Employment Term ") of Executive's employment under this Agreement shall be for the period commencing on the date hereof (the " Commencement Date ") and ending on the third (3rd) anniversary of the Commencement Date. Thereafter, the Employment Term shall extend automatically for consecutive periods of one year unless either party provides notice of non-renewal not less than ninety (90) days prior to the end of the Employment Term as then in effect or unless Executive's employment terminates in accordance with Section 5 .

2. Employment. During the Employment Term .

(a) Executive shall be employed as Chief Operating Officer Local Media of the Company and shall report directly to Bill Wilson and Dhruv Prasad or any replacement as CEO of the Company (the " Supervisors "). Executive shall perform the duties, undertake the responsibilities and exercise the authority customarily performed, undertaken and exercised by persons situated in similar executive capacities. Unless otherwise agreed by Executive, Executive's principal place of employment shall be at the Company's corporate headquarters in Greenwich, Connecticut.

(b) At, or any time after, the time of his termination of employment with the Company for any reason, Executive shall resign from his position as an officer, director, manager or member of any of the Company's subsidiaries and affiliates if requested to do so by the Company. The preceding sentence shall survive any termination of the Employment Term.

(c) Excluding periods of vacation and sick leave to which Executive is entitled and other service outside of the Company contemplated in this Section 2(c) , Executive shall devote his full professional time and attention to the business and affairs of the Company to discharge the responsibilities of Executive hereunder. Prior to joining or agreeing to serve on corporate, civil or charitable boards or committees, Executive shall obtain approval of the Supervisors, which approval shall not be unreasonably withheld, conditioned or delayed and which shall be deemed given in respect of service on boards on which Executive serves as of the Commencement Date subject to Executive's compliance with this Agreement, including, but not limited to, Sections 9 and 10 . Executive may manage personal and family investments, participate in industry organizations and deliver lectures at educational institutions, and otherwise engage in charitable activities, so long as such activities do not materially interfere with the performance of Executive's responsibilities hereunder.

3. Annual Compensation .

(a) Base Salary . During the Employment Term, Executive shall be paid an annual base salary of $625,000 (" Base Salary "). The Base Salary shall be payable in accordance with the Company's regular payroll practices as then in effect. During the Employment Term, the Base Salary shall be reviewed annually and is subject to increase (but not decrease, including after any increase) at the discretion of the Compensation Committee of the Board (the " Committee ").

(b) Annual Bonus . For each fiscal year of the Company ending during the Employment Term, Executive shall be eligible to receive an annual cash bonus at up to $500,000 (the " Target Bonus "), with a minimum of $150,000 for 2017 and $125,000 for 2018, and other than the guaranteed minimum as recommended and approved in the discretion of the Committee and, if earned, payable in accordance with the Company's customary practices applicable to bonuses paid to Company executives. The target bonus achievement requirements will be set out in writing each year as soon as the company budget is finalized.

(c) Equity; Long-Term Incentive Awards . During the Employment Period, Executive will continue to be eligible to participate in such equity or other long-term incentive programs that are made available (including, without limitation, the Townsquare Media, Inc. 2014 Omnibus Incentive Plan, as such may be amended from time to time-(the " 2014 Plan "), at the level determined by the Committee, in its discretion, consistent with Executive's role and responsibilities. Executive will be entitled to receive 100,000 options of the company's stock, granted during the next scheduled issuance as approved by the Board.

4. Other Benefits. During the Employment Term .

(a) Benefits and Perquisites . Executive shall be entitled to participate in all employee benefit plans, practices and programs maintained by the Company, and made available to senior executives of the Company (other than any Executive Chairman) as in effect from time to time, including, without limitation, all retirement, profit sharing, savings, vacation, sick leave, medical, hospitalization, disability, dental, life or travel accident insurance benefit plans in accordance with the terms of the plans as in effect from time to time. Executive's participation in such plans, practices and programs shall be at least as favorable to Executive as other senior executives of the Company (other than any Executive Chairman).

(b) Vacation. Executive shall be entitled to 20 days of paid vacation per year, to be taken in accordance with the vacation policies of the Company as in effect from time to time.

(c) Business Expenses. The Company will promptly reimburse Executive for all reasonable out-of-pocket business expenses incurred by him in connection with the performance of his duties hereunder upon the presentation of reasonably itemized statements of such expenses in accordance with the Company's policies and procedures, as such policies and procedures may be modified with respect to all senior executive officers of the Company (other than any Executive Chairman). Such reimbursement shall occur as promptly as practicable but in no event occur later than March 15 of the year following the year in which the expenses were incurred.

5. Termination. Executive's employment with the Company hereunder may be terminated under the circumstances set forth below.

(a) Death. Executive's employment shall be terminated as of the date of Executive's death and Executive's beneficiaries shall be entitled to the benefits provided in Section 7(b) hereof.

(b) Disability. The Company may terminate Executive's employment, on written notice to Executive after having established Executive's Disability (as defined in the 2014 Plan) and in the event of his Disability, Executive shall be entitled to the benefits provided in Section 7(b) hereof.

(c) Cause. The Company may terminate Executive's employment for Cause effective as of the date of the Notice of Termination (as defined in Section 6 below), and Executive shall be entitled only to the benefits provided in Section 7(a) hereof. "Cause" shall mean, for purposes of this Agreement: (1) conviction of, or plea of guilty or nolo contendere to any felony or other criminal act involving fraud, moral turpitude or dishonesty; (2) commission of any act of fraud, embezzlement, or theft in dealings with the Company or its affiliates; (3) willful misconduct that is materially injurious to the Company; (4) material violation of Company policies and directives, which is not cured after written notice and a reasonable opportunity for cure; (5) willful and continued refusal by Executive to substantially perform his duties hereunder (other than such failure resulting from Executive's incapacity due to physical or mental illness) after written notice identifying the deficiencies and a reasonable opportunity for cure; (6) a material violation by Executive of any material provision of this Agreement or any other material covenants to the Company; or (7) habitual intoxication or continued use of illegal drugs.

(d) Without Cause . The Company may terminate Executive's employment without Cause by delivering to Executive a Notice of Termination, and Executive shall be entitled to the benefits provided in Section 7(c) hereof, as may be applicable.

(e) Good Reason . Executive may terminate his employment for Good Reason (as defined below) by delivering to the Company a Notice of Termination not less than thirty (30) days prior to the termination of Executive's employment for Good Reason, and Executive shall be entitled to the benefits provided in Section 7(c) hereof The Company shall have the option of terminating Executive's duties and responsibilities prior to the expiration of such thirty-day notice period. For purposes of this Agreement, " Good Reason " shall mean the occurrence of any of the events or conditions described in Subsections (i) through (iv) below without Executive's consent that are not cured by the Company (if susceptible to cure by the Company) within thirty (30) days after the written notice thereof has been given by Executive to the Company setting forth in reasonable detail the particular events or conditions that constitute Good Reason (provided that such notice must be given to the Company within 30 days of Executive becoming aware of such condition).

(i) Diminution of Responsibility . Any material reduction in Executive's duties or responsibilities or reporting requirements as in effect immediately prior thereto, or assignment of duties materially inconsistent with Executive's title and authority;

(ii) Compensation Reduction . Any material reduction in Executive's Base Salary or Target Bonus opportunity;

(iii) Relocation . Any relocation of Executive's primary place of business by fifty (50) miles or more; or

(iv) Company Breach . Any other material breach by the Company of any material provision of this Agreement, which will be deemed to include failure of a successor to the Company to assume this Agreement in accordance with Section 12(a)(i) below.

(f) Without Good Reason . Executive may voluntarily terminate his employment without Good Reason by delivering to the Company a Notice of Termination not less than thirty (30) days prior to the termination of Executive's employment, and Executive shall be entitled to the benefits provided in Section 7(a) . The Company shall have the option of terminating Executive's duties and responsibilities prior to the expiration of such thirty-day notice period,

6. Notice of Termination . Any purported termination by the Company or by Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a " Notice of Termination " shall mean a notice that indicates a termination date, the specific termination provision in this Agreement relied upon and sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of

Executive’s employment under the provision so indicated. For purposes of this Agreement, no such purported termination of Executive’s employment hereunder shall be effective without such Notice of Termination (unless waived by the party entitled to receive such notice).

7. Compensation Upon Termination. Upon termination of Executive’s employment during the Employment Term, Executive shall be entitled to the following benefits:

(a) Termination by the Company for Cause or by Executive Without Good Reason. If Executive’s employment is terminated by the Company for Cause or by Executive without Good Reason, the Company shall pay Executive all amounts earned or accrued hereunder through the termination date (the “Accrued Compensation”), including (i) accrued and unpaid base salary, (ii) accrued but unused vacation, (iii) reimbursement for reasonable and necessary expenses incurred by Executive in accordance with the Company’s policies and (iv) any amount or benefit as may be due or payable in accordance with the terms of any benefit plan or program.

(b) Termination by the Company for Disability or Death. If Executive’s employment is terminated by the Company for Disability or by reason of Executive’s death, the Company shall pay Executive (or his beneficiaries, as applicable) the Accrued Compensation and, subject to Section 12(d) of this Agreement, Executive shall be entitled to the benefits provided in this Section 7(b):

(i) any annual cash bonus earned but unpaid in respect of any fiscal year preceding the termination date; and

(ii) an amount equal to the annual cash bonus that Executive would have been entitled to receive for the year in which Executive’s termination date occurs, based on actual achievement through the termination date as determined in accordance with the terms of the Company’s bonus program and prorated for the number of days Executive worked for the Company during such year.

(c) Termination by the Company Without Cause or by Executive for Good Reason. If Executive’s employment by the Company is terminated by the Company without Cause or by Executive for Good Reason, then the Company shall pay Executive the Accrued Compensation and, subject to Section 12(d) of this Agreement, Executive shall be entitled to the benefits provided in this Section 7(c).

(i) The Company shall pay to Executive any annual cash bonus earned but unpaid in respect of any fiscal year preceding the termination date;

(ii) The Company shall, at the time such bonus would otherwise have been paid absent Executive’s termination, pay to Executive an annual cash bonus in respect of the fiscal year in which Executive’s termination date occurs, based on actual achievement for the applicable fiscal year as determined in accordance with the terms of the Company's bonus program and prorated for the number of days Executive worked for the Company during such year;

(iii) The Company shall pay Executive as severance pay, in lieu of any other severance compensation under any Company severance plan or policy of general applicability, an amount in cash equal to one (1) times the sum of Executive's Base Salary and average of prior three (3) years Bonus, as in effect immediately prior to termination and without regard to any reduction thereto which constitutes Good Reason.

(iv) The Company shall pay Executive for the full amount of COBRA premiums incurred by Executive during the 12-month period following the date of termination for Executive and his eligible dependents; and

(v) Executive's outstanding equity awards will be treated in accordance with the terms of 2014 Plan and the applicable award agreements; provided that the Company shall cause the immediate vesting of any outstanding unvested equity-based awards held by Executive as of his termination date that pursuant to their terms would have vested within 12 months following such date. In the event of a termination in anticipation of a Change in Control, the portion (if any) of Executive's equity awards that remain unvested after giving effect to the previous sentence shall remain outstanding until the earliest to occur of (i) the expiration of the term of such award, (ii) the date that is six (6) months following Executive's termination date and (iii) a Change in Control.

(d) No Mitigation . Executive shall not be required to mitigate the amount of any payment provided for under this Section 7 by seeking other employment or otherwise and no such payment shall be offset or reduced by the amount of any compensation or benefits provided to Executive in any subsequent employment.

(e) Section 280G . In the event that any payments or benefits otherwise payable to Executive (1) constitute "parachute payments" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the " Code "), and (2) but for this Section 7(e) , would be subject to the excise tax imposed by Section 4999 of the Code, then such payments and benefits shall be either (x) delivered in full, or (y) delivered as to such lesser extent that would result in no portion of such payments and benefits being subject to excise tax under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state and local income and employment taxes and the excise tax imposed by Section 4999 of the Code (and any equivalent state or local excise taxes), results in the receipt by Executive on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such payments and benefits may be taxable under Section 4999 of the Code. Unless the Company and Executive otherwise agree in writing, any determination required under this Section 7(e) will be made in writing by a nationally-recognized accounting firm selected jointly by the Company and Executive (the " Accountants "), whose determination will be conclusive and binding upon Executive and the Company for all purposes. For purposes of making the calculations required by this Section 7(e) , the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive agree to furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this provision. The Company will bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this provision. Any reduction in payments and/or benefits required by this provision shall occur in the following order: (1) reduction of cash payments; (2) reduction of vesting acceleration of equity awards; and (3) reduction of other benefits paid or provided to Executive. In the event that acceleration of vesting of equity awards is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant for equity awards. If two or more equity awards are granted on the same date, each award shall be reduced on a pro-rata basis. The Company and Executive agree that (A) any payments and benefits to which Executive is entitled pursuant to Section 7 are compensation for Executive's compliance with the restrictive provisions of Section 10 and (B) the Company shall make reasonable efforts to mitigate the payments and benefits that would be subject to the excise tax imposed by Section 4999 of the Code and to maximize the net after-tax proceeds received by Executive; provided that such actions do not result in payment of any increased compensation to Executive, do not provide for any gross-up or indemnity for potential excise taxes and do not reduce the payments and benefits to which Executive is otherwise entitled (except as required pursuant to this Section 7(e)) .

(f) Cooperation . Following the termination of Executive's employment, Executive agrees to reasonably cooperate with the Company and its affiliates and their respective directors, officers, attorneys and experts, and take all actions the Company or its affiliates may reasonably request, with respect to any investigation, government inquiry, administrative proceeding or litigation relating to any matter in which Executive was involved during the Employment Term. Any cooperation requests shall take into account Executive's personal and business commitments, and Executive shall be reasonably compensated for his time (if appropriate for the matter) and further reimbursed for any reasonable expenses incurred in connection with such cooperation within thirty (30) days of providing an invoice to the Company.

8. Section 409A . The parties intend for the payments and benefits under this Agreement to be exempt from Section 409A (" Section 409A ") of the Code or, if not so exempt, to be paid or provided in a manner that complies with the requirements of such section, and intend that this Agreement shall be construed and administered in accordance with such intention. For purposes of the limitations on nonqualified deferred compensation under Section 409 A, each payment of compensation under this Agreement shall be treated as a separate payment of compensation. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/

or tax penalties under Section 409A, amounts that would otherwise be payable and benefits that are non-qualified deferred compensation and are payable due to Executive's "separation from service", which would otherwise be provided pursuant to this Agreement during the six-month period immediately following Executive's separation from service shall instead be paid on the first business day after the date that is six months following Executive's termination date (or death, if earlier). Notwithstanding anything to the contrary in this Agreement, all (A) reimbursements and (B) in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409 A, including, where applicable, the requirement that (x) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year; (y) the reimbursement of an eligible expense shall be made no later than the last day of the calendar year following the year in which the expense is incurred; and (z) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit.

9. Records and Confidential Data .

(a) Executive acknowledges that in connection with the performance of his duties during the Employment Term, the Company shall make available to Executive, or Executive shall have access to, certain Confidential Information (as defined below) of the Company and its affiliates. Executive acknowledges and agrees that any and all Confidential Information learned or obtained by Executive during the course of his employment by the Company or otherwise, whether developed by Executive alone or in conjunction with others or otherwise, shall be and is the sole property of the Company and its affiliates.

(b) Except to the extent required to be disclosed at law or pursuant to judicial process or administrative subpoena, the Confidential Information shall be kept confidential by Executive, shall not be used in any manner that is detrimental to the Company, shall not be used other than in connection with Executive's discharge of his duties hereunder, and shall be safeguarded by Executive from unauthorized disclosure. Notwithstanding anything to the contrary in this Agreement or otherwise, nothing shall limit Executive's rights under applicable law to provide truthful information to any governmental entity or to file a charge with or participate in an investigation conducted by any governmental entity. Notwithstanding the foregoing, Executive agrees to waive Executive's right to recover monetary damages in connection with any charge, complaint or lawsuit filed by Executive or anyone else on Executive's behalf (whether involving a governmental entity or not); provided that Executive is not agreeing to waive, and this Agreement shall not be read as requiring Executive to waive, any right Executive may have to receive an award for information provided to any governmental entity. Executive is hereby notified that the immunity provisions in Section 1833 of title 18 of the United States Code provide that an individual cannot be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made (1) in confidence to federal, state or local government officials, either directly or indirectly, or to an attorney, and is solely for the purpose of reporting or investigating a suspected violation of the law, (2) under seal in a complaint or other document filed in a lawsuit or other proceeding, or (3) to Executive's attorney in connection with a lawsuit for retaliation for reporting a suspected violation of law (and the trade secret may be used in the court proceedings for such lawsuit) as long as any document containing the trade secret is filed under seal and the trade secret is not disclosed except pursuant to court order.

(c) Following the termination of Executive's employment hereunder, as soon as possible after the Company's written request, Executive shall return to the Company all written Confidential Information and other property of the Company and Executive shall return or destroy all copies of any analyses, compilations, studies or other documents containing or reflecting any Confidential Information. Within five (5) business days of the receipt of such request by Executive, he shall, upon written request of the Company, deliver to the Company a document certifying that such written Confidential Information has been returned or destroyed in accordance with this Section 9(c).

(d) For the purposes of this Agreement, " Confidential Information " shall mean all confidential or proprietary information concerning the Company and its affiliates, including, without limitation, information derived from reports, investigations, experiments, research, work in progress, drawing, designs, plans, proposals, codes, marketing and sales programs, client lists, client mailing lists, supplier lists, financial projections, cost summaries, pricing formulas, marketing studies relating to prospective business opportunities and all other concepts, ideas, trade secrets, materials, or information prepared or performed for or by the Company or its affiliates. For purposes of this Agreement, the Confidential Information shall not include and Executive's obligations shall not extend to (i) information that is or becomes generally available to the public (other than as a result of a disclosure by Executive, directly or indirectly, that is not authorized by the Company), (ii) information obtained by Executive on a non-confidential basis, if the source of this information was not reasonably known to Executive to be bound by a duty of confidentiality and (iii) information that Executive can establish was independently developed by Executive without reference to Confidential Information.

(e) Executive's obligations under this Section 9 shall survive the termination of the Employment Term.

10. Covenant Not to Solicit and Not to Compete .

(a) Covenant Not to Solicit or Hire . To protect the Confidential Information and other trade secrets of the Company, Executive agrees, during the Employment Term and for a period of 12 months after a termination of Executive's employment with the Company for any reason during the Employment Term (the " Restricted Period "), not to: (i) Solicit any Client to transact business with a Competitive Enterprise or to reduce or refrain from doing any business with the Company, (ii) interfere with or damage any relationship between the Company and a

Client or (iii) Solicit or hire anyone who is then an employee of the Company (or who was an employee of the Company within the prior 12 months) to resign from the Company or to apply for or accept employment with any other business or enterprise.

(b) Covenant Not to Compete . To protect the Confidential Information and other trade secrets of the Company, Executive agrees, during the Restricted Period, that Executive shall not, directly or indirectly, alone or jointly, with any person or entity, participate in, engage in, consult with, advise, be employed by, own (wholly or partially), possess an interest in, or in any other manner be involved with, any Competitive Enterprise. Notwithstanding the foregoing, Executive shall not be prohibited from passively owning less than 1% of the securities of any publicly-traded corporation or from working for a private equity fund, hedge fund or similar firm that itself owns, invests or operates a Competitive Enterprise so long as Executive does not, directly or indirectly, participate in, engage in, consult with or advise such Competitive Enterprise and the Competitive Enterprise does not comprise a majority of the fund or firm's gross revenue. Executive agrees that the covenants contained in this Section 10(b) are reasonable and desirable to protect the Confidential Information of the Company and its affiliates.

(c) Non-Disparagement . During the Employment Term and thereafter, Executive will not, in any manner, directly or indirectly make or publish any statement (orally or in writing) that would libel, slander, disparage, denigrate, ridicule or criticize the Company, any of its affiliates or any of their employees, officers or directors. Executive's obligations under this Section 10(c) shall survive the termination of the Employment Term.

(d) Definitions . For purposes of this Section 10 , a " Client " means any client or prospective client of the Company to whom Executive provided services, or for whom Executive transacted business, or whose identity became known to Executive in connection with his relationship with or employment by the Company, " Solicit " means any direct or indirect communication of any kind, regardless of who initiates it, that in any way invites, advises, encourages or requests any person to take or refrain from taking any action and a " Competitive Enterprise " means any business enterprise that engages in the Restricted Business in the Territory, " Territory " means anywhere in which the Company and its subsidiaries and affiliates own and/or operate radio stations as of the termination date and " Restricted Business " means the business of (i) owning and/or operating radio stations or (ii) providing digital marketing services or producing live events.

(e) Validity . It is the intent and desire of Executive and the Company that the restrictive provisions of this Section 10 be enforced to the fullest extent permissible under the laws and public policies as applied in each jurisdiction in which enforcement is sought. If any particular provision of this Section 10 shall be determined to be invalid or unenforceable, such covenant shall be amended, without any action on the part of either party hereto, to delete therefrom the portion so determined to be invalid or unenforceable, such deletion to apply only with respect to the operation of such covenant in the particular jurisdiction in which such adjudication is made.

11. Remedies for Breach of Obligations under Sections 9 or 10 hereof . Executive acknowledges that the Company shall suffer irreparable injury, not readily susceptible of valuation in monetary damages, if Executive breaches his obligations under Sections 9 or 10 hereof. Accordingly, Executive agrees that, in addition to any other available remedies the Company shall be entitled to obtain injunctive relief against any breach or prospective breach by Executive of his obligations under Sections 9 or 10 hereof. Executive agrees that process in any or all of those actions or proceedings may be served by registered mail, addressed to the last address provided by Executive to the Company, or in any other manner authorized by law.

12. Miscellaneous .

(a) Successors and Assigns .

(i) This Agreement shall be binding upon and shall inure to the benefit of the Company, its successors and permitted assigns. The Company may not assign or delegate any rights or obligations hereunder except to a successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, as applicable. Except for purposes of determining the occurrence of a Change in Control, the term the " Company " as used herein shall mean a corporation or other entity acquiring all or substantially all the assets and business of the Company, as the case may be, (including this Agreement) whether by operation of law or otherwise.

(ii) Neither this Agreement nor any right or interest hereunder shall be assignable or transferable by Executive, his beneficiaries or legal representatives, except by will or by the, laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Executive's legal personal representatives.

(b) Notice . For the purposes of this Agreement, notices and all other communications provided for in the Agreement (including the Notice of Termination) shall be in writing and shall be deemed to have been duly given when personally delivered or sent by Certified mail, return receipt requested, postage prepaid, addressed to the respective addresses last given by each party to each other party; provided that all notices to the Company shall be directed to the attention of the General Counsel of the Company with a copy to the Committee. All notices and communications shall be deemed to have been received on the date of delivery thereof or on the third business day after the mailing thereof, except that notice of change of address shall be effective only upon receipt.

(c) Withholding . The Company shall be entitled to withhold the amount, if any, of all taxes of any applicable jurisdiction required to be withheld by an employer with respect to any amount paid to Executive hereunder. The Company, in its sole and absolute discretion, shall make all determinations as to whether it is obligated to withhold any taxes hereunder and the amount hereof.

(d) Release of Claims . As a condition to the Company making any payments to Executive after Executive's termination of employment under this Agreement (other than the Accrued Benefits), Executive or, if Executive is deceased, Executive's estate shall execute and not revoke, within fifty-five (55) days following Executive's termination of employment, a release in substantially the form attached as Exhibit A , and the Company shall provide such payments or benefits, if applicable, promptly after Executive (or Executive's estate) delivers such release to the Company, but no later than sixty (60) days after the date of Executive's termination of employment; provided , that , if the termination date occurs on or after November 1 of a given calendar year, such payment will, subject to Section 8 hereof, be paid in January of the immediately following calendar year.

(e) Modification . No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by Executive and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by the other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

(f) Arbitration . If any legally actionable dispute arises under this Agreement or otherwise that cannot be resolved by mutual discussion between the parties, then the Company and Executive each agree to resolve that dispute by binding arbitration before an arbitrator experienced in employment law. Such arbitration shall be conducted in accordance with the rules applicable to employment disputes of the Judicial Arbitration and Mediation Services (" JAMS ") and the law applicable to the claim. The parties shall have 30 calendar days after notice of such arbitration has been given to attempt to agree on the selection of an arbitrator from JAMS. In the event the parties are unable to agree in such time, JAMS shall provide a list of five (5) available arbitrators and an arbitrator shall be selected from such five member panel provided by JAMS by the parties alternately striking out one name of a potential arbitrator until only one name remains. The party entitled to strike an arbitrator first shall be selected by a toss of a coin. The parties agree that this agreement to arbitrate includes any such disputes that the Company may have against Executive, or Executive may have against the Company and/or its related entities and/or employees, arising out of or relating to this Agreement, or Executive's employment or Executive's termination of employment including, but not limited to, any claims of discrimination or harassment in violation of applicable law and any other aspect of Executive's compensation, employment, or Executive's termination. The parties further agree that arbitration as provided for in this Section 12(f) is the exclusive and binding remedy for any such dispute and shall be used instead of any court action, which is hereby expressly waived, except for any request by any party for temporary, preliminary or permanent injunctive relief pending arbitration in accordance with applicable law or for breaches by Executive of Executive's obligations under Sections 9 or U above or an administrative claim with an administrative agency. The parties agree that the arbitration provided herein shall be conducted in New York, New York unless otherwise mutually agreed. Each party shall pay its own proportionate share of the cost of any arbitration brought pursuant to this Section 12(f) , and if either the Company or Executive prevails on substantially all material issues in such arbitration, the non-prevailing party shall pay all legal fees reasonably incurred by the Company or Executive, as applicable, in such arbitration.

(g) Indemnification & D&O Insurance . The Company agrees that if Executive is made a party to or threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative (a " Proceeding "), by reason of the fact that Executive is or was a trustee, director or officer of the Company or is or was serving at the request of the Company or any subsidiary or either thereof as a trustee, director, officer, member, employee or agent of another corporation or a partnership, joint venture, trust or other enterprise, including, without limitation, service with respect to employee benefit plans, whether or not the basis of such Proceeding is alleged action in an official capacity as a trustee, director, officer, member, employee or agent while serving as a trustee, director, officer, member, employee or agent, Executive will be indemnified and held harmless by the Company to the fullest extent authorized by applicable law (including the advancement of applicable, reasonable legal fees and expenses), as the same exists or may hereafter be amended, against all expenses incurred or suffered by Executive in connection therewith, and such indemnification will continue as to Executive even if Executive has ceased to be an officer, director, trustee or agent, or is no longer employed by the Company and will inure to the benefit of his heirs, executors and administrators. The Company will cover Executive under directors and officers liability insurance both during and, while potential liability exists, after the Employment Term in the same amount and to the same extent as the Company covers its other officers and directors.

(h) Governing Law . This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York applicable to contracts executed in and to be performed entirely within such State, without giving effect to the conflict of law principles thereof.

(i) No Conflicts . As a condition to the effectiveness of this Agreement, Executive represents and warrants to the Company that he is not a party to or otherwise bound by any agreement or arrangement (including, without limitation, any license, covenant, or commitment of any nature), or subject to any judgment, decree, or order of any court or administrative agency, that would conflict with or shall be in conflict with or in any way preclude, limit or inhibit Executive's ability to execute this Agreement or to carry out his duties and responsibilities hereunder.

(j) Severability . The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

13. Entire Agreement . This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior agreements, if any, understandings and arrangements, oral or written, between the parties hereto with respect to the subject matter hereof, including without limitation any term sheets or other similar presentations.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, the parties have executed this Employment Agreement as of the day and year first above written, to be effective as of the Effective Date.

TOWNSQUARE MEDIA, INC.

By: /s/ Bill Wilson

Name: Bill Wilson
Title: Co-CEO

EXECUTIVE

By: /s/ Erik Hellum

Name: Erik Hellum
Title: COO Local media

Subsidiaries of Townsquare Media, Inc.

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

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

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

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

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

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 12, 2019 , 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, 2018 .

/s/ RSM US LLP

New York, New York
March 12, 2019

**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 12, 2019

By: /s/ Stuart Rosenstein

Name: Stuart Rosenstein

Title: Executive Vice President and Chief Financial Officer

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

I, Bill Wilson, certify that:

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

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

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

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

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

Dated: March 12, 2019

By: /s/ Bill Wilson

Name: Bill Wilson

Title: Chief Executive Officer

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

In connection with the Annual Report on Form 10-K of Townsquare Media, Inc. (the " Company ") for the year ended December 31, 2018 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 12, 2019

/s/ Stuart Rosenstein

Name: Stuart Rosenstein

Title: Executive Vice President and Chief Financial Officer

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

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

In connection with the Annual Report on Form 10-K of Townsquare Media, Inc. (the " Company ") for the year ended December 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the " Report "), I, Bill Wilson, as Chief Executive Officer of Townsquare Media, Inc., hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge: the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Townsquare Media, Inc.

Dated: March 12, 2019

/s/ Bill Wilson

Name: Bill Wilson

Title: Chief Executive Officer

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