

REFINITIV

# DELTA REPORT

## 10-Q

TSQ - TOWNSQUARE MEDIA, INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	847
CHANGES	257
DELETIONS	358
ADDITIONS	232

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2023** **March 31, 2024**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-36558

**Townsquare Media, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**27-1996555**

(I.R.S. Employer Identification No.)

**One Manhattanville Road**

**Suite 202**

**Purchase, New York 10577**

(Address of Principal Executive Offices, including Zip Code)

**(203) 861-0900**

(Registrant's telephone number, including area code)

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

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

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

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

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

Large accelerated filer ☐

Accelerated filer ☒

Non-accelerated filer ☐

Smaller reporting company ☒

Emerging growth company ☐

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

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

As of **November 3, 2023** **May 6, 2024**, the registrant had **16,457,340** **15,120,983** outstanding shares of common stock consisting of: (i) **13,680,703** **14,305,687** shares of Class A common stock, par value \$0.01 per share; share and (ii) 815,296 shares of Class B common stock, par value \$0.01 per share; and (iii) 1,961,341 shares of Class C common stock, par value \$0.01 per share.

TOWNSQUARE MEDIA, INC.

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### PART I. FINANCIAL INFORMATION

#### Item 1. Financial Statements

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

		September 30, 2023	December 31, 2022
	March 31, 2024	March 31, 2024	December 31, 2023
<b>ASSETS</b>	<b>ASSETS</b>		
Current assets:	Current assets:		
Current assets:			
Cash and cash equivalents	Cash and cash equivalents	\$ 37,955	\$ 43,417
Accounts receivable, net of allowance for credit losses of \$4,544 and \$5,946, respectively		63,527	61,234
Cash and cash equivalents			
Cash and cash equivalents			
Accounts receivable, net of allowance for credit losses of \$4,156 and \$4,041, respectively			
Prepaid expenses and other current assets	Prepaid expenses and other current assets	11,860	16,037
<b>Total current assets</b>	<b>Total current assets</b>		
<b>Total current assets</b>	<b>Total current assets</b>	<b>113,342</b>	<b>120,688</b>
Property and equipment, net	Property and equipment, net	111,301	113,846

Intangible assets, net	Intangible assets, net	220,755	276,838
Goodwill	Goodwill	158,670	161,385
Investments	Investments	4,209	19,106
Operating lease right-of-use assets	Operating lease right-of-use assets	47,719	50,962
Other assets	Other assets	828	1,197
Restricted cash	Restricted cash	501	496
<b>Total assets</b>	<b>Total assets</b>	<b>\$ 657,325</b>	<b>\$ 744,518</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:	Current liabilities:		
Current liabilities:			
Accounts payable			
Accounts payable			
Accounts payable	Accounts payable	\$ 4,844	\$ 4,127
Deferred revenue	Deferred revenue	8,845	10,669
Accrued compensation and benefits	Accrued compensation and benefits	11,227	14,831
Accrued expenses and other current liabilities	Accrued expenses and other current liabilities	24,326	17,876
Operating lease liabilities, current	Operating lease liabilities, current	9,039	9,008
Accrued interest	Accrued interest	5,760	15,203
<b>Total current liabilities</b>	<b>Total current liabilities</b>	<b>64,041</b>	<b>71,714</b>
Long-term debt, net of deferred finance costs of \$4,480 and \$6,324, respectively		499,138	524,442
Long-term debt, net of deferred finance costs of \$3,513 and \$3,960, respectively			
Deferred tax liability	Deferred tax liability	27,565	18,748
Operating lease liability, net of current portion	Operating lease liability, net of current portion	42,281	45,107
Other long-term liabilities	Other long-term liabilities	11,866	15,428
Other long-term liabilities			
Other long-term liabilities			
<b>Total liabilities</b>	<b>Total liabilities</b>	<b>644,891</b>	<b>675,439</b>
Stockholders' equity:	Stockholders' equity:		
Class A common stock, par value \$0.01 per share; 300,000,000 shares authorized; 13,864,471 and 12,964,312 shares issued and outstanding, respectively		139	130
Stockholders' equity:			
Stockholders' equity:			
Class A common stock, par value \$0.01 per share; 300,000,000 shares authorized; 16,431,150 and 14,023,767 shares issued and outstanding, respectively			
Class A common stock, par value \$0.01 per share; 300,000,000 shares authorized; 16,431,150 and 14,023,767 shares issued and outstanding, respectively			



Operating costs and expenses:	Operating costs and expenses:				
Operating costs and expenses:	Operating costs and expenses:				
Direct operating expenses, excluding depreciation, amortization, and stock-based compensation	Direct operating expenses, excluding depreciation, amortization, and stock-based compensation				
Direct operating expenses, excluding depreciation, amortization, and stock-based compensation	Direct operating expenses, excluding depreciation, amortization, and stock-based compensation				
Direct operating expenses, excluding depreciation, amortization, and stock-based compensation	Direct operating expenses, excluding depreciation, amortization, and stock-based compensation	81,323	83,985	245,301	241,581
Depreciation and amortization	Depreciation and amortization	4,717	4,467	14,496	13,546
Corporate expenses	Corporate expenses	6,604	5,744	18,911	15,892
Stock-based compensation	Stock-based compensation	2,350	722	6,228	2,430
Transaction and business realignment costs	Transaction and business realignment costs	161	1,004	764	2,280
Impairment of intangible assets, investments, goodwill and long-lived assets	Impairment of intangible assets, investments, goodwill and long-lived assets	30,970	10,300	65,697	20,197
Impairment of intangible and long-lived assets	Impairment of intangible and long-lived assets				
Impairment of intangible and long-lived assets	Impairment of intangible and long-lived assets				
Impairment of intangible and long-lived assets	Impairment of intangible and long-lived assets				
Net gain on sale and retirement of assets	Net gain on sale and retirement of assets	(362)	(119)	(703)	(338)
Net loss (gain) on sale and retirement of assets	Net loss (gain) on sale and retirement of assets				
Net loss (gain) on sale and retirement of assets	Net loss (gain) on sale and retirement of assets				
Net loss (gain) on sale and retirement of assets	Net loss (gain) on sale and retirement of assets				
<b>Total operating costs and expenses</b>	<b>Total operating costs and expenses</b>	<b>125,763</b>	<b>106,103</b>	<b>350,694</b>	<b>295,588</b>
<b>Operating (loss) income</b>	<b>Operating (loss) income</b>	<b>(10,659)</b>	<b>14,532</b>	<b>(11,249)</b>	<b>47,213</b>
<b>Operating income</b>	<b>Operating income</b>				
Other expense (income):	Other expense (income):				
Interest expense, net	Interest expense, net	9,343	9,967	28,215	30,038

Interest expense, net					
Interest expense, net					
Gain on repurchases of debt	Gain on repurchases of debt	(430)	—	(1,249)	(108)
Other (income) expense, net		(547)	(508)	(6,451)	1,886
(Loss) income from operations before tax		(19,025)	5,073	(31,764)	15,397
Income tax provision		17,478	2,275	9,380	4,939
Other income, net					
Income (loss) from operations before tax					
Income tax provision (benefit)					
Net (loss) income		\$ (36,503)	\$ 2,798	\$ (41,144)	\$ 10,458
Net income (loss)					
Net (loss) income attributable to:					
Net income (loss)					
Net income (loss)					
Net income (loss) attributable to:					
Net income (loss) attributable to:					
Net income (loss) attributable to:					
Controlling interests					
Controlling interests					
Controlling interests	Controlling interests	\$ (36,999)	\$ 2,260	\$ (42,620)	\$ 8,878
Non-controlling interests	Non-controlling interests	\$ 496	\$ 538	\$ 1,476	\$ 1,580
Basic (loss) income per share		\$ (2.27)	\$ 0.13	\$ (2.52)	\$ 0.52
Basic income (loss) per share					
Basic income (loss) per share					
Basic income (loss) per share					
Diluted (loss) income per share		\$ (2.27)	\$ 0.13	\$ (2.52)	\$ 0.48
Diluted income (loss) per share					
Diluted income (loss) per share					
Diluted income (loss) per share					
Weighted average shares outstanding:	Weighted average shares outstanding:				
Weighted average shares outstanding:					

Weighted average shares outstanding:					
Basic					
Basic					
Basic	Basic	16,277	17,037	16,897	16,941
Diluted	Diluted	16,277	17,482	16,897	18,645
Cash dividend declared per share					
		\$ 0.1875	\$ —	\$ 0.5625	\$ —

See Notes to Unaudited Consolidated Financial Statements

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

	Shares of Common Stock			Treasury Stock						
	Class A	Class B	Class C	Class A						
	Shares	Shares	Shares	Shares	Common Stock	Treasury Stock	Additional Paid-in Capital	Accumulated Deficit	Non-Controlling Interest	Total
<b>Balance at January 1, 2023</b>	<b>12,964,312</b>	<b>815,296</b>	<b>3,461,341</b>	<b>—</b>	<b>\$ 173</b>	<b>\$ —</b>	<b>\$ 309,645</b>	<b>\$ (244,298)</b>	<b>\$ 3,559</b>	<b>\$ 69,079</b>
Net (loss) income	—	—	—	—	—	—	—	(2,421)	480	(1,941)
Dividends declared	—	—	—	—	—	—	—	(3,343)	—	(3,343)
Stock-based compensation	—	—	—	—	—	—	1,772	—	—	1,772
Common stock issued under exercise of stock options	5,000	—	—	—	—	—	31	—	—	31
ESPP shares issued	65,732	—	—	—	—	—	430	—	—	430
Issuance of restricted stock <sup>(3)</sup>	82,263	—	—	—	1	—	(1)	—	—	—
<b>Balance at March 31, 2023</b>	<b>13,117,307</b>	<b>815,296</b>	<b>3,461,341</b>	<b>—</b>	<b>\$ 174</b>	<b>\$ —</b>	<b>\$ 311,877</b>	<b>\$ (250,062)</b>	<b>\$ 4,039</b>	<b>\$ 66,028</b>
Net (loss) income	—	—	—	—	—	—	—	(3,200)	500	(2,700)
Repurchase of stock <sup>(1)</sup>	—	—	(1,500,000)	—	(15)	—	(14,535)	—	—	(14,550)
Dividend declared	—	—	—	—	—	—	—	(3,148)	—	(3,148)
Stock-based compensation	—	—	—	—	—	—	2,106	—	—	2,106
Common stock issued under exercise of stock options	551,121	—	—	—	5	—	4,272	—	—	4,277
Treasury stock acquired at cost <sup>(2)</sup>	—	—	—	89,568	—	(1,135)	—	—	—	(1,135)
Cash distributions to non-controlling interests	—	—	—	—	—	—	—	—	(1,499)	(1,499)
<b>Balance at June 30, 2023</b>	<b>13,668,428</b>	<b>815,296</b>	<b>1,961,341</b>	<b>89,568</b>	<b>\$ 164</b>	<b>\$ (1,135)</b>	<b>\$ 303,720</b>	<b>\$ (256,410)</b>	<b>\$ 3,040</b>	<b>\$ 49,379</b>
Net (loss) income	—	—	—	—	—	—	—	(36,999)	496	(36,503)
Dividend declared	—	—	—	—	—	—	—	(3,164)	—	(3,164)
Stock-based compensation	—	—	—	—	—	—	2,350	—	—	2,350
Common stock issued under exercise of stock options	132,314	—	—	—	2	—	1,130	—	—	1,132
Issuance of restricted stock <sup>(3)</sup>	17,752	—	—	—	—	—	—	—	—	—
ESPP shares issued	45,977	—	—	—	1	—	298	—	—	299
Treasury stock acquired at cost <sup>(2)</sup>	—	—	—	94,200	—	(1,059)	—	—	—	(1,059)
<b>Balance at September 30, 2023</b>	<b>13,864,471</b>	<b>815,296</b>	<b>1,961,341</b>	<b>183,768</b>	<b>\$ 167</b>	<b>\$ (2,194)</b>	<b>\$ 307,498</b>	<b>\$ (296,573)</b>	<b>\$ 3,536</b>	<b>\$ 12,434</b>

	Shares of Common Stock			Treasury Stock						
	Class A	Class B	Class C	Class A						
	Shares	Shares	Shares	Shares	Common Stock	Treasury Stock	Additional Paid-in Capital	Accumulated Deficit	Non-Controlling Interest	Total



Balance at January 1, 2024	14,023,767	815,296	1,961,341	183,768	\$ 168	\$ (2,177)	\$ 310,612	\$ (302,193)	\$ 3,501	\$ 9,911
Net income	—	—	—	—	—	—	—	1,136	417	1,553
Conversion of common shares <sup>(1)</sup>	1,961,341	—	(1,961,341)	—	—	—	—	—	—	—
Settlement of options <sup>(2)</sup>	—	—	—	—	—	—	(6,902)	—	—	(6,902)
Dividends declared (\$0.1975 per share)	—	—	—	—	—	—	—	(3,158)	—	(3,158)
Stock-based compensation	—	—	—	—	—	—	2,162	—	—	2,162
Treasury stock acquired at cost <sup>(3)</sup>	—	—	—	396,759	—	(4,299)	—	—	—	(4,299)
Common stock issued under exercise of stock options	263,053	—	—	—	3	—	2,202	—	—	2,205
ESPP shares issued	42,360	—	—	—	—	—	403	—	—	403
Issuance of restricted stock <sup>(4)</sup>	143,737	—	—	—	1	—	(1)	—	—	—
Shares withheld to satisfy tax withholdings	(3,108)	—	—	—	—	—	(35)	—	—	(35)
Balance at March 31, 2024	16,431,150	815,296	—	580,527	\$ 172	\$ (6,476)	\$ 308,441	\$ (304,215)	\$ 3,918	\$ 1,840

<sup>(1)</sup> On June 16, 2023 During the three months ended March 31, 2024, direct holders of Class C Common Stock converted approximately 2.0 million shares into an equal number of Class A Common Stock. Except as expressly provided in our certificate of incorporation, the Class A common stock, Class B common stock and Class C common stock have equal economic rights and rank equally, share ratably and are identical in all respects as to all matters. Class C common stock is not redeemable, but is convertible 1:1 (including automatically upon certain transfers) into Class A common stock.

<sup>(2)</sup> During the three months ended March 31, 2024, the Company repurchased 1.5 million shares launched a program that offered certain holders a cash settlement of the Company's Class C common stock. For further discussion on the repurchase, see options. Refer to Note 10, 9, Stockholders' Equity, in our the accompanying Notes to Consolidated Financial Statements. Statements for additional information related to the settlement.

<sup>(3)</sup> Represents shares repurchased under the terms of the Company's stock repurchase plan pursuant to which the Company is authorized to repurchase up to \$50 million of the Company's issued and outstanding Class A common stock over a three-year period, the "2021 Stock Repurchase Plan." Refer to Note 10, 9, Stockholders' Equity, in the accompanying Notes to Consolidated Financial Statements for additional information related to the stock repurchases.

<sup>(4)</sup> Refer to Note 10, 9, Stockholders' Equity, in the accompanying Notes to Consolidated Financial Statements for additional information related to shares issued.

	Shares of Common Stock			Treasury Stock						
	Class A	Class B	Class C	Class A						
	Shares	Shares	Shares	Shares	Common Stock	Treasury Stock	Additional Paid-in Capital	Accumulated Deficit	Non-Controlling Interest	Total
Balance at January 1, 2022	12,573,654	815,296	3,461,341	—	\$ 169	\$ —	\$ 302,724	\$ (256,635)	\$ 3,326	\$ 49,584
Net income	—	—	—	—	—	—	—	2,224	517	2,741
Stock-based compensation	—	—	—	—	—	—	869	—	—	869
Common stock issued under exercise of stock options	94,422	—	—	—	1	—	646	—	—	647
Issuance of restricted stock <sup>(1)</sup>	191,456	—	—	—	2	—	1,807	—	—	1,809
Balance at March 31, 2022	12,859,532	815,296	3,461,341	—	\$ 172	\$ —	\$ 306,046	\$ (254,411)	\$ 3,843	\$ 55,650
Net income	—	—	—	—	—	—	—	4,394	525	4,919
Stock-based compensation	—	—	—	—	—	—	839	—	—	839
Common stock issued under exercise of stock options	17,179	—	—	—	—	—	112	—	—	112
Treasury stock acquired at cost <sup>(2)</sup>	—	—	—	25,623	—	(225)	—	—	—	(225)
Cash distributions to non-controlling interests	—	—	—	—	—	—	—	—	(1,820)	(1,820)
Balance at June 30, 2022	12,876,711	815,296	3,461,341	25,623	\$ 172	\$ (225)	\$ 306,997	\$ (250,017)	\$ 2,548	\$ 59,475
Net income	—	—	—	—	—	—	—	2,260	538	2,798
Stock-based compensation	—	—	—	—	—	—	722	—	—	722
Common stock issued under exercise of stock options	5,000	—	—	—	—	—	32	—	—	32
Balance at September 30, 2022	12,881,711	815,296	3,461,341	25,623	\$ 172	\$ (225)	\$ 307,751	\$ (247,757)	\$ 3,086	\$ 63,027

<sup>(1)</sup> Includes 150,000 shares issued in the form of stock awards that vested immediately.

<sup>(2)</sup> Represents shares repurchased under the 2021 Stock Repurchase Plan.

	Shares of Common Stock			Treasury Stock						
	Class A	Class B	Class C	Class A						
	Shares	Shares	Shares	Shares	Common Stock	Treasury Stock	Additional Paid-in Capital	Accumulated Deficit	Non-Controlling Interest	Total
Balance at January 1, 2023	12,964,312	815,296	3,461,341	—	\$ 173	\$ —	\$ 309,645	\$ (244,298)	\$ 3,559	\$ 69,079
Net (loss) income	—	—	—	—	—	—	—	(2,421)	480	(1,941)
Dividends declared (\$0.1875 per share)	—	—	—	—	—	—	—	(3,343)	—	(3,343)
Stock-based compensation	—	—	—	—	—	—	1,772	—	—	1,772
Common stock issued under exercise of stock options	5,000	—	—	—	—	—	31	—	—	31
ESPP shares issued	65,732	—	—	—	—	—	430	—	—	430
Issuance of restricted stock <sup>(4)</sup>	82,263	—	—	—	1	—	(1)	—	—	—
Balance at March 31, 2023	13,117,307	815,296	3,461,341	—	\$ 174	\$ —	\$ 311,877	\$ (250,062)	\$ 4,039	\$ 66,028

See Notes to Unaudited Consolidated Financial Statements

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

	Three Months Ended March 31,	
	2024	2023
Cash flows from operating activities:		
Net income (loss)	\$ 1,553	\$ (1,941)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	4,935	4,944
Amortization of deferred financing costs	447	425
Non-cash lease expense	1	41
Net deferred taxes and other	8	(1,766)
Allowance for credit losses	1,260	1,323
Stock-based compensation expense	2,870	1,772
Gain on repurchases of debt	—	(775)
Trade and barter activity, net	(195)	(454)
Impairment of intangible and long-lived assets	1,618	8,487
Realized gain on sale of digital assets	—	(839)
Gain on sale of investment	(4,009)	—
Unrealized loss on investment	233	134
Amortization of content rights	1,222	1,200
Change in content rights liabilities	(1,200)	258
Other	1,210	(555)
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable	5,390	5,058
Prepaid expenses and other assets	71	4,465
Accounts payable	(513)	(22)
Accrued expenses	(4,589)	(3,134)
Accrued interest	(8,638)	(9,258)
Other long-term liabilities	(3)	(8)
<b>Net cash provided by operating activities</b>	<b>1,671</b>	<b>9,355</b>
Cash flows from investing activities:		
Purchase of property and equipment	(4,428)	(3,639)
Proceeds from sale of digital assets	—	2,975

Proceeds from sale of assets and investment related transactions	4,147	493
<b>Net cash used in investing activities</b>	<b>(281)</b>	<b>(171)</b>
Cash flows from financing activities:		
Repurchases of 2026 Notes	—	(11,248)
Dividend payments	(3,248)	—
Proceeds from stock options exercised	1,990	31
Shares withheld in lieu of employee tax withholding	(35)	—
Withholdings for shares issued under the ESPP	403	430
Repurchases of stock	(4,299)	—
Repayments of capitalized obligations	(645)	(45)
<b>Net cash used in financing activities</b>	<b>(5,834)</b>	<b>(10,832)</b>
Cash and cash equivalents and restricted cash:		
<b>Net decrease in cash, cash equivalents and restricted cash</b>	<b>(4,444)</b>	<b>(1,648)</b>
Beginning of period	61,549	43,913
<b>End of period</b>	<b>\$ 57,105</b>	<b>\$ 42,265</b>

	Nine Months Ended September 30,	
	2023	2022
Cash flows from operating activities:		
Net (loss) income	\$ (41,144)	\$ 10,458
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	14,496	13,546
Amortization of deferred financing costs	1,567	1,359
Non-cash lease expense (income)	69	(298)
Net deferred taxes and other	8,817	4,413
Provision for doubtful accounts	2,817	1,429
Stock-based compensation expense	6,228	2,430
Gain on repurchases of debt	(1,249)	(108)
Trade activity, net	(1,352)	(3,496)
Impairment of intangible assets, investments, goodwill and long-lived assets	65,697	20,197
Realized gain on sale of digital assets	(839)	—
Gain on sale of investment	(5,210)	—
Unrealized loss on investment	493	1,934
Content rights acquired	—	(19,320)
Amortization of content rights	3,645	3,124
Change in content rights liabilities	(1,819)	17,397
Reimbursement of equipment modification costs	(1,487)	—
Other	(1,276)	(815)
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable	(3,037)	(4,900)
Prepaid expenses and other assets	5,130	(1,253)
Accounts payable	646	(123)
Accrued expenses	(3,845)	(3,916)
Accrued interest	(9,443)	(9,674)
Other long-term liabilities	60	(278)
<b>Net cash provided by operating activities</b>	<b>38,964</b>	<b>32,106</b>
Cash flows from investing activities:		
Payment for acquisition	—	(18,419)
Purchase of property and equipment	(11,373)	(13,100)
Purchase of investments	—	(100)

Purchase of digital assets	—	(4,997)
Proceeds from sale of digital assets	2,975	—
Proceeds from insurance recoveries	721	452
Proceeds from sale of assets and investment related transactions	7,277	810
<b>Net cash used in investing activities</b>	<b>(400)</b>	<b>(35,354)</b>
Cash flows from financing activities:		
Repurchases of 2026 Notes	(25,621)	(18,850)
Dividend payments	(6,285)	—
Proceeds from stock options exercised	5,440	790
Withholdings for shares issued under the ESPP	729	—
Repurchases of stock	(16,645)	(225)
Cash distribution to non-controlling interests	(1,499)	(1,820)
Repayments of capitalized obligations	(140)	(105)
<b>Net cash used in financing activities</b>	<b>(44,021)</b>	<b>(20,210)</b>
Cash and cash equivalents and restricted cash:		
<b>Net decrease in cash, cash equivalents and restricted cash</b>	<b>(5,457)</b>	<b>(23,458)</b>
Beginning of period	43,913	50,999
<b>End of period</b>	<b>\$ 38,456</b>	<b>\$ 27,541</b>

See Notes to Unaudited Consolidated Financial Statements

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

		Nine Months Ended September 30,	
		2023	2022
		Three Months Ended March 31,	Three Months Ended March 31,
		2024	2023
Supplemental Disclosure of Cash Flow Information:	Supplemental Disclosure of Cash Flow Information:		
Cash payments:	Cash payments:		
Cash payments:	Cash payments:		
Interest	Interest		
Interest	Interest		
Interest	Interest	\$37,273	\$38,284
Income taxes	Income taxes	1,122	1,049
Supplemental Disclosure of Non-cash Activities:	Supplemental Disclosure of Non-cash Activities:		
Supplemental Disclosure of Non-cash Activities:	Supplemental Disclosure of Non-cash Activities:		

Dividends declared, but not paid during the period	Dividends declared, but not paid during the period	\$ 3,164	\$ —
Investments acquired in exchange for advertising <sup>(1)</sup>		—	2,750
Dividends declared, but not paid during the period			
Dividends declared, but not paid during the period			
Property and equipment acquired in exchange for advertising <sup>(1)</sup>			
Property and equipment acquired in exchange for advertising <sup>(1)</sup>			
Property and equipment acquired in exchange for advertising <sup>(1)</sup>	Property and equipment acquired in exchange for advertising <sup>(1)</sup>	550	726
Accrued capital expenditures	Accrued capital expenditures	229	45
<b>Supplemental Disclosure of Cash Flow Information relating to Leases:</b>	<b>Supplemental Disclosure of Cash Flow Information relating to Leases:</b>		
<b>Supplemental Disclosure of Cash Flow Information relating to Leases:</b>			
<b>Supplemental Disclosure of Cash Flow Information relating to Leases:</b>			
Cash paid for amounts included in the measurement of operating lease liabilities, included in operating cash flows			
Cash paid for amounts included in the measurement of operating lease liabilities, included in operating cash flows			
Cash paid for amounts included in the measurement of operating lease liabilities, included in operating cash flows	Cash paid for amounts included in the measurement of operating lease liabilities, included in operating cash flows	\$ 8,850	\$ 7,982
Right-of-use assets obtained in exchange for operating lease obligations	Right-of-use assets obtained in exchange for operating lease obligations	4,035	8,923
<b>Reconciliation of cash, cash equivalents and restricted cash</b>	<b>Reconciliation of cash, cash equivalents and restricted cash</b>		
<b>Reconciliation of cash, cash equivalents and restricted cash</b>			

Reconciliation of cash, cash equivalents and restricted cash			
Cash and cash equivalents			
Cash and cash equivalents			
Cash and cash equivalents	Cash and cash equivalents	\$37,955	\$27,046
Restricted cash	Restricted cash	501	495
		<u>\$38,456</u>	<u>\$27,541</u>
		<u>\$</u>	

(3) Represents total advertising services provided by the Company in exchange for property and equipment and equity interests acquired during each of the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

See Notes to Unaudited Consolidated Financial Statements

## TOWNSQUARE MEDIA, INC. NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

### Note 1. Organization and Basis of Presentation

#### Description of the Business

Townsquare is a community-focused digital media and digital marketing solutions company with market leading local radio stations, principally focused outside the top 50 markets in the U.S. Our integrated and diversified products and solutions enable local, regional and national advertisers to target audiences across multiple platforms, including digital, mobile, social, video, streaming, e-commerce, radio and events. Our assets include a subscription digital marketing services solutions business ("Townsquare Interactive"), providing website design, creation and hosting, search engine optimization, social platforms and online reputation management for approximately 25,750 23,300 small to medium sized businesses; a robust digital advertising division ("Townsquare Ignite," or "Ignite"), a powerful combination of a) an owned and operated portfolio of more than 400 local news and entertainment websites and mobile apps along with a network of leading national music and entertainment brands, collecting valuable first party data and b) a proprietary digital programmatic advertising technology stack with an in-house demand and data management platform; and a portfolio of 854 349 local terrestrial radio stations in 74 U.S. markets strategically situated outside the Top 50 markets in the United States. Our portfolio includes local media brands such as WYRK.com, WJON.com and NJ101.5.com, and premier national music brands such as XXLmag.com, TasteofCountry.com, UltimateClassicRock.com, and Loudwire.com.

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

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

#### Basis of Presentation

The accompanying Unaudited Consolidated Financial Statements should be read in conjunction with the Company's audited Consolidated Financial Statements and related notes thereto included in the Company's Annual Report on Form 10-K (the "2022" 2023 Annual Report on Form 10-K"). The accompanying unaudited interim Consolidated Financial Statements include the consolidated accounts of the Company and its wholly-owned subsidiaries, with all significant intercompany balances and transactions eliminated in consolidation. These financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the United States ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q. Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. All adjustments (consisting only of normal, recurring adjustments) necessary for a fair presentation of results of operations and financial condition as of the end of the interim periods have been included. The results of operations for the three and nine months ended September 30, 2023 March 31, 2024, cash flows for the nine three months ended September 30, 2023 March 31, 2024, and the Company's financial condition as of such date are not necessarily indicative of the results of operations or cash flows that can be expected for, or the Company's financial condition as of, any other interim period or for the fiscal year ending December 31, 2023 December 31, 2024. The Consolidated Balance Sheet as of December 31, 2022 December 31, 2023 is derived from the audited Consolidated Financial Statements at that date.

The presentation of immaterial amounts of broadcast and digital advertising revenue for the three and nine months ended September 30, 2022 have been reclassified to conform with the current period's presentation.

#### Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses and related disclosures of contingent assets and liabilities. On an ongoing basis, the Company evaluates its significant estimates, including those

related to assumptions used in determining the fair value of assets and liabilities acquired in a business combination, impairment testing of intangible assets, valuation and impairment testing of long-lived tangible assets and investments, the present value of leasing arrangements, share-based payment expense and the calculation of allowance for credit losses and income taxes. The Company bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the result of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Actual amounts and results may differ materially from these estimates under different assumptions or conditions.

## Note 2. Summary of Significant Accounting Policies

There have been no significant changes in the Company's accounting policies since **December 31, 2022** **December 31, 2023**. For the Company's detailed accounting policies please refer to the Consolidated Financial Statements and related notes thereto included in the Company's **2022 2023** Annual Report on Form 10-K.

### Recently Adopted Accounting Standards

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which adds a new Topic 326 to the Codification and removes the thresholds that companies apply to measure credit losses on financial instruments measured at amortized cost, such as loans, receivables, and held-to-maturity debt securities. The guidance will remove all recognition thresholds and will require companies to recognize an allowance for credit losses for the difference between the amortized cost basis of a financial instrument and the amount of amortized cost that the company expects to collect over the instrument's contractual life. The new guidance became effective for smaller reporting companies for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years.

The Company adopted the new guidance in the first quarter of 2023. In accordance with the guidance described above, the Company maintains an allowance for credit losses, which represents the portion of accounts receivable that is not expected to be collected over the duration of its contractual life. Credit losses are recorded when the Company believes a customer, or group of customers, may not be able to meet their financial obligations. A considerable amount of judgment is required in determining expected credit losses. Relevant factors include prior collection history with customers, the related aging of past due balances, projections of credit losses based on historical trends or past events, and the consideration of forecasts of future economic conditions. Allowances for credit losses are based on facts available and are re-evaluated and adjusted on a regular basis. Negative macroeconomic trends could result in an increase in credit losses if delays in the payment of outstanding receivables are observed or if future economic conditions differ from those considered in our forecasts. The adoption of this standard did not have a significant impact on the Consolidated Financial Statements.

The change in the allowance for credit losses for the nine months ended September 30, 2023 was as follows (in thousands):

<b>Balance at December 31, 2022</b>	<b>\$</b>	<b>5,946</b>
Provision for credit losses		2,817
Amounts written off against allowance, net of recoveries		(4,219)
<b>Balance at September 30, 2023</b>	<b>\$</b>	<b>4,544</b>

### Recently Issued Standards That Have Not Yet Been Adopted

There were no new accounting pronouncements In November 2023, the FASB issued during ASU 2023-07, *Segment Reporting – Improvements to Reportable Segments* Disclosures, which enhances disclosures of significant segment expenses by requiring to disclose significant segment expenses regularly provided to the three chief operating decision maker, extends certain annual disclosures to interim periods, and nine months ended September 30, 2023 that permits more than one measure of segment profit or loss to be reported under certain conditions. The amendments are effective for the Company in fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption of the amendment is permitted, including adoption in any interim periods for which financial statements have not been issued. The adoption of this standard is not expected to have a material significant impact on the Consolidated Financial Statements. The Company is currently assessing the impact of the new requirements on the Consolidated Financial Statement disclosures.

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

## Note 3. Revenue Recognition

The following tables present a disaggregation of our revenue by reporting segment and revenue from political sources and all other sources (in thousands) for the three and nine months ended **September 30, 2023** **March 31, 2024** and **2022: 2023**:

Three Months Ended September 30, 2023					Three Months Ended September 30, 2022				
Subscription Digital	Broadcast		Subscription		Digital Marketing	Digital	Broadcast		
Marketing Solutions	Digital Advertising	Advertising	Other	Total	Solutions	Advertising	Advertising	Other	Total
Three Months Ended March 31, 2024									
Three Months Ended March 31, 2024									
Three Months Ended March 31, 2024									

		Subscription Digital Marketing Solutions																			
		Subscription Digital Marketing Solutions																			
		Subscription Digital Marketing Solutions																			
		Subscription Digital Marketing Solutions																			
Net Revenue (ex Political)																					
Net Revenue (ex Political)																					
Net Revenue (ex Political)	Net Revenue (ex Political)	\$	20,257	\$	38,943	\$	53,618	\$	1,659	\$	114,477	\$	23,188	\$	36,889	\$	57,806	\$	1,165	\$	119,048
Political	Political		—		66		561		—		627		—		100		1,487		—		1,587
Political																					
Political																					
Net Revenue	Net Revenue	\$	20,257	\$	39,009	\$	54,179	\$	1,659	\$	115,104	\$	23,188	\$	36,989	\$	59,293	\$	1,165	\$	120,635
Net Revenue																					
Net Revenue																					

		Nine Months Ended September 30, 2023					Nine Months Ended September 30, 2022														
		Subscription					Subscription														
		Digital					Digital														
		Marketing	Digital	Broadcast			Marketing	Digital	Broadcast												
		Solutions	Advertising	Advertising	Other	Total	Solutions	Advertising	Advertising	Other	Total										
	Three Months Ended March 31, 2023																				
	Three Months Ended March 31, 2023																				
	Three Months Ended March 31, 2023																				
	Subscription																				
	Digital																				
	Marketing										Subscription Digital Marketing					Digital		Broadcast		Other	
	Solutions																				
Net	Net																				
Revenue	Revenue																				
(ex	(ex																				
Political)	Political)	\$	63,086	\$	113,715	\$	152,704	\$	8,695	\$	338,200	\$	68,021	\$	103,082	\$	161,282	\$	6,881	\$	339,266
Political	Political		—		127		1,118		—		1,245		—		297		3,238		—		3,535
Net	Net																				
Revenue	Revenue	\$	63,086	\$	113,842	\$	153,822	\$	8,695	\$	339,445	\$	68,021	\$	103,379	\$	164,520	\$	6,881	\$	342,801

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. obligations.** Our contractual performance obligations include the performance of digital marketing solutions, placement of internet-based advertising campaigns, broadcast of commercials on our owned and operated radio stations, and the operation of live events. Revenue is measured at contract inception as the amount of consideration we expect to receive in exchange for transferring goods or providing services. Our contracts are at a fixed price at inception and do not include any variable consideration or financing components by normal course of business practice. Sales, value add, and other taxes that are collected concurrently with revenue producing activities are excluded from revenue.

The primary sources of net revenue are the sale of digital and broadcast advertising solutions on our owned and operated websites, radio stations' online streams, and mobile applications, radio stations, and on third-party websites through our in-house digital programmatic advertising platform. Through our digital programmatic advertising platform, we are able to hyper-target audiences for our local, regional and national advertisers by combining first and third-party audience and geographic location data, providing them the ability to reach a high percentage of their online audience. We deliver these solutions across desktop, mobile, connected TV, email, paid search and social media platforms utilizing display, video and native executions. We also offer subscription digital marketing solutions under the brand name Townsquare Interactive to small and mid-sized local and regional businesses in markets outside the top 50 across the United States, including the markets in which we operate radio stations. Townsquare Interactive offers traditional and mobile-enabled website development and hosting services, e-commerce platforms, search engine and online directory optimization services, online reputation monitoring, social media management, and website retargeting.

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



Net revenue for from digital and broadcast advertisements are recognized as the subscription-based contractual performance obligations for Townsquare services is recognized ratably over time as our performance obligations are satisfied. We 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 towards in such arrangements is the satisfaction number of our contractual performance obligations in accordance with days of successful delivery of the contractual arrangement. We recognize the associated contractual revenue as delivery takes place and the right to invoice for services performed is met. contracted service.

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

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.

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

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

		September 30, 2023		December 31, 2022	
March 31, 2024		March 31, 2024		December 31, 2023	
Accounts Receivable	Accounts Receivable	\$	63,527	\$	61,234
Short-term contract liabilities (deferred revenue)	Short-term contract liabilities (deferred revenue)	\$	8,845	\$	10,669
Contract Acquisition Costs	Contract Acquisition Costs	\$	5,930	\$	6,348

We receive payments from customers based upon contractual billing schedules; 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.

Our contract liabilities include cash payments received or due in advance of satisfying our performance obligations and digital subscriptions in which payment is received in advance of the service and month. These contract liabilities are recognized as revenue as the related performance obligations are satisfied. As of September 30, 2023 March 31, 2024, and December 31, 2022 December 31, 2023, the balance in the contract liabilities was \$8.8 \$9.8 million and \$10.7 \$9.1 million, respectively. The decrease/increase in the contract liabilities balance at September 30, 2023 March 31, 2024 is primarily driven by \$0.6 million and \$9.1 million of recognized revenue for the three and nine months ended September 30, 2023, offset by cash payments received or due in advance of satisfying our performance obligations, obligations offset by \$5.8 million of recognized revenue for the three months ended March 31, 2024. For the three and nine months ended September 30, 2022 March 31, 2023, we recognized \$0.6 million and \$8.2 \$7.3 million of revenue that was previously included in our deferred revenue balance. No significant changes in the time frame of the satisfaction of contract liabilities have occurred during the three and nine months ended September 30, 2023 March 31, 2024.

Our capitalized contract acquisition costs include amounts related to sales commissions paid for signed contracts with perceived durations exceeding one year. We defer the related sales commission costs and amortize such costs to expense in a manner that is consistent with how the related revenue is recognized over the duration of the related contracts. We have evaluated the average customer contract duration (initial term and any renewals) to determine the appropriate amortization period for these contractual arrangements. Capitalized contract acquisition costs are recognized in prepaid expenses and other current assets in the accompanying consolidated balance sheets. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we had a balance of \$5.9 \$5.2 million and \$6.3 \$5.2 million, respectively, in capitalized contract acquisition costs and recognized \$1.8 \$1.5 million and \$5.1 \$1.6 million of amortization for the three and nine months ended September 30, 2023, respectively. For the three March 31, 2024 and nine months ended September 30, 2022, we recognized \$1.3 million and \$3.7 million of amortization, 2023, respectively. No impairment losses have been recognized or changes made to the time frame for performance of the obligations related to deferred contract assets during the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023.

## 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. Performance obligations that are not distinct at contract inception are combined.

## Performance Obligations

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

## Note 4. Acquisitions and Divestitures Allowance for Credit Losses

### Acquisitions and Divestitures

The Company maintains an allowance for credit losses, which represents the portion of accounts receivable that is not expected to be collected over the duration of its contractual life. Credit losses are recorded when the Company believes a customer, or group of customers, may not be able to meet their financial obligations. Account balances are charged off against the allowance when it is probable the receivable will not be recovered.

On June 17, 2022, the Company acquired Cherry Creek Broadcasting LLC ("Cherry Creek") for a cash purchase price of \$18.5 million, net of closing adjustments. The purchase price was in excess of the fair value of net assets acquired, resulting change in the recognition of goodwill. The Company finalized the allocation of the purchase price allowance for Cherry Creek during credit losses for the three months ended March 31, 2023. The table below summarizes the Cherry Creek purchase price allocation. The measurement period adjustments below reflect changes from the preliminary purchase acquisition date fair values of major classes of net assets acquired March 31, 2024 was as follows (in thousands):

	Amounts recognized at June 17,		Amounts recognized at March 31,	
	2022	Measurement Period	2023	
	(Provisional)	Adjustments	(Adjusted)	
Net tangible assets acquired	\$ 1,366	\$ 4,694	\$ 6,060	
Intangible assets, net	8,676	187	8,863	
Goodwill	8,377	(4,843)	3,534	
Total Purchase Price	\$ 18,419	\$ 38	\$ 18,457	

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

	Amounts recognized at March 31, 2023		Remaining Useful Life at June 17, 2022 (in years)
Customer relationships	\$	5,007	10
FCC licenses		2,889	Indefinite
Content Rights		642	7
Other intangibles		325	3
<b>Total Acquired Intangible Assets</b>	<b>\$</b>	<b>8,863</b>	

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

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

Goodwill totaling \$3.5 million represents the excess of the Cherry Creek purchase price over the fair value of net assets acquired, representing future economic benefits that are expected to be achieved as a result of the acquisition, and is included in the Broadcast Advertising and Digital Advertising segments. The Company believes the acquisition of Cherry Creek, which includes a portfolio of local media brands, will further its goal of becoming the number one local media company in markets outside of the Top 50 in the United States. In addition, the acquisition provides an opportunity to bring our digital assets and solutions to the Cherry Creek markets and accelerate their digital growth with our Digital First strategy.

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

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

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

During the nine months ended September 30, 2023, the Company sold assets associated with radio broadcast stations in Texarkana, TX and Bozeman, MT for an immaterial amount, and returned the license associated with a broadcast station in Binghamton, NY.	
<b>Balance at December 31, 2023</b>	<b>\$ 4,041</b>
Provision for credit losses	1,260
Amounts written off against allowance, net of recoveries	(1,145)
<b>Balance at March 31, 2024</b>	<b>\$ 4,156</b>

#### Note 5.4. Property and Equipment, net

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

		September 30, 2023	December 31, 2022		
	March 31, 2024			March 31, 2024	December 31, 2023
Land and improvements	Land and improvements	\$ 19,331	\$ 19,966		
Buildings and leasehold improvements	Buildings and leasehold improvements	58,649	57,386		
Broadcast equipment	Broadcast equipment	111,381	108,057		
Computer and office equipment	Computer and office equipment	24,884	24,211		
Furniture and fixtures	Furniture and fixtures	22,882	22,968		
Transportation equipment	Transportation equipment	20,297	20,703		
Software development costs	Software development costs	43,833	39,489		
<b>Total property and equipment, gross</b>	<b>Total property and equipment, gross</b>	<b>301,257</b>	<b>292,780</b>		
Less accumulated depreciation and amortization	Less accumulated depreciation and amortization	(189,956)	(178,934)		
<b>Total property and equipment, net</b>	<b>Total property and equipment, net</b>	<b>\$ 111,301</b>	<b>\$ 113,846</b>		

Depreciation and amortization expense for property and equipment was \$4.1 \$4.3 million and \$4.2 million for each of the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$12.7 million and \$12.7 million for the nine months ended September 30, 2023 and 2022, 2023, respectively.

During the nine three months ended September 30, 2023 March 31, 2024, the Company recognized a total of \$0.7 million in gains on the sale of buildings and land in the Bozeman, MT, and Yakima, WA, markets respectively.

During the nine months ended September 30, 2023, the company recognized \$0.4 \$0.3 million in impairment charges related to the sale of land and building in Battle Creek, MI and a total of \$0.4 million in impairment charges to right of use ROU assets associated with the abandonment of leased office space tower and land leases in Purchase and Binghamton, NY. 3 local markets.

During the nine three months ended September 30, 2022 March 31, 2023, the Company sold land and a building in Quincy-Hannibal, IL. The Company recognized \$0.8 \$0.3 million in impairment charges related to the sale. certain long-lived assets sold for immaterial amounts in 5 local markets.

The Company had no material right of use assets related to its finance leases as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**.

**Note 6.5. Goodwill and Other Intangible Assets**

***Indefinite-lived intangible assets***

Indefinite-lived assets consist of FCC broadcast licenses, goodwill and investment in digital assets.

**FCC Broadcast Licenses**

FCC licenses represent a substantial portion of the Company's total assets. The FCC licenses are renewable in the ordinary course of business, generally for a maximum of eight years. The fair value of FCC licenses is primarily dependent

on the future cash flows of the radio markets and other assumptions, including, but not limited to, forecasted revenue growth rates, profit margins and a risk-adjusted discount rate. The Company has selected December 31<sup>st</sup> as the annual testing date.

The Company evaluates its FCC licenses for impairment annually or more frequently if events or changes in circumstances indicate that the assets might be impaired. Due to **increases in the weighted average cost of capital and** changes in forecasted traditional broadcast **revenue revenues** in the markets in which we operate, the Company quantitatively evaluated the fair value of its FCC licenses at **September 30, June 30, and March 31, 2023** **March 31, 2024**.

The key assumptions used in applying the direct valuation method are summarized as follows:

	<b>September 30, 2023</b>	
Discount Rate	14.1%	
Long-term Revenue Growth Rate	0.0%	
	<u>Low</u>	<u>High</u>
Mature Market Share*	20.6%	75.0%
Operating Profit Margin	20.0%	47.0%

	<b>June 30, 2023</b>	
Discount Rate	13.5%	
Long-term Revenue Growth Rate	0.0%	
	<u>Low</u>	<u>High</u>
Mature Market Share*	20.8%	75.0%
Operating Profit Margin	20.0%	47.0%

		<b>March 31, 2023</b>				<b>March 31, 2024</b>
		<b>March 31, 2024</b>				<b>March 31, 2024</b>
Discount Rate	Discount Rate	12.2%	Discount Rate		13.7%	
Long-term Revenue Growth Rate	Long-term Revenue Growth Rate	0.0%	Long-term Revenue Growth Rate		0.0%	
		<u>Low</u> <u>High</u>				
		<u>Low</u>			<u>Low</u>	<u>High</u>
Mature Market Share*	Mature Market Share*	21.7% 75.0%	Mature Market Share*		22.0% 73.0%	
Operating Profit Margin	Operating Profit Margin	20.0% 47.0%	Operating Profit Margin		23.1% 46.7%	

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

Based on the results of interim impairment assessments of our FCC licenses, as of **September 30, 2023** **March 31, 2024** we incurred a **\$1.3 million** impairment charges of **\$23.6 million and \$48.4 million for the three and nine months ended September 30, 2023, respectively**, **charge** for FCC licenses in **24 and 32** of our **74** local markets, respectively.

The impairment charges were primarily driven by increases in the discount rate applied in the valuation of our FCC licenses due to an increase in the weighted average cost of capital, decreases in third-party forecasts of broadcast revenues and an increase in the estimate of initial capital costs due to rising prices. The Company recorded an impairment charge of \$10.3 million and \$15.5 million for FCC licenses in 8 one of our 74 local markets for the three and nine months ended September 30, 2022 March 31, 2024. The Company recorded an impairment charge of \$8.2 million for FCC licenses in 15 of our 74 local markets for the three months ended March 31, 2023.

Unfavorable changes in key assumptions utilized in the impairment assessment of our FCC licenses may affect future testing results. For example, keeping all other assumptions constant, a 50-basis 100-basis point increase in the weighted average cost of capital as of the date of our last quantitative assessment would cause the estimated fair values of our FCC licenses to decrease by \$14.0 \$29.5 million which would have resulted in an additional impairment charge of \$9.7 \$4.6 million as of September 30, 2023 March 31, 2024. Further, a 100-basis point decline in the long-term revenue growth rate would cause the estimated fair values of our FCC licenses to further decrease by \$17.3 \$15.4 million which would have resulted in a further an impairment charge of \$13.4 \$5.7 million as of September 30, 2023 March 31, 2024. Assumptions used to estimate the fair value of our FCC licenses are also dependent upon the expected performance and growth of our traditional broadcast radio operations. In the event broadcast radio revenue experiences actual or anticipated declines, such declines will have a negative impact on the estimated fair value of our FCC licenses, and the Company could recognize additional impairment charges, which could be material.

#### Goodwill

For goodwill impairment testing, the Company has selected December 31<sup>st</sup> as the annual testing date. In addition to the annual impairment test, the Company regularly assesses whether a triggering event has occurred, which would require interim impairment testing. As of December 31, 2022 December 31, 2023, the fair values of our Local Advertising, National Digital, Townsquare Ignite, Analytical Services, and Townsquare Interactive and Live Events reporting units were in excess of their respective carrying values by approximately 18% 117%, 243% 41%, 90%, 211%, 252% 157%, and 19% 147%, respectively. The Local Advertising and Amped reporting unit had no goodwill as of December 31, 2022 December 31, 2023.

The Company considered whether any events have occurred or circumstances have changed from the last quantitative analysis performed as of December 31, 2022 December 31, 2023 that would indicate that the fair value of the Company's reporting units may be below their carrying amounts. During the third quarter of 2023, Based on such analysis, the Company concluded determined that the carrying amount of the Local Advertising reporting unit exceeded its fair value, resulting in the recognition of a non-cash goodwill impairment charge of \$2.8 million. An interim impairment assessment was considered necessary as a result of declines in traditional broadcast revenue and the increase in the weighted average cost of capital. The Company did not identify there have been no indicators of impairment related to any other reporting unit that would have required an interim impairment assessment during the nine months ended September 30, 2023.

The fair value of the Local Advertising its reporting unit was determined using an income approach whereby the fair value was calculated utilizing discounted estimated future cash flows. The income approach requires several assumptions including future sales growth, EBITDA (earnings before interest, taxes, depreciation and amortization) margins, and capital expenditures and discount rates which are the basis for the information used in the discounted cash flow model. The weighted-average cost of capital used in testing the reporting unit for impairment was 12.1% with a perpetual growth rate of (1.7%). Following the non-cash goodwill impairment charge recognized during the three months ended September 30, 2023, the Local Advertising reporting unit had no goodwill units may be below their carrying amounts as of September 30, 2023 March 31, 2024.

The following table presents changes in goodwill by segment during the nine months ended September 30, 2023:

	Subscription		Broadcast		Other	Total
	Digital Marketing Solutions	Digital Advertising	Advertising			
Balance at December 31, 2022	\$ 77,000	\$ 77,687	\$ 2,715	\$ 3,983	\$	161,385
Cherry Creek measurement period adjustment	—	—	96	—		96
Balance at June 30, 2023	\$ 77,000	\$ 77,687	\$ 2,811	\$ 3,983	\$	161,481
Impairment			(2,811)			(2,811)
Balance at September 30, 2023	\$ 77,000	\$ 77,687	\$ —	\$ 3,983	\$	158,670

#### Digital Assets

During the first quarter of 2022, the Company invested an aggregate of \$5.0 million in digital assets. They were accounted for as indefinite-lived intangible assets in accordance with ASC 350, Intangibles - Goodwill and Other, included as a component of intangible assets, net on the Consolidated Balance Sheet. Any decrease in the digital assets' fair values below our carrying values at any time subsequent to acquisition was recognized as an impairment charge. No upward revisions for any market price increases were recognized.

In early March 2023, the Company sold its digital assets with a carrying value of \$2.1 million, recognizing a gain on the sale of \$0.8 million, during the nine months ended September 30, 2023, which was included as a component of Other (income) expense, net on the Consolidated Statements of Operations. During the nine months ended September 30, 2022, the Company recorded \$2.6 million in impairment losses due to changes in the fair value of the Company's digital assets observed during the period.

#### Definite-lived intangible assets

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

The following tables present details of our intangible assets as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively (in thousands):

		September 30, 2023							
		Weighted Average Useful Life (in Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount				
		March 31, 2024				March 31, 2024			
		Weighted Average Useful Life (in Years)				Weighted Average Useful Life (in Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible Assets:	Intangible Assets:								
FCC licenses	FCC licenses	Indefinite	\$203,661	\$	—	\$203,661			
FCC licenses									
FCC licenses									
Content rights and other intangible assets									
Content rights and other intangible assets									
Content rights and other intangible assets	Content rights and other intangible assets	1 - 9	34,827	(17,733)	17,094				
Total	Total		\$238,488	\$	(17,733)	\$220,755			
Total									
Total									

		December 31, 2022							
		Weighted Average Useful Life (in Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount				
		December 31, 2023				December 31, 2023			
		Weighted Average Useful Life (in Years)				Weighted Average Useful Life (in Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible Assets:	Intangible Assets:								
FCC licenses	FCC licenses	Indefinite	\$252,110	\$ —	\$252,110				
Digital assets		Indefinite	2,136	—	2,136				
FCC licenses									
FCC licenses									
Content rights and other intangible assets									
Content rights and other intangible assets									
Content rights and other intangible assets	Content rights and other intangible assets	1 - 10	37,092	(14,500)	22,592				

Total	Total	\$291,338	\$ (14,500)	\$276,838
Total				
Total				

Amortization of definite-lived intangible assets was \$1.8 million and \$1.5 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively and \$5.4 million and \$4.0 million for the nine months ended September 30, 2023 and 2022, 2023, respectively.

Estimated future amortization expense for each of the five succeeding fiscal years and thereafter as of September 30, 2023 March 31, 2024 is as follows (in thousands):

2023 (remainder)		\$	1,697
2024			6,017
2024 (remainder)			
2025	2025		2,304
2026	2026		2,108
2027	2027		1,978
2028			
Thereafter	Thereafter		2,990
		\$	17,094
		\$	

#### Note 7.6. Investments

Long-term investments consist of minority holdings in various companies. As management does not exercise significant influence over operating and financial policies of the investees, the investments are not consolidated or accounted for under the equity method of accounting. The initial valuation of equity securities is based upon an estimate of market value at the time of investment, or upon a combination of valuation analyses using both observable and unobservable inputs categorized as Level 2 and Level 3 within the ASC 820 framework.

In accordance with ASC 321, Investments - Equity Securities, the Company measures its equity securities at cost minus impairment, as their fair values are not readily determinable and the investments do not qualify for the net asset value per share practical expedient. The Company monitors its investments for any subsequent observable price changes in orderly transactions for the identical or a similar investment of the same investee, at which time the Company would adjust the then current carrying values of the related investment. Additionally, the Company evaluates its investments for any indicators of impairment.

##### Equity securities measured at cost minus impairment

During the three and nine months ended September 30, 2023, the Company recorded \$4.4 million March 31, 2023 and \$13.6 million of 2024, there were no impairment charges respectively, or observable price changes in orderly transactions for existing investments based on the implied fair value of the investees, as the Company became aware of objective evidence to indicate that the fair value of the investments were below their carrying amounts. Company's investees.

On April 12, 2023, In February of 2024, one of the Company's Company's investees was acquired as a result announced the completion of its acquisition in a private transaction. The Company recognized a \$5.2 \$4.0 million gain on the transaction during the nine three months ended September 30, 2023 March 31, 2024, based on total cash consideration received in the amount of \$6.0 \$4.0 million.

During the nine months ended September 30, 2022, the Company recorded a \$1.2 million impairment charge for an existing investee based on the implied fair value of the investee as a result of a private transaction.

##### Equity securities measured at fair value

On July 2, 2021, one of the Company's investees completed its registration with the SEC and became a publicly traded company. Based on the market price of the investee's common stock as of September 30, 2023 March 31, 2024, the fair value of the Company's investment in the common stock of the investee was approximately \$0.7 \$0.6 million. As a result, the Company recorded an unrealized loss of \$0.6 million and a total net unrealized loss of \$0.5 \$0.2 million during the three and nine months ended September 30, 2023, respectively. During the three and nine months ended September 30, 2022, the Company recorded an unrealized gain of \$0.2 million and a total net unrealized loss of \$1.9 million, respectively, as a result of changes in the fair value of the investee's common stock. March 31, 2024.

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

#### Note 8.7. Long-Term Debt

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

--	--

	September 30, 2023	December 31, 2022
2026 Notes	\$ 503,618	\$ 530,766
Deferred financing costs	(4,480)	(6,324)
<b>Total long-term debt</b>	<b>\$ 499,138</b>	<b>\$ 524,442</b>

During the nine months ended September 30, 2023, the Company voluntarily repurchased an aggregate \$27.1 million principal amount of its 2026 Notes below par, plus accrued interest. The Company wrote-off approximately \$0.3 million of unamortized deferred financing costs, recognizing a \$0.4 million and \$1.2 million net gain for the three and nine months ended September 30, 2023, respectively. The repurchased notes were canceled by the Company.

	March 31, 2024	December 31, 2023
2026 Notes	\$ 503,618	\$ 503,618
Deferred financing costs	(3,513)	(3,960)
<b>Total long-term debt</b>	<b>\$ 500,105</b>	<b>\$ 499,658</b>

The 2026 Notes indenture contains certain covenants that may limit, among other things, our ability to; incur additional indebtedness, declare or pay dividends, redeem stock, transfer or sell assets, make investments or agree to certain restrictions on the ability of restricted subsidiaries to make payments to the Company. Certain of these covenants will be suspended if the 2026 Notes are assigned an investment grade rating by Standard & Poor's Investors Ratings Services, Moody's Investors Service, Inc. or Fitch Ratings, Inc. and no event of default has occurred and is continuing.

The Company was in compliance with its covenants under the 2026 Notes indenture as of September 30, 2023 March 31, 2024.

As of September 30, 2023 March 31, 2024, based on available market information, the estimated fair value of the 2026 Notes was \$478.4 million \$491.0 million. 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 September 30, 2023 March 31, 2024 are as follows (in thousands):

2023 (remainder)	\$	—
2024		—
2024 (remainder)		
2025	2025	—
2026	2026	503,618
2027	2027	—
2028		
Thereafter	Thereafter	—
	<b>\$</b>	<b>503,618</b>
	<b>\$</b>	

#### Note 9.8. Income Taxes

The Company's effective tax rate for the three months ended September 30, 2023 March 31, 2024 and 2022 2023 was approximately (91.9)% 11.8% and 44.8%, respectively. The Company's decrease in the effective tax rate for the nine three months ended September 30, 2023 and 2022 was approximately (29.5)% and 32.1% March 31, 2024, respectively.

The effective tax rate and income tax provision is primarily driven by discrete items for the three and nine months ended September 30, 2023, respectively, is primarily the result period, including gain on sale of the non-cash impairment charges recorded for each period and the corresponding increase in the valuation allowance for deferred tax assets. investment.

The 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 the statutory rates in the jurisdictions where the Company has operations and changes in the valuation of deferred tax assets and liabilities. The difference between the effective tax rate and the federal statutory rate of 21% primarily relates to certain non-deductible items, state and local income taxes and the valuation allowance for deferred tax assets.

#### Note 10.9. Stockholders' Equity

##### Stock Options

During the nine three months ended September 30, 2023 March 31, 2024, eligible option holders tendered 263,053 options to purchase 263,053 shares of Townsquare common stock.



During the three months ended March 31, 2024, the Company granted 217,547 68,093 and 750,000 45,000 options with grant date fair values of \$2.47 \$2.95 and vesting periods of three-years and four-years, respectively, each with ten-year terms. The Company also granted 73,738 options with grant date fair values of \$2.68 to \$3.07 and \$2.05 to \$2.14, \$2.86, respectively. The options contain market conditions whereby the options will vest and become exercisable subject to the achievement of a specified volume weighted average trading price ("VWAP") over a specified period and continued employment through the performance period each as observed and summarized below, respectively:

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

VWAP over 20 consecutive trading days of the three-year performance period	
VWAP	Number of Options that Vest
\$12.40	24,577
\$14.40	24,577
\$16.40	24,584
	73,738

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

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

The grant date fair value of stock options with market conditions is estimated using the Monte Carlo option pricing model, while stock options containing only service conditions is estimated using the Black-Scholes option pricing model. Each model requires an estimate of the expected term of the option, the expected volatility of the Company's common stock price, dividend yield and the risk-free interest rate. The below table summarizes the assumptions used to estimate the fair value of the equity options granted:

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

  

	Monte Carlo Model	Black-Scholes Model
Expected volatility	53.0 %	52%
Expected term	5.33 years	6.01 - 6.38 years
Risk free interest rate	4.03%	4.05% - 4.18%
Expected dividend yield	7.14 %	7.14% - 7.22%

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

The following table summarizes all option activity for the nine three months ended September 30, 2023 March 31, 2024:

Options	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Aggregate Intrinsic Value (in thousands)
Weighted Average Exercise Price	Weighted Average Remaining Life (years)	Aggregate Intrinsic Value (in thousands)		

Outstanding at December 31, 2023				
Outstanding at December 31, 2022	9,478,698	\$	7.80	4.62 \$ 2,798
Outstanding at December 31, 2023				
Outstanding at December 31, 2023				
Granted - service conditions	Granted - service conditions	1,516,067	7.31	
Granted - market conditions	Granted - market conditions	967,547	7.93	
Granted - market conditions				
Granted - market conditions				
Exercised				
Exercised				
Exercised	Exercised	(688,435)	7.90	1,862
Forfeited and expired	Forfeited and expired	(54,257)	7.41	
Outstanding at September 30, 2023				
	11,219,620	\$	7.74	5.03 \$ 11,508
Outstanding at March 31, 2024				
Outstanding at March 31, 2024				
Outstanding at March 31, 2024				
Exercisable at September 30, 2023				
	7,001,299	\$	8.01	3.00 \$ 5,455
Exercisable at March 31, 2024				
Exercisable at March 31, 2024				
Exercisable at March 31, 2024				

The maximum contractual term of stock options is 10 years.

Restricted Stock Awards

During the ninethree months ended September 30, 2023March 31, 2024, the Company granted 68,87661,905 shares to non-employee directors with a vesting period of one year 26,067 and 8,985 shares with a vesting period of three years and 5,072 shares that vested immediatelyyears. The fair value of the restricted stock awards is equal to the closing share price on the date of grant.

The following table summarizes restricted stock activity for the ninethree months ended September 30, 2023March 31, 2024:

	Number of Shares		Weighted Average Fair Value	
Non-vested balance at January 1, 2024	125,145	\$		8.54

Shares granted	70,890	10.58
Shares vested	(79,358)	7.79
<b>Non-vested balance at March 31, 2024</b>	<b>116,677</b>	<b>\$ 10.28</b>

  

	Number of Shares	Weighted Average Fair Value
<b>Non-vested balance at January 1, 2023</b>	<b>93,181</b>	<b>\$ 9.63</b>
Shares granted	100,015	8.30
Shares vested	(68,051)	9.68
<b>Non-vested balance at September 30, 2023</b>	<b>125,145</b>	<b>\$ 8.54</b>

#### Restricted Stock Units

The following table summarizes restricted stock unit activity for the **nine three** months ended **September 30, 2023** **March 31, 2024**:

	Number of Shares	Weighted Average Fair Value
<b>Non-vested balance at January 1, 2023</b>	<b>—</b>	<b>\$ —</b>
Shares granted - service conditions	218,543	7.55
Shares granted - market conditions	218,543	4.21
Shares vested	—	—
<b>Non-vested balance at September 30, 2023</b>	<b>437,086</b>	<b>\$ 5.88</b>

During the nine months ended September 30, 2023, the Company granted 218,543 stock units with a vesting period of three years and a grant date fair value of \$7.55 per share. The fair value of the restricted stock awards is equal to the closing share price on the date of grant.

During the nine months ended September 30, 2023, the Company granted 218,543 restricted stock units with a vesting period of three years and grant date fair values of \$3.51 to \$4.91. The stock units contain market conditions whereby the stock units will vest subject to the achievement of a specified VWAP, subject to continued employment or service through the end of the performance period as observed and summarized below:

VWAP over the last 20 trading days of the three-year performance period	
VWAP	Number of Shares that Vest
\$8.74	72,840
\$10.75	72,840
\$13.05	72,863

	Number of Shares	Weighted Average Fair Value
<b>Non-vested balance at January 1, 2024</b>	<b>873,265</b>	<b>\$ 7.69</b>
Shares granted - service conditions	—	—
Shares granted - market conditions	—	—
Shares vested	(72,847)	7.55
<b>Non-vested balance at March 31, 2024</b>	<b>800,418</b>	<b>\$ 7.71</b>

The Company did not grant date fair value of the restricted any stock units with market conditions is estimated using during the Monte Carlo option pricing model. The below table summarizes the assumptions used to estimate the fair value of the restricted stock units granted:

Monte Carlo Model	
Expected volatility	50.0%
Risk free interest rate	3.72%
Expected dividend yield	0.0%

The expected volatility was based on market conditions of the Company. The risk-free interest rate was based on the U.S. Treasury yield curve in effect on the date of grant which most closely corresponds to the vesting period of the restricted stock units.

three months ended March 31, 2024.

#### Employee Stock Purchase Plan

During the nine three months ended September 30, 2023 March 31, 2024, a total of 111,709 42,360 shares of Class A common stock were issued under the 2021 Employee Stock Purchase Plan (the "ESPP").

For the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, the Company recognized approximately \$2.4 \$2.9 million and \$0.7 million, respectively, of stock-based compensation expense with respect to options, restricted stock awards, restricted stock units and the ESPP. For the nine months ended September 30, 2023 and 2022, the Company recognized approximately \$6.2 million and \$2.4 \$1.8 million, respectively, of stock-based compensation expense with respect to options, restricted stock awards, restricted stock units and the ESPP.

As of September 30, 2023 March 31, 2024, total unrecognized stock-based compensation expense related to our stock options and restricted stock was \$10.3 \$7.9 million and \$2.4 \$6.2 million, respectively, and is expected to be recognized over a weighted average period of 2.4 2.2 years and 2.2 2.3 years, respectively.

#### Dividends Declared

On November 6, 2023 February 28, 2024, the board of directors approved a dividend of \$0.1875 \$0.1975 per share. The dividend of \$3.0 million was paid to holders of record as of April 5, 2024 on May 1, 2024.

On April 30, 2024 the board of directors approved a dividend of \$0.1975 per share. The dividend will be paid to holders of record as of January 2, 2024 July 15, 2024 on February 1, 2024.

On August 7, 2023 the board of directors approved a dividend of \$0.1875 per share. The dividend was payable to holders of record as of October 2, 2023. The dividend of \$3.1 million was paid on November 1, 2023 August 1, 2024.

#### Stock Repurchase Agreement

On June 16, 2023 April 1, 2024, the Company entered into a stock repurchase agreement with MSG National Properties, LLC ("MSG") to repurchase repurchased 1.5 million shares of the Company's Class C A common stock. Total stock from MSG National Properties, LLC ("MSG") for total consideration paid in the aggregate amount of \$14.6 million, or \$9.70 \$9.76 per share, are reflected as a reduction in capital during the nine months ended September 30, 2023 share. The shares were retired upon repurchase. Following this transaction, MSG owned 1,708,139 shares of Common Stock in the Company (comprising 583,139 shares of Class A Common Stock and 1,125,000 shares of Class C Common Stock).

#### Stock Repurchase Plan

On December 16, 2021, the board of directors approved a stock repurchase plan, pursuant to which the Company is authorized to repurchase up to \$50 million of the Company's issued and outstanding Class A common stock over a thirty-six month period (the "2021 Stock Repurchase Plan"). Repurchases of common stock under the repurchase plan may be made, from time to time, in amounts and at prices the Company deems appropriate, subject to market conditions, applicable legal requirements, debt covenants and other considerations. Any such repurchases may be executed using open market purchases, privately negotiated agreements or other transactions, and may be funded from cash on hand, available borrowings or proceeds from potential debt or other capital markets sources.

During the nine three months ended September 30, 2023 March 31, 2024 a total of 183,768 396,759 shares of Class A common stock were repurchased. As of September 30, 2023 March 31, 2024, a total of 209,391 606,150 shares were repurchased under the 2021 Stock Repurchase Plan.

#### Option Settlement

In late March of 2024, the Company launched a program that offered certain holders a cash settlement of options that were granted in July 2014 following the completion of the Company's initial public offering. These options were approaching their expiration date in July 2024. The cash settlement amount to be paid to each holder was indexed to the closing price of the Company's Class A common stock, as reported on the New York Stock Exchange consolidated tape, as of the date prior to each respective cash settlement election date, less the respective option grant price. A total of \$11.4 million was paid in connection with the cash settlement of 3.2 million options in April of 2024.

#### Note 11. 10. Net Income (Loss) Income Per Share

Basic earnings per common share ("EPS") is generally calculated as income available to common shareholders divided by the weighted average number of common shares outstanding. Diluted EPS is generally calculated as income available to common shareholders divided by the weighted average number of common shares outstanding plus the dilutive effect of common share equivalents. Stock-based compensation awards that are out-of-the-money and stock options and restricted stock units in which the market-based performance criteria have not been met as of the end of the respective reporting period are omitted from the calculation of Diluted EPS.

The following table sets forth the computations of basic and diluted net income (loss) income per share for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 (in thousands, except per share data):

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
2024		2024			
2023		2023			
Numerator:	Numerator:				
Net (loss) income		\$(36,503)	\$2,798	\$(41,144)	\$10,458
Numerator:					
Numerator:					
Net income (loss)					
Net income (loss)					
Net income (loss)					
Net income from non-controlling interest	Net income from non-controlling interest	496	538	1,476	1,580
Net (loss) income attributable to controlling interest		\$(36,999)	\$2,260	\$(42,620)	\$ 8,878
Net income (loss) attributable to controlling interest					
Denominator:	Denominator:				
Denominator:					
Denominator:					
Weighted average shares of common stock outstanding					
Weighted average shares of common stock outstanding					
Weighted average shares of common stock outstanding					
Weighted average shares of common stock outstanding	Weighted average shares of common stock outstanding	16,277	17,037	16,897	16,941
Effect of dilutive common stock equivalents	Effect of dilutive common stock equivalents	—	445	—	1,704







Impairment of intangible assets, investments, goodwill and long-lived assets	—	—	26,603	—	4,367	30,970	
Impairment of long-lived assets							
Impairment of long-lived assets							
Impairment of long-lived assets							
Net gain on sale and retirement of assets	—	—	(362)	—	—	(362)	
Net loss on sale and retirement of assets							
Net loss on sale and retirement of assets							
Net loss on sale and retirement of assets							
Operating income (loss)	Operating income (loss)	\$ 5,282	\$ 11,448	\$ (13,081)	\$ (427)	\$ (13,881)	\$ (10,659)

The following table presents the Company's reportable segment results for the three months ended **September 30, 2022** **March 31, 2023** (in thousands):

	Subscription Digital		Broadcast		Corporate and Other Reconciling		
	Marketing Solutions	Digital Advertising	Advertising	Other	Items	Total	
Net revenue	\$ 23,188	\$ 36,989	\$ 59,293	\$ 1,165	\$ —	\$ 120,635	
Direct operating expenses, excluding depreciation, amortization and stock-based compensation	16,744	25,949	39,889	1,403	—	83,985	
Depreciation and amortization	321	150	3,301	26	669	4,467	
Corporate expenses	—	—	—	—	5,744	5,744	
Stock-based compensation	137	20	109	2	454	722	
Transaction and business realignment costs <sup>(1)</sup>	—	—	—	6	998	1,004	
Impairment of intangible assets, investments and long-lived assets	—	—	10,300	—	—	10,300	
Net gain on sale and retirement of assets	—	—	(99)	—	(20)	(119)	
<b>Operating income (loss)</b>	<b>\$ 5,986</b>	<b>\$ 10,870</b>	<b>\$ 5,793</b>	<b>\$ (272)</b>	<b>\$ (7,845)</b>	<b>\$ 14,532</b>	

<sup>(1)</sup> Includes integration costs of \$0.9 million related to the acquisition of Cherry Creek. These costs were predominantly for travel and compensation.

The following tables present the Company's reportable segment results for the nine months ended September 30, 2023 (in thousands):

		Subscription Digital				Corporate and Other Reconciling		
		Solutions	Advertising	Advertising	Other	Items	Total	
	Subscription Digital Marketing Solutions							
		Subscription Digital Marketing Solutions	Digital Advertising	Broadcast Advertising	Other	Corporate and Other Reconciling Items	Total	
Net revenue	Net revenue	\$ 63,086	\$ 113,842	\$ 153,822	\$ 8,695	\$ —	\$ 339,445	
Direct operating expenses, excluding depreciation, amortization and stock-based compensation	Direct operating expenses, excluding depreciation, amortization and stock-based compensation	45,703	77,666	113,858	8,074	—	245,301	



Depreciation and amortization	Depreciation and amortization	980	479	10,245	104	2,688	14,496
Corporate expenses	Corporate expenses	—	—	—	—	18,911	18,911
Stock-based compensation	Stock-based compensation	431	258	622	10	4,907	6,228
Transaction and business realignment costs	Transaction and business realignment costs	—	—	366	14	384	764
Impairment of intangible assets, investments, goodwill and long-lived assets		—	—	51,833	—	13,864	65,697
Impairment of intangible and long-lived assets							
Impairment of intangible and long-lived assets							
Impairment of intangible and long-lived assets							
Net gain on sale and retirement of assets	Net gain on sale and retirement of assets	—	—	(703)	—	—	(703)
<b>Operating income (loss)</b>	<b>Operating income (loss)</b>	<b>\$ 15,972</b>	<b>\$ 35,439</b>	<b>\$ (22,399)</b>	<b>\$ 493</b>	<b>\$ (40,754)</b>	<b>\$ (11,249)</b>

The following tables present the Company's reportable segment results for the nine months ended September 30, 2022 (in thousands):

	Subscription Digital Marketing Solutions	Digital Advertising	Broadcast Advertising	Other	Corporate and Other Reconciling Items	Total
Net revenue	\$ 68,021	\$ 103,379	\$ 164,520	\$ 6,881	\$ —	\$ 342,801
Direct operating expenses, excluding depreciation, amortization and stock-based compensation	48,513	73,058	113,875	6,135	—	241,581
Depreciation and amortization	911	360	9,603	113	2,559	13,546
Corporate expenses	—	—	—	—	15,892	15,892
Stock-based compensation	402	50	280	8	1,690	2,430
Transaction and business realignment costs <sup>(1)</sup>	—	—	—	18	2,262	2,280
Impairment of intangible assets, investments and long-lived assets	—	—	16,258	120	3,819	20,197
Net gain on sale and retirement of assets	—	—	(282)	—	(56)	(338)
<b>Operating income (loss)</b>	<b>\$ 18,195</b>	<b>\$ 29,911</b>	<b>\$ 24,786</b>	<b>\$ 487</b>	<b>\$ (26,166)</b>	<b>\$ 47,213</b>

<sup>(1)</sup> Includes integration costs of \$1.2 million related to the acquisition of Cherry Creek. These costs were predominantly for travel and compensation.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following management's discussion and analysis is intended to provide the reader with an overall understanding of our financial condition, results of operations, cash flows and sources and uses of cash. This section also includes general information about our business and a discussion of our management's analysis of certain trends, risks and opportunities in our industry. In addition, we also provide a discussion of accounting policies that require critical judgments and estimates. This discussion should be read in conjunction with our Unaudited Consolidated Financial Statements and related notes appearing elsewhere in this quarterly report.

### Note About Forward-Looking Statements

This report includes estimates, projections, statements relating to our business plans, objectives and expected operating results that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements often discuss our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. 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. Actual events or results may differ materially from the results anticipated in these forward-looking statements as a result of a variety of factors. While it is impossible to identify all such factors, factors that could cause actual results to differ materially from those estimated by us include the impact of general economic conditions in the United States, or in the specific markets in which we currently do business including supply chain disruptions, inflation, labor shortages and the effect on advertising activity, 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 ability to develop and maintain digital technologies and hire and retain technical and sales talent, our dependence on key personnel, our capital expenditure requirements, our continued ability to identify suitable acquisition targets, and consummate and integrate any future acquisitions, legislative or regulatory requirements, risks and uncertainties relating to our leverage and changes in interest rates, our ability to obtain financing at times, in amounts and at rates considered appropriate by us, our ability to access the capital markets as and when needed and on terms that we consider favorable to us and other factors discussed in this section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this report and under “Risk Factors” in our 2022 2023 Annual Report on Form 10-K, as well as other risks discussed from time to time in our filings with the SEC. Many of these factors are beyond our ability to predict or control. 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 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 statements, whether as a result of new information, future events or otherwise, except as required by law.

## Format of Presentation

Townsquare is a community-focused digital media and digital marketing solutions company with market leading local radio stations, principally focused outside the top 50 markets in the United States. Our integrated and diversified products and solutions enable local, regional and national advertisers to target audiences across multiple platforms, including digital, mobile, social, video, streaming, e-commerce, radio and events. Our assets include a subscription digital marketing services solutions business (“Townsquare Interactive”), providing website design, creation and hosting, search engine optimization, social platforms and online reputation management as well as other monthly digital services for approximately 25,750 23,300 small to medium sized businesses; a robust digital advertising division (“Townsquare Ignite,” or “Ignite”), a powerful combination of a) an owned and operated portfolio of more than 400 local news and entertainment websites and mobile apps along with a network of leading national music and entertainment brands, collecting valuable first party data and b) a proprietary digital programmatic advertising technology stack with an in-house demand and data management platform; and a portfolio of 354 349 local terrestrial radio stations in 74 U.S. markets strategically situated outside the Top 50 markets in the United States. Our portfolio includes local media brands such as WYRK.com, WJON.com and NJ101.5.com, and premier national music brands such as XXLmag.com, TasteofCountry.com, UltimateClassicRock.com, and Loudwire.com.

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

The Company has identified three operating segments, which are Subscription Digital Marketing Solutions, Digital Advertising and Broadcast Advertising. The remainder of our business is reported in the Other category.

## Subscription Digital Marketing Solutions

Our Subscription Digital Marketing Solutions segment encompasses Townsquare Interactive, our subscription digital marketing solutions business. Townsquare Interactive offers digital marketing solutions, on a subscription basis, to small and medium-sized business (“SMBs”) in markets outside the top 50 across the United States, including but importantly not limited to the markets in which we operate radio stations. We offer a variety of digital marketing solutions, which enables SMBs to choose the optimal features for their specific business.

## Digital Advertising

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

## Broadcast Advertising

Our Broadcast Advertising segment includes our portfolio of 354 349 local terrestrial radio stations. Our primary source of Broadcast Advertising net revenue is the sale of advertising on our local radio stations primarily to local and regional spot advertisers and, also to a lesser extent, national spot and national network advertisers. We believe we are the largest and best-capitalized owner and operator of radio stations focused solely on markets outside the top 50 markets in the United States. Given the stability of radio’s audience, its broad reach and its relatively low cost as compared to competing advertising media such as television, we believe radio continues to offer an attractive value proposition to advertisers. The price point for radio advertising on a cost per thousand basis is lower than most other local media that deliver similar scale. This makes radio more affordable and accessible for the type of small and mid-sized businesses typically found in our local markets outside the top 50 markets in the U.S.

## Other

We report the remainder of our revenue in the Other category, and it includes revenue from our live events. Our primary source of live events net revenue is ticket sales. Our live events also generate substantial revenue through the sale of sponsorships, food and other concessions, merchandise and other ancillary products and services.

## Overall

We generate a majority of our advertising revenue by selling directly to local advertisers, as well as to local and regional advertising agencies which affords us the opportunity to better present our products, cross-sell products and more directly influence their advertising and marketing expenditure decisions. A significant percentage of our advertising revenue is generated from the sale of advertising to the automotive, financial services, health services, entertainment, and retail industries.

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

A portion of our expenses are variable. These variable expenses primarily relate to sales costs, such as commissions and inventory costs, as well as certain programming costs, such as music license fees, and certain costs related to production. Other programming, digital, engineering and general and administrative expenses are primarily fixed costs.

## Seasonality

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

## Macroeconomic Indicators

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

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

## OVERVIEW OF OUR PERFORMANCE

### Highlights of Our Financial Performance

Certain key financial developments in our business for the three months ended September 30, 2023 March 31, 2024 as compared to the same period in 2022 2023 are summarized below:

- Net revenue decreased \$5.5 million \$3.5 million, or 4.6% 3.4%, primarily driven by a \$5.1 million decrease in our Broadcast Advertising net revenue and a \$2.9 million \$3.3 million decrease in our Subscription Digital Marketing Solutions net revenue and a \$0.5 million decrease in our Broadcast Advertising net revenue, partially offset by a \$2.0 million \$0.4 million increase in our Digital Advertising net revenue.
- Operating income decreased \$25.2 million increased \$2.4 million, or 173.3% 56.7%, for the three months ended September 30, 2023 March 31, 2024. The decrease increase was primarily due to a \$20.7 million increase \$6.9 million decrease in non-cash impairment charges and the \$5.5 million decrease in net revenue, partially offset by \$2.7 million a \$1.4 million decrease in direct operating expenses, due partially offset by a \$3.5 million decrease in part to lower net revenue, a \$1.2 million increase in transaction and business realignment costs and a \$1.1 million increase in stock-based compensation.
- Broadcast Advertising reported an operating loss income of \$13.1 \$5.5 million, as compared to operating income loss of \$5.8 \$3.6 million for the three months ended September 30, 2022 March 31, 2023. The decrease increase of \$18.9 million \$9.1 million is primarily due to an increase a decrease in non-cash impairment charges to our FCC licenses of \$13.3 million, a decrease in net revenue of \$5.1 million \$6.9 million and a non-cash goodwill impairment charge of \$2.8 million, partially offset by a decrease in direct operating expenses of \$2.4 million \$2.1 million. The Digital Advertising segment reported operating income of \$11.4 million \$6.7 million for the three months ended September 30, 2023 March 31, 2024, which represents an increase a decrease of \$0.6 million \$3.2 million, as compared to operating income of \$10.9 million \$9.9 million for the same period in 2022 2023. The increase decrease is primarily due to an increase in net revenue of \$2.0 million, partially offset by an increase of \$1.3 million \$3.5 million in direct operating expenses. Subscription Digital Marketing Solutions reported operating income of \$5.3 million \$4.3 million, a decrease of \$0.7 million \$0.9 million from the three months ended September 30, 2022 March 31, 2023.

Certain key financial developments in our business for the nine months ended September 30, 2023, as compared to the same period in 2022 are summarized below:

- Net revenue for the nine months ended September 30, 2023 as compared to the same period in 2022, decreased \$3.4 million, or 1.0%, primarily driven by a decrease of \$10.7 million in our Broadcast Advertising net revenue and a \$4.9 million decrease in our Subscription Digital Marketing Solutions net revenue. These decreases were partially offset by a \$10.5 million increase in our Digital Advertising net revenue and a \$1.8 million increase in Other net revenue.



\*\* not meaningful

		Net Revenue				Direct Operating Expenses			
		Three Months Ended September 30,				Three Months Ended September 30,			
		\$	%			\$	%		
2023	2022	Change	Change		2023	2022	Change	Change	



Unfavorable changes in key assumptions utilized in the impairment assessment of our FCC licenses may affect future testing results. For example, keeping all other assumptions constant, a 50-basis 100-basis point increase in the weighted average cost of capital as of the date of our last quantitative assessment would cause the estimated fair values of our FCC licenses to decrease by \$14.0 \$29.5 million which would have resulted in an additional impairment charge of \$9.7 \$4.6 million as of September 30, 2023 March 31, 2024. Further, a 100-basis point decline in the long-term revenue growth rate would cause the estimated fair values of our FCC licenses to further decrease by \$17.3 \$15.4 million which would have resulted in a further impairment charge of \$13.4 \$5.7 million as of September 30, 2023 March 31, 2024. Assumptions used to estimate the fair value of our FCC licenses are also dependent upon the expected performance and growth of our traditional broadcast operations. In the event broadcast revenue experiences actual or anticipated declines, such declines will have a negative impact on the estimated fair value of our FCC licenses, and the Company could recognize additional impairment charges, which could be material.

During the three months ended September 30, 2023, the Company recorded an impairment charge of \$4.4 million related to certain of its equity securities, which are measured at cost minus impairment. There were no impairment charges recorded for the three months ended September 30, 2022. For further discussion, see Note 7, *Investments*, in the Notes to Unaudited Consolidated Financial Statements.

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

Gain on repurchase of debt

Other income net

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## Provision (benefit) for income taxes

We recognized a provision for income taxes of \$17.5 million \$0.2 million for the three months ended September 30, 2023 March 31, 2024, as compared to \$2.3 million an income tax benefit of \$1.6 million for the same period in 2022, 2023. Our effective tax rate for the three months ended September 30, 2023 March 31, 2024 and 2022 2023 was approximately (91.9)% 11.8% and 44.8%, respectively. The decrease in the effective tax rate and income tax provision for the three months ended September 30, 2023 March 31, 2024, is primarily the result of the non-cash impairment charges recorded driven by discrete items for the period, and the corresponding increase in the valuation allowance for deferred tax assets, including gain on sale of investment.

Our effective tax rate may vary significantly from period to period and can be influenced by many factors. These factors include, but are not limited to, changes to statutory rates in the jurisdictions where we have operations and changes in the valuation of deferred tax assets and liabilities. The difference between the effective tax rate and the federal statutory rate of 21%, primarily relates to certain non-deductible items, state and local income taxes and the valuation allowance for deferred tax assets.

## Consolidated Results of Operations

### Nine months ended September 30, 2023 compared to nine months ended September 30, 2022

The following table summarizes our historical consolidated results of operations:

(\$ in thousands)	Nine Months Ended			
	September 30,			
Statement of Operations Data:	2023	2022	\$ Change	% Change
Net revenue	\$ 339,445	\$ 342,801	\$ (3,356)	(1.0)%
Direct operating expenses, excluding depreciation, amortization, and stock-based compensation	245,301	241,581	3,720	1.5 %
Depreciation and amortization	14,496	13,546	950	7.0 %
Corporate expenses	18,911	15,892	3,019	19.0 %
Stock-based compensation	6,228	2,430	3,798	156.3 %
Transaction and business realignment costs	764	2,280	(1,516)	(66.5)%
Impairment of intangible assets, investments, goodwill and long-lived assets	65,697	20,197	45,500	225.3 %
Net gain on sale and retirement of assets	(703)	(338)	(365)	108.0 %
<b>Total operating costs and expenses</b>	<b>350,694</b>	<b>295,588</b>	<b>55,106</b>	<b>18.6 %</b>
<b>Operating (loss) income</b>	<b>(11,249)</b>	<b>47,213</b>	<b>(58,462)</b>	<b>(123.8)%</b>
Other expense (income):				
Interest expense, net	28,215	30,038	(1,823)	(6.1)%
Gain on repurchases of debt	(1,249)	(108)	(1,141)	**
Other (income) expense, net	(6,451)	1,886	(8,337)	**
<b>(Loss) income from operations before income taxes</b>	<b>(31,764)</b>	<b>15,397</b>	<b>(47,161)</b>	<b>(306.3)%</b>
Income tax provision	9,380	4,939	4,441	89.9 %
<b>Net (loss) income</b>	<b>\$ (41,144)</b>	<b>\$ 10,458</b>	<b>\$ (51,602)</b>	<b>(493.4)%</b>

\*\* not meaningful

## Segment Results

The following table presents the Company's reportable segment net revenue and direct operating expenses for the nine months ended September 30, 2023 and 2022 (in thousands):

	Net Revenue				Direct Operating Expenses			
	Nine Months Ended				Nine Months Ended			
	September 30,				September 30,			
	2023	2022	\$ Change	% Change	2023	2022	\$ Change	% Change
Subscription Digital Marketing Solutions	\$ 63,086	\$ 68,021	\$ (4,935)	(7.3)%	\$ 45,703	\$ 48,513	\$ (2,810)	(5.8)%
Digital Advertising	113,842	103,379	10,463	10.1 %	77,666	73,058	4,608	6.3 %
Broadcast Advertising	153,822	164,520	(10,698)	(6.5)%	113,858	113,875	(17)	**
Other	8,695	6,881	1,814	26.4 %	8,074	6,135	1,939	31.6 %
<b>Total</b>	<b>\$ 339,445</b>	<b>\$ 342,801</b>	<b>\$ (3,356)</b>	<b>(1.0)%</b>	<b>\$ 245,301</b>	<b>\$ 241,581</b>	<b>\$ 3,720</b>	<b>1.5 %</b>



## Net Revenue

Net revenue for the nine months ended September 30, 2023, decreased \$3.4 million, or 1.0%, as compared to the same period in 2022. Our Digital Advertising net revenue for the nine months ended September 30, 2023, increased \$10.5 million, or 10.1%, due to purchases of new advertising and our Other net revenue increased \$1.8 million, or 26.4%, due to an increase in live events held during the period, as compared to the same period a year ago.

Our Broadcast Advertising net revenue decreased \$10.7 million, or 6.5%, due to decreases in the purchase of new advertising by our clients. Our Subscription Digital Marketing Solutions net revenue for nine months ended September 30, 2023 decreased \$4.9 million, or 7.3% as compared to the same period in 2022 due in part to a reduction of net subscribers.

## Direct Operating Expenses

Direct operating expenses for the nine months ended September 30, 2023, increased by \$3.7 million, or 1.5%, as compared to the same period in 2022. Our Digital Advertising direct operating expenses for nine months ended September 30, 2023 increased \$4.6 million, or 6.3%, due to higher inventory and compensation costs due to the increase in revenue, and our Other direct operating expenses increased \$1.9 million, or 31.6%, due to an increase in live events during the period, as compared to the same period a year ago.

These increases were offset by a decrease of \$2.8 million, or 5.8% in our Subscription Digital Marketing Solutions direct operating expenses for nine months ended September 30, 2023, as compared to the same period in 2022. The decrease was primarily driven by decreases in promotional expenses and lower compensation. Our Broadcast Advertising direct operating expenses were essentially flat, driven by higher medical expenses and music license fees offset by lower compensation.

## Corporate Expenses

Corporate expenses are of a general corporate nature or managed on a corporate basis. These costs (net of allocations to the business segments) primarily represent corporate stewardship and administration activities. Corporate expenses for the nine months ended September 30, 2023 increased \$3.0 million, or 19.0%, as compared to the same period in 2022 primarily due to higher compensation.

## Stock-based Compensation

Stock-based compensation expense for the nine months ended September 30, 2023, increased \$3.8 million, or 156.3%, as compared to the same period in 2022 due to grants during the fourth quarter of 2022 and the first quarter of 2023. For further discussion, see Note 10, *Stockholders' Equity*, in the Notes to Unaudited Consolidated Financial Statements.

## Transaction and Business Realignment Costs

Transaction and business realignment costs for the nine months ended September 30, 2023 decreased \$1.5 million as compared to the same period in 2022, primarily due to the Cherry Creek acquisition during 2022.

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

The Company recorded total impairment charges of \$48.4 million related to FCC licenses in 32 of our 74 local markets during the nine months ended September 30, 2023, as compared to impairment charges of \$15.5 million to FCC licenses in eight of our 74 local markets in the same period a year ago. The impairment charges were primarily driven by increases in the discount rate applied in the valuation of our FCC licenses due to an increase in the weighted average cost of capital, decreases in third-party forecasts of broadcast revenues and an increase in the estimate of initial capital costs due to rising prices. During the nine months ended September 30, 2023, the Company concluded that the carrying amount of the Local Advertising reporting unit exceeded its fair value, resulting in the recognition of a non-cash goodwill impairment charge of \$2.8 million. An interim impairment assessment was considered necessary as a result of declines in traditional broadcast revenue and the increase in the weighted average cost of capital. Following the non-cash goodwill impairment charge recognized during the three months ended September 30, 2023, the Local Advertising reporting unit had no goodwill as of September 30, 2023. For further discussion, see Note 6, *Goodwill and Other Intangible Assets*, in the Notes to Unaudited Consolidated Financial Statements.

During the nine months ended September 30, 2023, the Company recorded an impairment charge of \$13.6 million related to certain of its equity securities, which are measured at cost minus impairment. The Company recorded an impairment charge of \$1.2 million related to one of our investments during nine months ended September 30, 2022. For further discussion, see Note 7, *Investments*, in the Notes to Unaudited Consolidated Financial Statements. During the nine months ended September 30, 2022, we recorded a \$2.6 million impairment charge resulting from changes in the fair value of the Company's digital assets. For further discussion, see Note 6, *Goodwill and Other Intangible Assets*, in the Notes to Unaudited Consolidated Financial Statements.

## Interest Expense, net

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

Nine Months Ended September 30,	
2023	2022

2026 Notes	\$	26,874	\$	27,877
Capital leases and other		1,010		803
Deferred financing costs		1,567		1,359
Interest income		(1,236)		(1)
<b>Interest expense, net</b>	<b>\$</b>	<b>28,215</b>	<b>\$</b>	<b>30,038</b>

#### Gain on repurchase of debt

During the nine months ended September 30, 2023, the Company voluntarily repurchased an aggregate \$27.1 million principal amount of its 2026 Notes below par plus accrued interest. The Company wrote-off approximately \$0.3 million of unamortized deferred financing costs, recognizing a total net gain of \$1.2 million in connection with the voluntary repurchases of its 2026 Notes.

#### Other expense (income), net

##### Realized Gain on Investment

During the nine months ended September 30, 2023, one of the Company's investments was acquired in a private transaction. The Company recognized a \$5.2 million gain on the transaction, based on total consideration received in the amount of \$6.0 million. See Note 7, *Investments*, in our Notes to Consolidated Financial Statements for further discussion related to this investment.

##### Sale of Digital Assets

During the nine months ended September 30, 2023, the Company sold its digital assets with a carrying value of \$2.1 million, recognizing a gain on the sale of \$0.8 million. For further discussion, see Note 6, *Goodwill and Other Intangible Assets*, in the Notes to Unaudited Consolidated Financial Statements.

##### Insurance Recoveries

During the nine months ended September 30, 2023, the Company recorded total insurance recoveries of \$0.7 million related to hurricane damages incurred in the Shreveport, LA market.

##### Unrealized Loss on Investment

Other expense (income), net includes unrealized losses related to measuring the fair value of one of the Company's investees. During the nine months ended September 30, 2023 the Company recorded an unrealized net loss of \$0.5 million, as

compared \$1.9 million during the nine months ended September 30, 2022. See Note 7, *Investments*, in our Notes to Consolidated Financial Statements for further discussion related to this investment.

##### Other

During the nine months ended September 30, 2023, the Company received approval for the reimbursement of \$1.5 million for satellite dish equipment modifications required by the FCC related to the use of the 3.7-4.2 GHz band (C-band) spectrum.

#### Provision for income taxes

We recognized a provision for income taxes of \$9.4 million for the nine months ended September 30, 2023, as compared to \$4.9 million for the same period in 2022. Our effective tax rate for the period was approximately (29.5)% for the nine months ended September 30, 2023 as compared to 32.1% for the nine months ended September 30, 2022. The effective tax rate and income tax provision for the nine months ended September 30, 2023 is primarily the result of the non-cash impairment charges recorded for the period and the corresponding increase in the valuation allowance for deferred tax assets.

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 21.0%, primarily relates to certain non-deductible items, state and local income taxes and the valuation allowance for deferred tax assets.

#### **Liquidity and Capital Resources**

The following table summarizes our change in cash and cash equivalents (in thousands):

<b>Nine Months Ended September 30,</b>
--

		2023	2022
Three Months Ended			
March 31,		Three Months Ended March 31,	
		2024	2023
Cash and cash equivalents	Cash and cash equivalents	\$37,955	\$27,046
Restricted cash	Restricted cash	501	495
Cash provided by operating activities	Cash provided by operating activities	38,964	32,106
Cash provided by operating activities			
Cash provided by operating activities			
Cash used in investing activities	Cash used in investing activities	(400)	(35,354)
Cash used in financing activities	Cash used in financing activities	(44,021)	(20,210)
Net decrease in cash and cash equivalents and restricted cash	Net decrease in cash and cash equivalents and restricted cash	<u>\$ (5,457)</u>	<u>\$ (23,458)</u>

#### Operating Activities

Net cash provided by operating activities was \$39.0\$1.7 million for the nine three months ended September 30, 2023 March 31, 2024, as compared to \$32.1\$9.4 million for the same period in 2022, 2023. This increase decrease was primarily due to lower changes in working capital balances particularly prepaid and accrued expenses.

#### Investing Activities

Net cash used in investing activities was \$0.4\$0.3 million for the nine three months ended September 30, 2023 March 31, 2024, as compared to \$35.4\$0.2 million for the same period in 2022, 2023. The decrease increase in net cash used in investing activities was primarily due to cash proceeds of \$3.0 million related to the purchase sales of digital assets of \$5.0 million and payment for the Cherry Creek acquisition of \$18.4 million during 2022 in 2023 that did not reoccur in the same period 2024 and a \$0.8 million increase in 2023. During the nine months ended September 30, 2023, the Company received cash purchases of property and equipment, partially offset by a \$3.7 million increase in proceeds of \$7.3 million and \$3.0 million related to sales from sale of assets and investment related transactions and digital assets, respectively, transactions.

#### Financing Activities

Net cash used in financing activities was \$44.0\$5.8 million for the nine three months ended September 30, 2023 March 31, 2024, as compared to \$20.2\$10.8 million for the same period in 2022, 2023. The increase in net cash used in financing activities was primarily due to \$14.6 million paid \$3.2 million in dividend payments, and \$4.3 million for the repurchase repurchases of 1.5 million shares of Class C common stock from MSG National Properties, LLC, higher repurchases of 2026 Notes and dividend payments of \$6.3 million in 2023, during the three months ended March 31, 2024, partially offset by an increase \$11.2 million in voluntary repurchases of our 2026 Notes in 2023, as compared to no repurchases during the three months ended March 31, 2024. Additionally, proceeds from the exercise of stock options exercised, increased \$2.0 million for the three months ended March 31, 2024, as compared to the same period a year ago.

#### Sources of Liquidity and Anticipated Cash Requirements

We fund our working capital requirements through a combination of cash flows from our operating, investing, and financing activities. Based on current and anticipated levels of operations and conditions in our markets and industry, we believe that our cash on hand and cash flows from our operating, investing, and financing activities will enable us to meet our working capital, capital expenditures, debt service, and other funding requirements for at least one year from the date of this report. Future capital requirements may be materially different than those currently planned in our budgeting and forecasting activities and depend on many factors, some of which are beyond our control. We have focused on and will continue to monitor our liquidity in response to current and future economic challenges and uncertainty.

As of September 30, 2023 March 31, 2024, we had \$499.1 million \$500.1 million of outstanding indebtedness, net of deferred financing costs of \$4.5 million \$3.5 million.

Based on the terms of our 2026 Notes, as of September 30, 2023 March 31, 2024, we expect our debt service requirements to be approximately \$34.6 million over the next twelve months. See Note 8, 7, Long-Term Debt, in our Notes to Consolidated Financial Statements for additional information related to our 2026 Notes.

As of September 30, 2023 March 31, 2024 we had \$38.0 million \$56.6 million of cash and cash equivalents, and \$63.5 million \$53.9 million of receivables from customers, which historically have had an average collection cycle of approximately 55 days. We had restricted cash of \$0.5 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, that was held as collateral in connection with certain agreements. From time to time, such restricted funds could be returned to us or we could be required to pledge additional cash.

On August 7, 2023 February 28, 2024, the board of directors approved a dividend of \$0.1875 \$0.1975 per share. The \$3.1 million \$3.0 million dividend was paid on November 1, 2023 May 1, 2024. On November 6, 2023 April 30, 2024 the board of directors approved a dividend of \$0.1875 \$0.1975 per share. The dividend will be paid to holders of record as of January 2, 2024 July 15, 2024 on February 1, 2024 August 1, 2024.

During the first half of 2023, the Company voluntarily repurchased an aggregate \$27.1 million in principal amount of its 2026 Notes, below par.

On June 16, 2023 April 1, 2024, the Company repurchased 1.5 million 1.5 million shares of the Company's Class CA common stock in the aggregate amount of \$14.6 million from MSG Entertainment Group, National Properties, LLC ("MSG" ("MSG"). The shares were retired upon repurchase. Additionally,

In late March of 2024, the Company repurchased approximately 0.2 million shares launched a program that offered certain holders a cash settlement of options that were granted in July 2014 following the completion of the Company's initial public offering. These options were approaching their expiration date in July 2024. The cash settlement amount to be paid to each holder was indexed to the closing price of the Company's Class A common stock, for approximately \$2.1 as reported on the New York Stock Exchange consolidated tape, as of the date prior to each respective cash settlement election date less the respective option grant price. A total of \$11.4 million during was paid in connection with the nine months ended September 30, 2023. cash settlement of 3.2 million options in April of 2024.

Our anticipated uses of cash in the near term include working capital needs, interest payments, dividend payments, share repurchases, other obligations, and capital expenditures. The Company believes that the cash generated by its operations should be sufficient to meet its liquidity needs for at least the next 12 months. However, our ability to fund our working capital needs, 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. To the extent that current and anticipated future sources of liquidity are insufficient to fund our future business activities and requirements, we may be required to seek additional equity or debt financing. The sale of additional equity would result in additional dilution to our stockholders, while the incurrence of debt financing would result in debt service obligations. Such debt instruments also could introduce covenants that might restrict our operations. We cannot assure you that we could obtain additional financing on favorable terms or at all.

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

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

#### Off-Balance Sheet Arrangements

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

#### Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses and related disclosures of contingent assets and liabilities. On an ongoing basis, we evaluate our significant estimates, including those related to determining the fair value of assets and liabilities acquired in a business combination, impairment testing of intangible assets, valuation and impairment testing of long-lived tangible assets, the present value of leasing arrangements, share-based payment expense and the calculation of allowance for doubtful accounts and income taxes. We base our estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the result of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Our estimates may change, however, as new events occur and additional information is obtained, and any such changes will be recognized in the Consolidated Financial Statements. Actual results could differ from such estimates, and any such differences may be material to our financial statements.

We believe the accounting policies and estimates discussed within "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2022 2023 Annual Report on Form 10-K reflects our more significant judgments and estimates used in the preparation of the Consolidated Financial Statements. There have been no material changes to the critical accounting policies and estimates as filed in such report.

#### Recent Accounting Standards

For a discussion of accounting standards updates that have been adopted or will be adopted in the future, please refer to Note 2, *Summary of Significant Accounting Policies* of the Notes to Unaudited Consolidated Financial Statements included under Item 1.

#### Item 4. Controls and Procedures

##### *Evaluation of Disclosure Controls and Procedures*

Our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), with the assistance of other members of management, have reviewed the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Our disclosure controls and procedures are intended to ensure that information required to be

disclosed by the Company in the reports it files or submits under the Exchange Act is (1) recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms and (2) accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. Based on this review, our CEO and CFO have concluded that the disclosure controls and procedures were effective as of **September 30, 2023** **March 31, 2024**.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect every misstatement. An evaluation of effectiveness is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may decrease over time.

#### Changes in Internal Control Over Financial Reporting

There were no changes in our internal controls over financial reporting that occurred during the three months ended **September 30, 2023** **March 31, 2024** that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

#### Inherent Limitations on Effectiveness of Controls

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

## PART II. OTHER INFORMATION

### Item 1. 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 three **and nine** months ended **September 30, 2023** **March 31, 2024**. 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 1A. Risk Factors

Please refer to Part I, Item 1A, "Risk Factors," in our **2022 2023** Annual Report on Form 10-K for information regarding known material risks that could affect our results of operations, financial condition and liquidity. In addition to these risks, other risks that we presently do not consider material, or other unknown risks, could materially adversely impact our business, financial condition and results of operations in a future period.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

**None.**

#### 2021 Share Repurchase Program

In December 2021, our Board of Directors approved a 3-year share repurchase program for up to \$50 million. The following table provides certain information with respect to the Company's purchases of its common shares during the three months ended **September 30, 2023** **March 31, 2024**:

Period	Total Number of Shares Purchased <sup>(1)</sup>	Average Price Paid per Share	Approximate dollar value of shares that may yet be purchased under the plan (in thousands)
July 1, 2023 through July 31, 2023	69,800	\$ 11.72	\$ 47,938
August 1, 2023 through August 31, 2023	—	\$ —	\$ 47,938
September 1, 2023 through September 30, 2023	24,400	\$ 10.33	\$ 47,686
Total	<b>94,200</b>	<b>\$ 11.36</b>	<b>\$ 47,686</b>

Period	Total Number of Shares Purchased <sup>(1)</sup>	Average Price Paid per Share	Approximate dollar value of shares that may yet be purchased under the plan (in thousands)
Jan 1, 2024 through Jan 31, 2024 <sup>(2)</sup>	108,066	\$ 10.68	\$ 46,532
February 1, 2024 through February 29, 2024	138,835	\$ 10.92	\$ 45,016
March 1, 2024 through March 31, 2024	152,966	\$ 10.79	\$ 43,365

Total	399,867	\$	10.80	\$	43,365
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(1) This column represents the total number of shares purchased as part of publicly announced plans.

(2) Includes 396,759 shares purchased under the stock repurchase program, as well as 3,108 shares repurchased to satisfy withholding tax obligations due upon the vesting of stock-based awards.

### Item 3. Defaults upon Senior Securities

None.

### Item 4. Mine Safety Disclosures

None.

### Item 5. Other Information

None. None of our directors or executive officers adopted or terminated a Rule 10b5-1 trading arrangement or adopted or terminated a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K) during the quarter ended March 31, 2024.

### Item 6. Exhibits

See Exhibit Index.

#### EXHIBIT INDEX

Exhibit	Description
31.1*	<a href="#">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</a>
31.2*	<a href="#">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</a>
32.1**	<a href="#">Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350</a>
32.2**	<a href="#">Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350</a>
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
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\* Filed herewith

\*\* Furnished herewith

#### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TOWNSQUARE MEDIA, INC.

Date: November 9, 2023 May 9, 2024

By: /s/ Stuart Rosenstein

Name: Stuart Rosenstein

Title: Executive Vice President & Chief Financial Officer

By: /s/ Robert Worshek

Name: Robert Worshek

Title: Senior Vice President, Chief Accounting Officer

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Exhibit 31.1

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

I, Stuart Rosenstein, certify that:

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

Dated: November 9, 2023 May 9, 2024

By: /s/ Stuart Rosenstein

Name: Stuart Rosenstein

Title: Executive Vice President and Chief Financial Officer

Exhibit 31.2

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

I, Bill Wilson, certify that:

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

Dated: November 9, 2023 May 9, 2024

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 Quarterly Report on Form 10-Q of Townsquare Media, Inc. (the "Company") for the three months ended September 30, 2023 March 31, 2024 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: November 9, 2023 May 9, 2024

/s/ Stuart Rosenstein

Name: Stuart Rosenstein

Title: Executive Vice President and Chief Financial Officer

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

**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 Quarterly Report on Form 10-Q of Townsquare Media, Inc. (the "Company") for the three months ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bill Wilson, as Chief Executive Officer of Townsquare Media, Inc., hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge: the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 9, 2023 May 9, 2024

/s/ Bill Wilson

Name: Bill Wilson

Title: Chief Executive Officer

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

#### DISCLAIMER

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