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 June 30, 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	**27-1996555**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

One Manhattanville Road
Suite 202
Purchase, New York 10577
(Address of Principal Executive Offices, 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 August 2, 2024, the registrant had 15,393,798 outstanding shares of common stock consisting of: (i) 14,578,502 shares of Class A common stock, par value $0.01 per share and (ii) 815,296 shares of Class B common stock, par value $0.01 per share.

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)

	June 30, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 28,511	$ 61,046
Accounts receivable, net of allowance for credit losses of $3,879 and $4,041, respectively	60,530	60,780
Prepaid expenses and other current assets	11,822	10,356
Total current assets	**100,863**	**132,182**
Property and equipment, net	110,011	110,194
Intangible assets, net	166,982	200,306
Goodwill	154,577	157,270
Investments	2,183	3,542
Operating lease right-of-use assets	43,800	46,887
Other assets	711	1,165
Restricted cash	507	503
Total assets	**$ 579,634**	**$ 652,049**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 4,710	$ 5,036
Deferred revenue	9,471	9,059
Accrued compensation and benefits	10,062	13,085
Accrued expenses and other current liabilities	26,630	25,112
Operating lease liabilities, current	9,506	9,376
Accrued interest	14,043	14,420
Total current liabilities	**74,422**	**76,088**
Long-term debt, net of deferred finance costs of $2,880 and $3,960, respectively	487,056	499,658
Deferred tax liability	30,491	11,856
Operating lease liability, net of current portion	40,038	41,437
Other long-term liabilities	11,763	13,099
Total liabilities	**643,770**	**642,138**
Stockholders' equity:		
Class A common stock, par value $0.01 per share; 300,000,000 shares authorized; 15,298,802 and 14,023,767 shares issued and outstanding, respectively	153	140
Class B common stock, par value $0.01 per share; 50,000,000 shares authorized; 815,296 and 815,296 shares issued and outstanding, respectively	8	8
Class C common stock, par value $0.01 per share; 50,000,000 shares authorized; 0 and 1,961,341 shares issued and outstanding, respectively	—	20
Total common stock	161	168
Treasury stock, at cost; 840,461 and 183,768 shares of Class A common stock, respectively	(9,829)	(2,177)
Additional paid-in capital	299,161	310,612
Accumulated deficit	(356,633)	(302,193)
Non-controlling interest	3,004	3,501
Total stockholders' equity	(64,136)	9,911
Total liabilities and stockholders' equity	**$ 579,634**	**$ 652,049**

See Notes to Unaudited Consolidated Financial Statements

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Net revenue	$ 118,225	$ 121,231	$ 217,858	$ 224,341
Operating costs and expenses:				
Direct operating expenses, excluding depreciation, amortization, and stock-based compensation	85,512	85,654	162,407	163,978
Depreciation and amortization	5,014	4,835	9,949	9,779
Corporate expenses	6,482	6,962	11,699	12,307
Stock-based compensation	8,325	2,106	11,195	3,878
Transaction and business realignment costs	1,594	311	3,038	603
Impairment of intangible assets, investments, goodwill and long-lived assets	32,638	26,240	34,256	34,727
Net loss (gain) on sale and retirement of assets	30	(49)	44	(341)
Total operating costs and expenses	**139,595**	**126,059**	**232,588**	**224,931**
Operating loss	**(21,370)**	**(4,828)**	**(14,730)**	**(590)**
Other expense (income):				
Interest expense, net	9,212	9,314	18,243	18,872
Gain on repurchases of debt	(3)	(44)	(3)	(819)
Other income, net	(546)	(4,878)	(4,697)	(5,904)
Loss from operations before tax	**(30,033)**	**(9,220)**	**(28,273)**	**(12,739)**
Income tax provision (benefit)	18,825	(6,520)	19,032	(8,098)
Net loss	**$ (48,858)**	**$ (2,700)**	**$ (47,305)**	**$ (4,641)**
Net (loss) income attributable to:				
Controlling interests	$ (49,244)	$ (3,200)	$ (48,108)	$ (5,621)
Non-controlling interests	$ 386	$ 500	$ 803	$ 980
Basic loss per share	$ (3.26)	$ (0.19)	$ (3.04)	$ (0.33)
Diluted loss per share	$ (3.26)	$ (0.19)	$ (3.04)	$ (0.33)
Weighted average shares outstanding:				
Basic	15,097	17,221	15,829	17,212
Diluted	15,097	17,221	15,829	17,212

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**
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[1]	1,961,341	—	(1,961,341)	—	—	—	—	—	—	—
Settlement of options[2]	—	—	—	—	—	—	(6,902)	—	—	(6,902)
Dividends declared ($0.1975 per share)	—	—	—	—	—	—	—	(3,158)	—	(3,158)
Stock-based compensation	—	—	—	—	—	—	2,162	—	—	2,162
Treasury stock acquired at cost[3]	—	—	—	396,759	—	(4,299)	—	—	—	(4,299)
Common stock issued under exercise of stock options	263,053	—	—	—	3	—	2,202	—	—	2,205
ESPP shares issued	42,360	—	—	—	—	—	403	—	—	403
Issuance of restricted stock[4]	143,737	—	—	—	1	—	(1)	—	—	—
Shares withheld to satisfy tax withholdings	(3,108)	—	—	—	—	—	(35)	—	—	(35)
Balance at March 31, 2024	**16,431,150**	**815,296**	**—**	**580,527**	**$ 172**	**$ (6,476)**	**$ 308,441**	**$ (304,215)**	**$ 3,918**	**$ 1,840**
Net (loss) income	—	—	—	—	—	—	—	(49,244)	386	(48,858)
Repurchase of stock[5]	(1,500,000)	—	—	—	(15)	—	(14,625)	—	—	(14,640)
Dividends declared ($0.1975 per share)	—	—	—	—	—	—	—	(3,174)	—	(3,174)
Stock-based compensation	—	—	—	—	—	—	2,717	—	—	2,717
Common stock issued under exercise of stock options	294,962	—	—	—	3	—	2,629	—	—	2,632
Treasury stock acquired at cost [3]	—	—	—	259,934	—	(3,353)	—	—	—	(3,353)
Issuance of restricted stock [4]	72,690	—	—	—	1	—	(1)	—	—	—
Cash distributions to non-controlling interests	—	—	—	—	—	—	—	—	(1,300)	(1,300)
Balance at June 30, 2024	**15,298,802**	**815,296**	**—**	**840,461**	**$ 161**	**$ (9,829)**	**$ 299,161**	**$ (356,633)**	**$ 3,004**	**$ (64,136)**

[1] 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.

[2] During the three months ended March 31, 2024, the Company launched a program that offered certain holders a cash settlement of options. Refer to Note 9, *Stockholders' Equity*, in the accompanying Notes to Consolidated Financial Statements for additional information related to the settlement.

[3] 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 9, *Stockholders' Equity*, in the accompanying Notes to Consolidated Financial Statements for additional information related to the stock repurchases.

[4] Refer to Note 9, *Stockholders' Equity*, in the accompanying Notes to Consolidated Financial Statements for additional information related to shares issued.

[5] On April 1, 2024, the Company repurchased 1.5 million shares of the Company's Class A common stock. For further discussion on the repurchase, see Note 9, *Stockholders' Equity*, in the accompanying Notes to Consolidated Financial Statements.

	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 ($0.1875 per share)	—	—	—	—	—	—	—	(3,343)	—	(3,343)
Stock-based compensation	—	—	—	—	—	—	1,772	—	—	1,772
Common stock issued under exercise of stock options	5,000	—	—	—	—	—	31	—	—	31
ESPP shares issued	65,732	—	—	—	—	—	430	—	—	430
Issuance of restricted stock [1]	82,263	—	—	—	1	—	(1)	—	—	—
Balance at March 31, 2023	**13,117,307**	**815,296**	**3,461,341**	**—**	**$ 174**	**$ —**	**$ 311,877**	**$ (250,062)**	**$ 4,039**	**$ 66,028**
Net (loss) income	—	—	—	—	—	—	—	(3,200)	500	(2,700)
Repurchase of stock[2]	—	—	(1,500,000)	—	(15)	—	(14,535)	—	—	(14,550)
Dividends declared ($0.1875 per share)	—	—	—	—	—	—	—	(3,148)	—	(3,148)
Stock-based compensation	—	—	—	—	—	—	2,106	—	—	2,106
Common stock issued under exercise of stock options	551,121	—	—	—	5	—	4,272	—	—	4,277
Treasury stock acquired at cost [3]	—	—	—	89,568	—	(1,135)	—	—	—	(1,135)
Cash distributions to non-controlling interests	—	—	—	—	—	—	—	—	(1,499)	(1,499)
Balance at June 30, 2023	**13,668,428**	**815,296**	**1,961,341**	**89,568**	**$ 164**	**$ (1,135)**	**$ 303,720**	**$ (256,410)**	**$ 3,040**	**$ 49,379**

[1] Refer to Note 9, *Stockholders' Equity*, in the accompanying Notes to Consolidated Financial Statements for additional information related to shares issued.

[2] On June 16, 2023, the Company repurchased 1.5 million shares of the Company's Class C common stock. For further discussion on the repurchase, see Note 10, Stockholders' Equity, in our Notes to Consolidated Financial Statements

[3] Represents shares repurchased under the terms of the Company's 2021 Stock Repurchase Plan. Refer to Note 9,*Stockholders' Equity*, in the accompanying Notes to Consolidated Financial Statements for additional information related to the stock repurchases.

See Notes to Unaudited Consolidated Financial Statements

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

	Six Months Ended June 30,	
	2024	**2023**
Cash flows from operating activities:		
Net loss	$ (47,305)	$ (4,641)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	9,949	9,779
Amortization of deferred financing costs	990	949
Non-cash lease expense	—	52
Net deferred taxes and other	18,635	(8,473)
Allowance for credit losses	2,686	2,564
Stock-based compensation expense	11,195	3,878
Gain on repurchases of debt	(3)	(819)
Trade and barter activity, net	(575)	(1,008)
Impairment of intangible assets, investments, goodwill and long-lived assets	34,256	34,727
Realized gain on sale of digital assets	—	(839)
Gain on sale of investment	(4,009)	(5,210)
Unrealized gain on investment	(202)	(112)
Amortization of content rights	2,445	2,422
Change in content rights liabilities	(2,464)	(659)
Other	1,946	(596)
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable	(2,857)	(3,453)
Prepaid expenses and other assets	(527)	4,548
Accounts payable	(365)	625
Accrued expenses	(12,778)	(1,946)
Accrued interest	(377)	(367)
Other long-term liabilities	44	(15)
Net cash provided by operating activities	**10,684**	**31,406**
Cash flows from investing activities:		
Purchase of property and equipment	(8,679)	(7,136)
Proceeds from sale of digital assets	—	2,975
Proceeds from insurance recoveries	278	372
Proceeds from sale of assets and investment related transactions	4,408	6,196
Net cash (used in) provided by investing activities	**(3,993)**	**2,407**
Cash flows from financing activities:		
Repurchases of 2026 Notes	(13,589)	(11,966)
Dividend payments	(6,256)	(3,240)
Proceeds from stock options exercised	4,773	4,308
Shares withheld in lieu of employee tax withholding	(35)	—
Withholdings for shares issued under the ESPP	403	430
Repurchases of stock	(22,133)	(15,572)
Cash distribution to non-controlling interests	(1,300)	(1,499)
Repayments of capitalized obligations	(1,085)	(90)
Net cash used in financing activities	**(39,222)**	**(27,629)**
Cash and cash equivalents and restricted cash:		
Net (decrease) increase in cash, cash equivalents and restricted cash	**(32,531)**	**6,184**
Beginning of period	61,549	43,913
End of period	**$ 29,018**	**$ 50,097**

See Notes to Unaudited Consolidated Financial Statements

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

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Supplemental Disclosure of Cash Flow Information:		
Cash payments:		
Interest	$ 18,244	$ 19,054
Income taxes	684	817
Supplemental Disclosure of Non-cash Activities:		
Dividends declared, but not paid during the period	$ 3,174	$ 3,148
Property and equipment acquired in exchange for advertising [1]	587	253
Accrued capital expenditures	124	114
Supplemental Disclosure of Cash Flow Information relating to Leases:		
Cash paid for amounts included in the measurement of operating lease liabilities, included in operating cash flows	$ 6,094	$ 5,958
Right-of-use assets obtained in exchange for operating lease obligations	3,524	3,593
Reconciliation of cash, cash equivalents and restricted cash		
Cash and cash equivalents	$ 28,511	$ 49,598
Restricted cash	507	499
	$ 29,018	**$ 50,097**

[1] Represents total advertising services provided by the Company in exchange for property and equipment during each of the six months ended June 30, 2024 and 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 subscription 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 solutions business (“Townsquare Interactive”), providing a business management platform, website design, creation and hosting, search engine optimization, social platforms and online reputation management for approximately 23,575 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 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 and interest rates have caused and could continue to cause economic uncertainty and volatility. These factors could result in advertising and subscription digital marketing solutions cancellations, declines in the purchase of new advertising by our clients, declines in the addition of new digital marketing solutions subscribers, and increases to our operating expenses. We monitor economic conditions closely, and in response to observed or anticipated reductions in revenue, we may institute precautionary measures to address the potential impact to our consolidated financial position, consolidated results of operations, and liquidity, including wage reduction efforts and controlling non-essential capital expenditures.

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

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 "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 six months ended June 30, 2024, cash flows for the six months ended June 30, 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, 2024. The Consolidated Balance Sheet as of December 31, 2023 is derived from the audited Consolidated Financial Statements at that date.

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, 2023. For the Company's detailed accounting policies please refer to the Consolidated Financial Statements and related notes thereto included in the Company's 2023 Annual Report on Form 10-K.

Recently Issued Standards That Have Not Yet Been Adopted

In November 2023, the FASB issued ASU 2023-07, Segment Reporting – Improvements to Reportable Segments Disclosures, which enhances disclosures of significant segment expenses by requiring the disclosure of significant segment expenses regularly provided to the chief operating decision maker, extending certain annual disclosures to interim periods, and permiting 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 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 six months ended June 30, 2024 and 2023:

	Three Months Ended June 30, 2024					Three Months Ended June 30, 2023				
	Subscription Digital Marketing Solutions	Digital Advertising	Broadcast Advertising	Other	Total	Subscription Digital Marketing Solutions	Digital Advertising	Broadcast Advertising	Other	Total
Net Revenue (ex Political)	$ 18,515	$ 41,377	$ 52,321	$ 4,553	$ 116,766	$ 21,268	$ 41,080	$ 53,361	$ 5,117	$ 120,826
Political	—	147	1,312	—	1,459	—	46	359	—	405
Net Revenue	**$ 18,515**	**$ 41,524**	**$ 53,633**	**$ 4,553**	**$ 118,225**	**$ 21,268**	**$ 41,126**	**$ 53,720**	**$ 5,117**	**$ 121,231**

	Six Months Ended June 30, 2024										Six Months Ended June 30, 2023									
	Subscription Digital Marketing Solutions		Digital Advertising		Broadcast Advertising		Other		Total		Subscription Digital Marketing Solutions		Digital Advertising		Broadcast Advertising		Other		Total	
Net Revenue (ex Political)	$	36,768	$	75,461	$	96,788	$	6,322	$	215,339	$	42,829	$	74,772	$	99,086	$	7,036	$	223,723
Political		—		219		2,300		—		2,519		—		61		557		—		618
Net Revenue	**$**	**36,768**	**$**	**75,680**	**$**	**99,088**	**$**	**6,322**	**$**	**217,858**	**$**	**42,829**	**$**	**74,833**	**$**	**99,643**	**$**	**7,036**	**$**	**224,341**

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

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

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

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

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

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

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

		June 30, 2024		December 31, 2023
Accounts Receivable	$	60,530	$	60,780
Short-term contract liabilities (deferred revenue)	$	9,471	$	9,059
Contract Acquisition Costs	$	5,955	$	5,175

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 June 30, 2024, and December 31, 2023, the balance in the contract liabilities was $9.5 million and $9.1 million, respectively. The increase in the contract liabilities balance at June 30, 2024 is primarily driven by cash payments received or due in advance of satisfying our performance obligations, offset by $1.3 million and $7.1 million of recognized revenue for the three and six months ended June 30, 2024. For the three and six months ended June 30, 2023, we recognized $1.2 million and $8.5 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 six months ended June 30, 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 June 30, 2024 and December 31, 2023, we had a balance of $6.0 million and $5.2 million, respectively, in capitalized contract acquisition costs and recognized $ 0.7 million and $2.2 million of amortization for the three and six months ended June 30, 2024, respectively. For the three and six months ended June 30, 2023, we recognized $1.7 million and $3.3 million of amortization, 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 six months ended June 30, 2024 and 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.

Allowance for Credit Losses

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.

The change in the allowance for credit losses for the six months ended June 30, 2024 was as follows (in thousands):

Balance at December 31, 2023	$	4,041
Provision for credit losses		2,686
Amounts written off against allowance, net of recoveries		(2,848)
Balance at June 30, 2024	**$**	**3,879**

Note 4. Property and Equipment, net

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

	June 30, 2024	December 31, 2023
Land and improvements	$ 18,792	$ 19,320
Buildings and leasehold improvements	59,104	58,302
Broadcast equipment	109,958	107,663
Computer and office equipment	26,232	25,097
Furniture and fixtures	22,528	22,384
Transportation equipment	18,873	18,573
Software development costs	48,847	45,347
Total property and equipment, gross	**304,334**	**296,686**
Less accumulated depreciation and amortization	(194,323)	(186,492)
Total property and equipment, net	**$ 110,011**	**$ 110,194**

Depreciation and amortization expense for property and equipment was $ 4.4 million and $4.2 million for the three months ended June 30, 2024 and 2023, respectively and $8.7 million and $8.6 million for the six months ended June 30, 2024 and 2023, respectively.

During the six months ended June 30, 2024, the Company recognized $ 0.3 million in impairment charges related to ROU assets associated with tower and land leases in 3 local markets. During the three and six months ended June 30, 2023, the Company recognized a $ 0.3 million impairment charge to right of use assets associated with the abandonment of a portion of leased office space in Purchase, NY.

During the three and six months ended June 30, 2023, the Company recognized a total of $ 0.2 million and $0.4 million in impairment charges, respectively, related to the intended sale of land and building in Battle Creek, MI and for certain long-lived assets, that were sold for immaterial amounts in five local markets.

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

Note 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 31st as the annual testing date.

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

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

	June 30, 2024	
Discount Rate	16.5%	
Long-term Revenue Growth Rate	0.0%	
	Low	High
Mature Market Share*	20.7%	75.0%
Operating Profit Margin	23.1%	46.7%

	March 31, 2024	
Discount Rate	13.7%	
Long-term Revenue Growth Rate	0.0%	
	Low	High
Mature Market Share*	22.0%	73.0%
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 the interim impairment assessments of our FCC licenses, as of June 30, 2024 we incurred impairment charges of $28.4 million and $29.7 million for the three and six months ended June 30, 2024, respectively, for FCC licenses in 26 of our 74 local markets for the three and six months ended June 30, 2024. 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 for the period and decreases in third-party forecasts of broadcast revenues. The increase in the weighted average cost of capital was driven by changes in the market data utilized in determining the discount rate applied in the valuation of our FCC licenses. The changes in data were driven by an increase in industry bond yields during the three months ended June 30, 2024. The Company recorded an impairment charge of $16.6 million and $24.8 million for FCC licenses in 20 of our 74 local markets for the three and six months ended June 30, 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 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 $18.9 million which would have resulted in an impairment charge of $16.4 million as of June 30, 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 $9.5 million which would have resulted in an impairment charge of $8.4 million as of June 30, 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 31st 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, 2023, the fair values of our National Digital, Townsquare Ignite, Analytical Services, and Townsquare Interactive reporting units were in excess of their respective carrying values by approximately 117%, 41%, 157%, and 147%, respectively. The Local Advertising and Amped reporting unit had no goodwill as of 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, 2023 that would indicate that the fair value of the Company's reporting units may be below their carrying amounts. During the second quarter of 2024, the Company concluded that the carrying amount of the National Digital and Live Events reporting units exceeded their fair values, resulting in the recognition of a non-cash goodwill impairment charges of $1.8 million and $0.9 million, respectively. An interim impairment assessment was considered necessary as a result of declines in revenue and increases in the weighted average cost of capital. The Company did not identify indicators of impairment related to any other reporting unit that would have required an interim impairment assessment during the three months ended June 30, 2024.

The fair value of the National Digital and Live Events reporting units were determined using an income approach whereby the fair value was calculated utilizing discounted estimated future cash flows. The income approach requires several assumptions including future sales growth, EBITDA (earnings before interest, taxes, depreciation and amortization) margins, and capital expenditures and discount rates which are the basis for the information used in the discounted cash flow model. The weighted-average cost of capital used in testing the National Digital and Live Events reporting units for impairment was 17.7% and 14.5%, respectively, with a perpetual growth rate of (1.0)% and 2.3%, respectively.

The following table presents changes in goodwill by segment during the six months ended June 30, 2024:

	Subscription Digital Marketing Solutions	Digital Advertising	Broadcast Advertising	Other	Total
Balance at December 31, 2023	**$ 77,000**	**$ 77,687**	**$ —**	**$ 2,583**	**$ 157,270**
Impairment	—	(1,784)	—	(909)	(2,693)
Balance at June 30, 2024	**$ 77,000**	**$ 75,903**	**$ —**	**$ 1,674**	**$ 154,577**

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, which was included as a component of Other (income) expense, net on the Consolidated Statements of Operations.

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 June 30, 2024 and December 31, 2023, respectively (in thousands):

	June 30, 2024			
	Weighted Average Useful Life (in Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible Assets:				
FCC licenses	Indefinite	$ 151,582	$ —	$ 151,582
Content rights and other intangible assets	2 - 8	32,589	(17,189)	15,400
Total		**$ 184,171**	**$ (17,189)**	**$ 166,982**

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

Amortization of definite-lived intangible assets was $ 1.8 million and $1.8 million for the three months ended June 30, 2024 and 2023, respectively, and $3.7 million and $3.6 million for the six months ended June 30, 2024 and 2023, respectively.

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

2024 (remainder)	$ 3,642
2025	3,600
2026	3,188
2027	1,978
2028	1,880
Thereafter	1,112
	$ 15,400

Note 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 six months ended June 30, 2024, the Company recorded $ 1.6 million of impairment charges for existing investments as the Company became aware of objective evidence to indicate that the fair value of the investments were below their carrying amounts.

During the three and six months ended June 30, 2023, the Company recorded a $ 9.2 million impairment charge for an existing investment based on the implied fair value of the investee, as the Company became aware of objective evidence to indicate that the fair value of its investment was below its carrying amount.

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

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 June 30, 2024, the fair value of the Company's investment in the common stock of the investee was approximately $1.0 million. As a result, the Company recorded an unrealized gain of $ 0.4 million and $0.2 million during the three and six months ended June 30, 2024, respectively. During the three and six months ended June 30, 2023, the Company recorded an unrealized gain of $0.2 million and $0.1 million, respectively, as a result of changes in the fair value of the investee's common stock.

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 7. Long-Term Debt

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

	June 30, 2024	December 31, 2023
2026 Notes	$ 489,936	$ 503,618
Deferred financing costs	(2,880)	(3,960)
Total long-term debt	**$ 487,056**	**$ 499,658**

During the six months ended June 30, 2024, the Company voluntarily repurchased an aggregate $ 13.7 million principal amount of its 2026 Notes below par, plus accrued interest. The Company wrote-off approximately $0.1 million of unamortized deferred financing costs, recognizing an immaterial net gain for the three and six months ended June 30, 2024. The repurchased notes were canceled by the Company.

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 June 30, 2024.

As of June 30, 2024, based on available market information, the estimated fair value of the 2026 Notes was $ 482.6 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 June 30, 2024 are as follows (in thousands):

2024 (remainder)	$	—
2025		—
2026		489,936
2027		—
2028		—
Thereafter		—
	$	**489,936**

Note 8. Income Taxes

The Company's effective tax rate for the three months ended June 30, 2024 and 2023 was approximately (62.7)% and 70.7%, respectively. The Company's effective tax rate for the six months ended June 30, 2024 and 2023 was approximately (67.3)% and 63.6%, respectively.

The decrease in the effective tax rate for the three and six months ended June 30, 2024, is primarily driven by an increase in the valuation allowance for interest expense carryforwards resulting from the non-cash impairment charges and an increase in non-deductible compensation costs recorded during the three months ended June 30, 2024.

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 9. Stockholders' Equity

Stock Options

During the six months ended June 30, 2024, eligible option holders tendered 558,015 options to purchase 558,015 shares of Townsquare common stock.

During the six months ended June 30, 2024, the Company granted 68,093 and 45,000 options with grant date fair values of $ 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 $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 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 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	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.

The following table summarizes all option activity for the six months ended June 30, 2024:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2023	**11,056,324**	**$ 7.74**	**4.82**	**$ 31,221**
Granted - service conditions	113,093	10.58		
Granted - market conditions	73,738	10.50		
Exercised	(558,015)	8.67		1,469
Settled	(3,155,298)	8.75		11,391
Forfeited and expired	(49,382)	7.27		
Outstanding at June 30, 2024	**7,480,460**	**$ 7.31**	**6.39**	**$ 27,279**
Exercisable at June 30, 2024	**3,938,224**	**$ 7.11**	**5.08**	**$ 15,173**

The maximum contractual term of stock options is 10 years.

Restricted Stock Awards

During the six months ended June 30, 2024, the Company granted 61,905 shares to non-employee directors with a vesting period of one year and 8,985 shares with a vesting period of three years. 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 six months ended June 30, 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
Non-vested balance at June 30, 2024	**116,677**	**$ 10.28**

Restricted Stock Units

The following table summarizes restricted stock unit activity for the six months ended June 30, 2024:

	Number of Shares	Weighted Average Fair Value
Non-vested balance at January 1, 2024	**873,265**	**$ 7.69**
Shares granted - service conditions	—	—
Shares granted - market conditions	—	—
Shares vested	(145,537)	8.45
Non-vested balance at June 30, 2024	**727,728**	**$ 7.54**

The Company did not grant any stock units during the six months ended June 30, 2024.

Employee Stock Purchase Plan

During the six months ended June 30, 2024, a total of 42,360 shares of Class A common stock were issued under the 2021 Employee Stock Purchase Plan (the "ESPP").

For the three months ended June 30, 2024 and 2023, the Company recognized approximately $ 2.7 million and $2.1 million, respectively, of stock-based compensation expense with respect to options, restricted stock awards, restricted stock units and the ESPP. For the six months ended June 30, 2024 and 2023, the Company recognized approximately $4.9 million and $3.9 million, respectively, of stock-based compensation expense with respect to options, restricted stock awards, restricted stock units and the ESPP.

As of June 30, 2024, total unrecognized stock-based compensation expense related to our stock options and restricted stock was $ 6.5 million and $4.8 million, respectively, and is expected to be recognized over a weighted average period of 2.1 years and 2.1 years, respectively.

Dividends Declared

On April 30, 2024 the board of directors approved a dividend of $ 0.1975 per share. The dividend of $3.0 million was paid to holders of record as of July 15, 2024 on August 1, 2024.

On July 22, 2024 the board of directors approved a dividend of $ 0.1975 per share. The dividend will be paid to holders of record as of October 15, 2024 on November 1, 2024.

Stock Repurchase

On April 1, 2024, the Company repurchased 1.5 million shares of the Company's Class A common stock from MSG National Properties, LLC ("MSG") for total consideration in the aggregate amount of $14.6 million, or $9.76 per share. The shares were retired upon repurchase.

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 six months ended June 30, 2024 a total of 2,156,693 shares of Class A common stock were repurchased. As of June 30, 2024, a total of 2,366,084 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. During the six months ended June 30, 2024, a total of $11.4 million was paid in connection with the cash settlement of 3.2 million options. During the three and six months ended June 30, 2024, a total of $3.8 million and $4.6 million, respectively, of expense was recognized as a component of stock-based compensation in connection with the cash settlement of the options.

Stock Bonus Program

In April of 2024, the Company launched a stock bonus program that offered certain employees the option to receive their 2024 annual incentive compensation in the form of the Company's Class A common stock. The incentive compensation to be paid to each employee was fixed at the time of election to participate in the program and the number of shares to be issued will be determined based on the closing price of the Company's Class A common stock on the settlement date in late 2024 or early 2025. During the three and six months ended June 30, 2024, a total of $1.8 million of expense was recognized as a component of stock-based compensation in connection with the stock bonus program.

Note 10. Net Loss 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 loss per share for the three and six months ended June 30, 2024 and 2023 (in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Numerator:				
Net loss	$ (48,858)	$ (2,700)	$ (47,305)	$ (4,641)
Net income from non-controlling interest	386	500	803	980
Net loss attributable to controlling interest	**$ (49,244)**	**$ (3,200)**	**$ (48,108)**	**$ (5,621)**
Denominator:				
Weighted average shares of common stock outstanding	**15,097**	**17,221**	**15,829**	**17,212**
Effect of dilutive common stock equivalents	—	—	—	—
Weighted average diluted common shares outstanding	**15,097**	**17,221**	**15,829**	**17,212**
Basic loss per share	$ (3.26)	$ (0.19)	$ (3.04)	$ (0.33)
Diluted loss per share	$ (3.26)	$ (0.19)	$ (3.04)	$ (0.33)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Stock options	6,541	10,247	8,232	9,987
Stock options with unsatisfied market conditions	1,176	1,511	1,149	1,192
Restricted stock units	364	219	371	198
Restricted stock units with unsatisfied market conditions	387	219	412	198
Restricted stock awards	117	112	118	117
Shares expected to be issued under stock bonus program	413	—	206	—
Shares expected to be issued under the 2021 Employee Stock Purchase Plan	36	35	36	41

Note 11. Commitments and Contingencies

The Company is involved in legal proceedings in which damages and claims have been asserted against us. The Company believes that we have valid defenses to such proceedings and claims and intends to vigorously defend the Company. Management does not believe that any such matters will have a material adverse effect on our financial position, results of operations, or liquidity. The Company records a loss contingency if the potential loss from a proceeding or claim is considered probable and the amount can be reasonably estimated or a range of loss can be determined. The Company provides disclosure when it is reasonably possible that a loss will be incurred in excess of any recorded provision. Significant judgment is required in these determinations. As additional information becomes available, the Company reassesses prior determinations and may change its estimates. Litigation is subject to many uncertainties, and the outcome of litigation is not predictable with assurance.

Note 12. Segment Reporting

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

The Company operates in one geographic area. The Company's assets and liabilities are managed within markets outside the top 50 across the United States where the Company conducts its business and are reported internally in the same manner as the Consolidated Financial Statements; thus, no additional information regarding assets and liabilities of the Company’s reportable segments is produced for the Company's CEO or included in these Consolidated Financial Statements. Intangible assets consist principally of FCC broadcast licenses and other definite-lived intangible assets and primarily support the Company’s Broadcast Advertising segment. For further information see Note 5, *Goodwill and Other Intangible Assets*. The Company does not have any material inter-segment sales.

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

The following tables present the Company's reportable segment results for the three months ended June 30, 2024 (in thousands):

	Subscription Digital Marketing Solutions	Digital Advertising	Broadcast Advertising	Other	Corporate and Other Reconciling Items	Total
Net revenue	$ 18,515	$ 41,524	$ 53,633	$ 4,553	$ —	$ 118,225
Direct operating expenses, excluding depreciation, amortization and stock-based compensation	13,098	30,515	37,612	4,287	—	85,512
Depreciation and amortization	608	266	2,807	32	1,301	5,014
Corporate expenses	—	—	—	—	6,482	6,482
Stock-based compensation	180	208	169	4	7,764	8,325
Transaction and business realignment costs	—	—	70	6	1,518	1,594
Impairment of intangible assets, investments, goodwill and long-lived assets	—	1,784	28,385	909	1,560	32,638
Net loss on sale and retirement of assets	—	—	30	—	—	30
Operating income (loss)	**$ 4,629**	**$ 8,751**	**$ (15,440)**	**$ (685)**	**$ (18,625)**	**$ (21,370)**

The following table presents the Company's reportable segment results for the three months ended June 30, 2023 (in thousands):

	Subscription Digital Marketing Solutions	Digital Advertising	Broadcast Advertising	Other	Corporate and Other Reconciling Items	Total
Net revenue	$ 21,268	$ 41,126	$ 53,720	$ 5,117	$ —	$ 121,231
Direct operating expenses, excluding depreciation, amortization and stock-based compensation	15,243	26,782	38,983	4,646	—	85,654
Depreciation and amortization	327	168	3,382	33	925	4,835
Corporate expenses	—	—	—	—	6,962	6,962
Stock-based compensation	151	70	218	4	1,663	2,106
Transaction and business realignment costs	—	—	167	—	144	311
Impairment of intangible assets, investments and long-lived assets	—	—	16,743	—	9,497	26,240
Net gain on sale and retirement of assets	—	—	(49)	—	—	(49)
Operating income (loss)	**$ 5,547**	**$ 14,106**	**$ (5,724)**	**$ 434**	**$ (19,191)**	**$ (4,828)**

The following tables present the Company's reportable segment results for the six months ended June 30, 2024 (in thousands):

	Subscription Digital Marketing Solutions	Digital Advertising	Broadcast Advertising	Other	Corporate and Other Reconciling Items	Total
Net revenue	$ 36,768	$ 75,680	$ 99,088	$ 6,322	$ —	$ 217,858
Direct operating expenses, excluding depreciation, amortization and stock-based compensation	26,295	57,615	72,882	5,615	—	162,407
Depreciation and amortization	1,222	447	5,671	65	2,544	9,949
Corporate expenses	—	—	—	—	11,699	11,699
Stock-based compensation	334	356	358	8	10,139	11,195
Transaction and business realignment costs	—	—	88	12	2,938	3,038
Impairment of intangible assets, investments, goodwill and long-lived assets	—	1,784	30,003	909	1,560	34,256
Net loss on sale and retirement of assets	—	—	44	—	—	44
Operating income (loss)	**$ 8,917**	**$ 15,478**	**$ (9,958)**	**$ (287)**	**$ (28,880)**	**$ (14,730)**

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

	Subscription Digital Marketing Solutions	Digital Advertising	Broadcast Advertising	Other	Corporate and Other Reconciling Items	Total
Net revenue	$ 42,829	$ 74,833	$ 99,643	$ 7,036	$ —	$ 224,341
Direct operating expenses, excluding depreciation, amortization and stock-based compensation	31,205	50,395	76,348	6,030	—	163,978
Depreciation and amortization	655	332	6,982	69	1,741	9,779
Corporate expenses	—	—	—	—	12,307	12,307
Stock-based compensation	279	115	382	6	3,096	3,878
Transaction and business realignment costs	—	—	360	11	232	603
Impairment of intangible assets, investments and long-lived assets	—	—	25,230	—	9,497	34,727
Net gain on sale and retirement of assets	—	—	(341)	—	—	(341)
Operating income (loss)	**$ 10,690**	**$ 23,991**	**$ (9,318)**	**$ 920**	**$ (26,873)**	**$ (590)**

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 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 subscription 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 solutions business (“Townsquare Interactive”), providing a business management platform, website design, creation and hosting, search engine optimization, social platforms and online reputation management as well as other monthly digital services for approximately 23,575 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 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 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, 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 interest rates have caused and could continue to cause economic uncertainty and volatility. These factors could result in advertising and subscription digital marketing solutions cancellations, declines in the purchase of new advertising by our clients, declines in the addition of new digital marketing solutions subscribers, and increases to our operating expenses. We monitor economic conditions closely, and in response to observed or anticipated reductions in revenue, we may institute precautionary measures to address the potential impact to our consolidated financial position, consolidated results of operations, and liquidity, including wage reduction efforts and controlling non-essential capital expenditures.

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

OVERVIEW OF OUR PERFORMANCE

Highlights of Our Financial Performance

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

- Net revenue decreased $3.0 million, or 2.5%, primarily driven by a $2.8 million decrease in our Subscription Digital Marketing Solutions net revenue and a $0.6 million decrease in our Other net revenue, partially offset by a $0.4 million increase in our Digital Advertising net revenue.

- Operating loss increased $16.5 million, or 342.6%, for the three months ended June 30, 2024. The increase was primarily due to a $6.4 million increase in non-cash impairment charges, a $6.2 million increase in stock-based compensation and the $3.0 million decrease in net revenue discussed above.

- Broadcast Advertising reported an operating loss of $15.4 million for the three months ended June 30, 2024, as compared to an operating loss of $5.7 million for the three months ended June 30, 2023. The increase of $9.7 million is primarily due to an increase in non-cash impairment charges of $11.6 million, partially offset by a decrease in direct operating expenses of $1.4 million. The Digital Advertising segment reported operating income of $8.8 million for the three months ended June 30, 2024, which represents a decrease of $5.4 million, as compared to operating income of $14.1 million for the same period in 2023. The decrease is primarily due to an increase of $3.7 million in direct operating expenses and a non-cash goodwill impairment charge of $1.8 million. Subscription Digital Marketing Solutions reported operating income of $4.6 million, a decrease of $0.9 million from the three months ended June 30, 2023 due to the decrease in net revenue discussed above, partially offset by a $2.1 million decrease in direct operating expenses.

Certain key financial developments in our business for the six months ended June 30, 2024, as compared to the same period in 2023 are summarized below:

- Net revenue for the six months ended June 30, 2024 as compared to the same period in 2023, decreased $6.5 million, or 2.9%, primarily driven by a $6.1 million decrease in our Subscription Digital Marketing Solutions net revenue, a $0.7 million decrease in Other net revenue, and a $0.6 million decrease in Broadcast Advertising net revenue. These decreases were partially offset by a $0.8 million increase in our Digital Advertising net revenue.

- Operating income decreased $14.1 million for the six months ended June 30, 2024, primarily due to a $7.3 million increase in stock-based compensation and a decrease in net revenue of $6.5 million.

Consolidated Results of Operations

Three months ended June 30, 2024 compared to three months ended June 30, 2023

The following table summarizes our historical consolidated results of operations:

($ in thousands)	Three Months Ended June 30,			
Statement of Operations Data:	**2024**	**2023**	**$ Change**	**% Change**
Net revenue	$ 118,225	$ 121,231	$ (3,006)	(2.5)%
Operating costs and expenses:				
Direct operating expenses, excluding depreciation, amortization, and stock-based compensation	85,512	85,654	(142)	(0.2)%
Depreciation and amortization	5,014	4,835	179	3.7 %
Corporate expenses	6,482	6,962	(480)	(6.9)%
Stock-based compensation	8,325	2,106	6,219	295.3 %
Transaction and business realignment costs	1,594	311	1,283	412.5 %
Impairment of intangible assets, investments, goodwill and long-lived assets	32,638	26,240	6,398	24.4 %
Net loss (gain) on sale and retirement of assets	30	(49)	79	(161.2)%
Total operating costs and expenses	**139,595**	**126,059**	**13,536**	**10.7 %**
Operating loss	**(21,370)**	**(4,828)**	**(16,542)**	**342.6 %**
Other expense (income):				
Interest expense, net	9,212	9,314	(102)	(1.1)%
Gain on repurchases of debt	(3)	(44)	41	(93.2)%
Other income, net	(546)	(4,878)	4,332	(88.8)%
Loss from operations before tax	**(30,033)**	**(9,220)**	**(20,813)**	225.7 %
Income tax provision (benefit)	18,825	(6,520)	25,345	388.7 %
Net loss	**$ (48,858)**	**$ (2,700)**	**$ (46,158)**	**

** not meaningful

Segment Results

The following table presents the Company's reportable segment net revenue and direct operating expenses for the three months ended June 30, 2024 and 2023 (in thousands):

	Net Revenue				Direct Operating Expenses			
	Three Months Ended June 30,				Three Months Ended June 30,			
	2024	**2023**	**$ Change**	**% Change**	**2024**	**2023**	**$ Change**	**% Change**
Subscription Digital Marketing Solutions	$ 18,515	$ 21,268	$ (2,753)	(12.9)%	$ 13,098	$ 15,243	$ (2,145)	(14.1)%
Digital Advertising	41,524	41,126	398	1.0 %	30,515	26,782	3,733	13.9 %
Broadcast Advertising	53,633	53,720	(87)	(0.2)%	37,612	38,983	(1,371)	(3.5)%
Other	4,553	5,117	(564)	(11.0)%	4,287	4,646	(359)	(7.7)%
Total	**$ 118,225**	**$ 121,231**	**$ (3,006)**	**(2.5)%**	**$ 85,512**	**$ 85,654**	**$ (142)**	**(0.2)%**

Net Revenue

Net revenue for the three months ended June 30, 2024 decreased $3.0 million, or 2.5%, as compared to the same period in 2023. Our Subscription Digital Marketing Solutions net revenue decreased $2.8 million, or 12.9%, as compared to the same period in 2023 due to a reduction in net subscribers. Our Other net revenue decreased $0.6 million due to fewer live events. Our Broadcast Advertising net revenue decreased $0.1 million, or 0.2%, as compared to the same period in 2023, essentially flat. These decreases were partially offset by an increase in our Digital Advertising net revenue of $0.4 million, or 1.0%, due to purchases of new advertising.

Direct Operating Expenses

Direct operating expenses for the three months ended June 30, 2024 decreased by $0.1 million, or 0.2%, as compared to the same period in 2023. Our Subscription Digital Marketing Solutions direct operating expenses decreased by $2.1 million, or 14.1% as compared to the same period in 2023 due to lower compensation costs and bad debt. Our Broadcast Advertising direct operating expenses decreased $1.4 million, or 3.5%, primarily driven by lower compensation. These decreases were partially offset by a $3.7 million, or 13.9%, increase in our Digital Advertising direct operating expenses as compared to the same period in 2023 primarily driven by higher inventory costs and bad debt. Other direct operating expenses decreased $0.4 million, or 7.7%, due to a decrease in live events during the period, as compared to the same period a year ago.

Stock-based Compensation

Stock-based compensation expense for three months ended June 30, 2024 increased $6.2 million, or 295.3%, as compared to the same period in 2023, primarily due to $3.8 million in expense recognized for the cash settlement of options, $1.8 million of expense recognized for the stock bonus program and due to grants during the fourth quarter of 2023 and the first quarter of 2024. For further discussion, see Note 9, *Stockholders' Equity,* in the Notes to Unaudited Consolidated Financial Statements.

Transaction and Business Realignment Costs

Transaction and business realignment costs for the three months ended June 30, 2024 increased $1.3 million as compared to the same period in 2023, primarily due to local market operational cost reduction efforts.

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

The Company incurred a $28.4 million impairment charges related to FCC licenses in 26 of our 74 local markets during the three months ended June 30, 2024, as compared to impairment charges of $16.6 million in 20 of our 74 local markets in the same period a year ago.

Unfavorable changes in key assumptions utilized in the impairment assessment of our FCC licenses may affect future testing results. For example, keeping all other assumptions constant, a 100-basis point increase in the weighted average cost of capital as of the date of our last quantitative assessment would cause the estimated fair values of our FCC licenses to decrease by $18.9 million which would have resulted in an additional impairment charge of $16.4 million as of June 30, 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 $9.5 million which would have resulted in a further impairment charge of $8.4 million as of June 30, 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 second quarter of 2024, in connection with an interim goodwill impairment assessment, the Company concluded that the carrying amounts of the National Digital and Live Events reporting units exceeded their fair values, resulting in the recognition of a non-cash goodwill impairment charges of $1.8 million and $0.9 million, respectively, for the three months ended June 30, 2024. An interim impairment assessment was considered necessary as a result of declines in revenue and increases in the weighted average cost of capital. For further discussion, see Note 5, *Goodwill and Other Intangible Assets,* in the Notes to Unaudited Consolidated Financial Statements.

During the three months ended June 30, 2024, the Company recorded an impairment charge of $1.6 million related to certain of its equity securities, which are measured at cost minus impairment. The Company recorded impairment charges of $9.2 million related to one of its investment securities during the same period in 2023. For further discussion, see Note 6, *Investments,* 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):

	Three Months Ended June 30,	
	2024	**2023**
2026 Notes	$ 8,567	$ 8,909
Capital leases and other	305	326
Deferred financing costs	543	524
Interest income	(203)	(445)
Interest expense, net	**$ 9,212**	**$ 9,314**

Other expense (income), net

Unrealized Gain on Investment

Other expense (income), net includes unrealized gains related to measuring the fair value of one of the Company's investees. During the three months ended June 30, 2024, the Company recorded an unrealized gain of $0.4 million, as compared to $0.2 million during the three months ended June 30, 2023. See Note 7, *Investments*, in our Notes to Consolidated Financial Statements for further discussion related to this investment.

Insurance Recoveries

During the three months ended June 30, 2024, the Company recorded total insurance recoveries of $0.3 million related to construction and flood damages in two of its local markets.

Realized Gain on Investment

During the three months ended June 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.

Provision (benefit) for income taxes

We recognized a provision for income taxes of $18.8 million for the three months ended June 30, 2024, as compared to an income tax benefit of $6.5 million for the same period in 2023. Our effective tax rate for the three months ended June 30, 2024 and 2023 was approximately (62.7)% and 70.7%, respectively. The effective tax rate and income tax provision for the three months ended June 30, 2024 is primarily driven by an increase in the valuation allowance for interest expense carryforwards resulting from the non-cash impairment charges and an increase in non-deductible compensation costs recorded during the three months ended June 30, 2024.

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

Six months ended June 30, 2024 compared to six months ended June 30, 2023

The following table summarizes our historical consolidated results of operations:

($ in thousands)	Six Months Ended June 30,			
Statement of Operations Data:	**2024**	**2023**	**$ Change**	**% Change**
Net revenue	$ 217,858	$ 224,341	$ (6,483)	(2.9)%
Direct operating expenses, excluding depreciation, amortization, and stock-based compensation	162,407	163,978	(1,571)	(1.0)%
Depreciation and amortization	9,949	9,779	170	1.7 %
Corporate expenses	11,699	12,307	(608)	(4.9)%
Stock-based compensation	11,195	3,878	7,317	188.7 %
Transaction and business realignment costs	3,038	603	2,435	403.8 %
Impairment of intangible assets, investments, goodwill and long-lived assets	34,256	34,727	(471)	(1.4)%
Net loss (gain) on sale and retirement of assets	44	(341)	385	(112.9)%
Total operating costs and expenses	**232,588**	**224,931**	**7,657**	**3.4 %**
Operating loss	**(14,730)**	**(590)**	**(14,140)**	**
Other expense (income):				
Interest expense, net	18,243	18,872	(629)	(3.3)%
Gain on repurchases of debt	(3)	(819)	816	(99.6)%
Other income, net	(4,697)	(5,904)	1,207	(20.4)%
Loss from operations before income taxes	**(28,273)**	**(12,739)**	**(15,534)**	**121.9 %**
Income tax provision (benefit)	19,032	(8,098)	27,130	335.0 %
Net loss	**$ (47,305)**	**$ (4,641)**	**$ (42,664)**	**919.3 %**

** not meaningful

Segment Results

The following table presents the Company's reportable segment net revenue and direct operating expenses for the six months ended June 30, 2024 and 2023 (in thousands):

	Net Revenue				Direct Operating Expenses			
	Six Months Ended June 30,				Six Months Ended June 30,			
	2024	**2023**	**$ Change**	**% Change**	**2024**	**2023**	**$ Change**	**% Change**
Subscription Digital Marketing Solutions	$ 36,768	$ 42,829	$ (6,061)	(14.2)%	$ 26,295	$ 31,205	$ (4,910)	(15.7)%
Digital Advertising	75,680	74,833	847	1.1 %	57,615	50,395	7,220	14.3 %
Broadcast Advertising	99,088	99,643	(555)	(0.6)%	72,882	76,348	(3,466)	(4.5)%
Other	6,322	7,036	(714)	(10.1)%	5,615	6,030	(415)	(6.9)%
Total	**$ 217,858**	**$ 224,341**	**$ (6,483)**	**(2.9)%**	**$ 162,407**	**$ 163,978**	**$ (1,571)**	**(1.0)%**

Net Revenue

Net revenue for the six months ended June 30, 2024, decreased $6.5 million, or 2.9%, as compared to the same period in 2023. Our Subscription Digital Marketing Solutions net revenue for six months ended June 30, 2024 decreased $6.1 million, or 14.2% as compared to the same period in 2023 due primarily to a reduction of net subscribers. Qur Other net revenue decreased $0.7 million, or 10.1%, due to a decrease in live events held during the period and our Broadcast Advertising net revenue decreased $0.6 million, or 0.6%, due to decreases in the purchase of new advertising by our clients, as compared to the same period a year ago. Our Digital Advertising net revenue for the six months ended June 30, 2024, increased $0.8 million, or 1.1%, due to purchases of new advertising.

Direct Operating Expenses

Direct operating expenses for the six months ended June 30, 2024, decreased by $1.6 million, or 1.0%, as compared to the same period in 2023. Our Subscription Digital Marketing Solutions direct operating expenses for the six months ended June 30, 2024 decreased $4.9 million, or 15.7% due to lower compensation costs and bad debt. Our Broadcast Advertising direct operating expenses decreased by $3.5 million, or 4.5% primarily driven by lower compensation costs, as compared to the same period in 2023, and our Other direct operating expenses for the six months ended June 30, 2024, decreased $0.4 million, or 6.9%, as compared to the same period in 2023, due to a decrease in live events during the period. These decreases were partially offset by our Digital Advertising direct operating expense increase of $7.2 million, or 14.3%, due to higher inventory and compensation costs.

Stock-based Compensation

Stock-based compensation expense for the six months ended June 30, 2024, increased $7.3 million, or 188.7%, as compared to the same period in 2023 due to $4.6 million in expense recognized related to the cash settlement of options, $1.8 million of expense recognized for the stock bonus program and due to grants during the fourth quarter of 2023 and the first quarter of 2024. For further discussion, see Note 9, *Stockholders' Equity,* in the Notes to Unaudited Consolidated Financial Statements.

Transaction and Business Realignment Costs

Transaction and business realignment costs for the six months ended June 30, 2024 increased $2.4 million as compared to the same period in 2023, primarily due to local market operational cost reduction efforts.

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

The Company recorded total impairment charges of $29.7 million related to FCC licenses in 26 of our 74 local markets during the six months ended June 30, 2024, as compared to impairment charges of $24.8 million to FCC licenses in 20 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. For further discussion, see Note 5, *Goodwill and Other Intangible Assets,* in the Notes to Unaudited Consolidated Financial Statements.

During the second quarter of 2024, in connection with an interim goodwill impairment assessment, the Company concluded that the carrying amounts of the National Digital and Live Events reporting units exceeded their fair values, resulting in the recognition of a non-cash goodwill impairment charges of $1.8 million and $0.9 million, respectively, for the six months ended June 30, 2024. An interim impairment assessment was considered necessary as a result of declines in revenue and increases in the weighted average cost of capital. For further discussion, see Note 5, *Goodwill and Other Intangible Assets,* in the Notes to Unaudited Consolidated Financial Statements.

During the six months ended June 30, 2024, the Company recorded an impairment charge of $1.6 million related to certain of its equity securities, which are measured at cost minus impairment. The Company recorded an impairment charges of $9.2 million related to one of its investment securities during the same period in 2023. For further discussion, see Note 6, *Investments,* 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):

	Six Months Ended June 30,	
	2024	**2023**
2026 Notes	$ 17,241	$ 18,024
Capital leases and other	639	699
Deferred financing costs	990	949
Interest income	(627)	(800)
Interest expense, net	**$ 18,243**	**$ 18,872**

Gain on repurchase of debt

During the six months ended June 30, 2024, the Company voluntarily repurchased an aggregate $13.7 million principal amount of its 2026 Notes below par, plus accrued interest. The Company wrote-off approximately $0.1 million of unamortized deferred financing costs, recognizing an immaterial net gain for the three and six months ended June 30 2024. During the six months ended June 30, 2023, the Company voluntarily repurchased an aggregate $12.9 million principal amount of its 2026 Notes below par plus accrued interest. The Company wrote-off approximately $0.1 million of unamortized deferred financing costs, recognizing a total net gain of $0.8 million in connection with the voluntary repurchases of its 2026 Notes.

Other expense (income), net

Unrealized Gain on Investment

Other expense (income), net includes unrealized gains related to measuring the fair value of one of the Company's investees. During the six months ended June 30, 2024 the Company recorded an unrealized net gain of $0.2 million, as compared to $0.1 million during the six months ended June 30, 2023. See Note 6, *Investments,* in our Notes to Consolidated Financial Statements for further discussion related to this investment.

Insurance Recoveries

During the six months ended June 30, 2024, the Company recorded the Company recorded total insurance recoveries of $0.3 million related to construction and flood damages in two of its local markets.

Realized Gain on Investment

In February of 2024, one of the Company’s investees announced the completion of its acquisition. The Company recognized a $4.0 million gain on the transaction during the six months ended June 30, 2024. During the six months ended June 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.

Provision (benefit) for income taxes

We recognized a provision for income taxes of $19.0 million for the six months ended June 30, 2024, as compared to a benefit of $8.1 million for the same period in 2023. Our effective tax rate for the period was approximately (67.3)% for the six months ended June 30, 2024 as compared to 63.6% for the six months ended June 30, 2023. The effective tax rate and income tax provision for the six months ended June 30, 2024 is primarily driven by an increase in the valuation allowance for interest expense carryforwards resulting from the non-cash impairment charges and an increase in non-deductible compensation costs recorded during the three months ended June 30, 2024.

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 **)**:

	Six Months Ended June 30,	
	2024	**2023**
Cash and cash equivalents	$ 28,511	$ 49,598
Restricted cash	507	499
Cash provided by operating activities	10,684	31,406
Cash (used in) provided by investing activities	(3,993)	2,407
Cash used in financing activities	(39,222)	(27,629)
Net decrease in cash and cash equivalents and restricted cash	**$ (32,531)**	**$ 6,184**

Operating Activities

Net cash provided by operating activities was $10.7 million for the six months ended June 30, 2024, as compared to $31.4 million for the same period in 2023. This decrease was primarily due to changes in working capital balances, particularly prepaid and accrued expenses.

Investing Activities

Net cash used in investing activities was $4.0 million for the six months ended June 30, 2024 as compared to net cash provided by investing activities of $2.4 million for the same period in 2023. The increase in net cash used in investing activities was primarily due to cash proceeds of $3.0 million related to the sales of digital assets in 2023 that did not reoccur in 2024, a $1.5 million increase in purchases of property and equipment and a $1.8 million decrease in proceeds from the sale of assets and investment related transactions.

Financing Activities

Net cash used in financing activities was $39.2 million for the six months ended June 30, 2024, as compared to $27.6 million for the same period in 2023. The increase in net cash used in financing activities was primarily due to higher repurchases of common stock in the amount of $6.6 million, a $3.0 million increase in dividend payments and higher voluntary repurchases of our 2026 Notes in the amount of $1.6 million for the six months ended June 30, 2024, as compared to the same period a year ago. These increases were partially offset by a $0.5 million increase in proceeds from the exercise of stock options for the six months ended June 30, 2024, as compared to the same period in 2023.

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 June 30, 2024, we had $487.1 million of outstanding indebtedness, net of deferred financing costs of $2.9 million.

Based on the terms of our 2026 Notes, as of June 30, 2024, we expect our debt service requirements to be approximately $33.7 million over the next twelve months. See Note 7, *Long-Term Debt*, in our Notes to Consolidated Financial Statements for additional information related to our 2026 Notes.

As of June 30, 2024 we had $28.5 million of cash and cash equivalents, and $60.5 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 June 30, 2024 and 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 April 30, 2024 the board of directors approved a dividend of $0.1975 per share. The $3.0 million dividend was paid on August 1, 2024. On July 22, 2024 the board of directors approved a dividend of $0.1975 per share. The dividend will be paid to holders of record as of October 15, 2024 on November 1, 2024.

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

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 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 during the first half of 2024.

During the first half of 2024, the Company voluntarily repurchased an aggregate $13.7 million in principal amount of its 2026 Notes, below par.

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 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 June 30, 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 June 30, 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 six months ended June 30, 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 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 June 30, 2024:

Period	Total Number of Shares Purchased[1]	Average Price Paid per Share	Approximate dollar value of shares that may yet be purchased under the plan (in thousands)
April 1, 2024 through April 30, 2024	1,721,727	$ 10.08	$ 26,010
May 1, 2024 through May 31, 2024	38,207	$ 12.34	$ 25,539
June 1, 2024 through June 30, 2024	—	$ —	$ 25,539
Total	**1,759,934**	**$ 10.13**	**$ 25,539**

[1] This column represents the total number of shares purchased as part of publicly announced plans.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

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 June 30, 2024.

Item 6. Exhibits

See Exhibit Index.

EXHIBIT INDEX

Exhibit	Description
31.1*	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended
31.2*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended
32.1**	Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350
32.2**	Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350
101.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: August 7, 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

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: August 7, 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: August 7, 2024

By: /s/ Bill Wilson
Name: Bill Wilson
Title: Chief Executive Officer

Exhibit 32.1

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

In connection with the Quarterly Report on Form 10-Q of Townsquare Media, Inc. (the “Company”) for the three months ended June 30, 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: August 7, 2024	/s/ Stuart Rosenstein
	Name: Stuart Rosenstein
	Title: Executive Vice President and Chief Financial Officer

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

Exhibit 32.2

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

In connection with the Quarterly Report on Form 10-Q of Townsquare Media, Inc. (the "Company") for the three months ended June 30, 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: August 7, 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.