

# townsquare

## Investor Presentation

November 2021

# FORWARD-LOOKING STATEMENTS AND NON-GAAP FINANCIAL MEASURES

This presentation contains, and our other communications may contain, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements, written, oral or otherwise made, represent the Company's expectation or belief concerning future events. All forward-looking statements are subject to assumptions, risks, and uncertainties, which may change over time and many of which are beyond our control. The forward-looking statements contained in this presentation include statements related to the Company's current views and expectations with respect to its future performance and operations and other anticipated future events and expectations that are not historical facts.

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The unaudited estimates and statements included herein are the opinion of management and represent estimates and expectations based on the most current information available. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors and it is impossible for us to anticipate all factors that could affect our actual results. Our actual results may differ materially from these estimates due to the completion of our financial closing procedures, final adjustments and other developments that may arise between now and the time the financial results for our fourth quarter are finalized. This preliminary financial data has been prepared by and is the responsibility of management. Our independent registered public accounting firm, BDO USA, LLP, has not audited, reviewed, compiled or performed any procedures with respect to the accompanying preliminary financial data. Accordingly, BDO USA, LLP does not express an opinion or any other form of assurance with respect thereto. As a result of the foregoing considerations and limitations, investors are cautioned not to place undue reliance on this projected financial information.

This presentation includes non-GAAP financial measures within the meaning of the federal securities laws, including Adjusted Operating Income (sometimes referred to as Profit), Adjusted Operating Income Margin, Adjusted EBITDA, and Adjusted EBITDA (Excluding Political). We define Adjusted Operating Income as operating income before the deduction of depreciation and amortization, stock-based compensation, corporate expenses, transaction costs, business realignment costs, impairment of goodwill, long-lived and intangible assets and net loss (gain) on sale and retirement of assets. We define Adjusted Operating Income Margin as Adjusted Operating Income divided by net revenue. We define Adjusted EBITDA as net income (loss) before the deduction of income taxes, interest expense, net, loss (gain) on repurchase of debt, loss (gain) on extinguishment and modification of debt, transaction costs, depreciation and amortization, stock-based compensation, business realignment costs, impairment of goodwill, long-lived and intangible assets, impairment of investments, change in fair value of investment, net (income) loss from discontinued operations, net of income taxes, net (loss) gain on sale and retirement of assets and other expense (income) net. We define Adjusted EBITDA (Excluding Political) as Adjusted EBITDA less political net revenue, net of a fifteen percent deduction to account for estimated national representative firm fees, music licensing fees and sales commissions expense. Adjusted Operating Income, Adjusted EBITDA, and Adjusted EBITDA (Excluding Political) do not represent, and should not be considered as alternatives to, net (loss) income or cash flows from operations as determined under U.S. generally accepted accounting principles, or GAAP. Reconciliations of certain of these measures to net income are included in the Appendix of this presentation and in Exhibit 99.1 to our Current Report on Form 8-K filed with the SEC on November 2, 2021.



# townsquare

IS A **COMMUNITY-FOCUSED** DIGITAL MEDIA,  
**DIGITAL MARKETING SOLUTIONS** AND **RADIO**  
**COMPANY** FOCUSED **OUTSIDE THE TOP 50**  
MARKETS IN THE U.S.

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Our assets include **Townsquare Interactive**, a digital marketing services subscription business, providing website, search engine optimization, social platforms and online reputation management for approximately 25,950 SMBs; **Townsquare IGNITE**, a proprietary digital programmatic advertising technology with an in-house demand and data management platform; and **Townsquare Media**, our portfolio of 322 local terrestrial radio stations in 67 cities with corresponding local news and entertainment websites and apps along with a network of national music brands

# INTRODUCTION TO TOWNSQUARE (NYSE: TSQ)

- **Townsquare is the leading local media, digital marketing, and live events company** focused on hundreds of underserved small and mid-sized local markets across the U.S.
  - TSQ has invested in world-class technology and infrastructure to serve a broad base of local businesses and engage our loyal audiences
  - Presence outside the Top 50 markets is a competitive advantage given the greater need for local content in smaller markets and a weaker digital competitive landscape
- TSQ has successfully leveraged its radio platform to penetrate local markets and build a **full and comprehensive suite of digital marketing solutions** that meet its customers' needs to grow their business
  - Solutions are greatly differentiated in TSQ's markets vs. local digital agencies or other competitors
  - **47% of Townsquare's September YTD 2021 net revenue (excluding political) was profitable digital revenue**
- TSQ has **materially outperformed peers** in the broadcast/audio space, driven by a quickly expanding digital subscription business, fast growing digital revenue streams, and a committed local market presence
  - Townsquare Interactive delivered **+17%** year over year revenue growth in the YTD period, with profit and subscriber growth
  - Our digital platforms have experienced all-time record audience levels as TSQ's local communities turn to our local brands to stay informed and be entertained.
  - This digital audience growth was a significant contributor to our strong digital revenue growth of +6% in 2020, and **+23%** September YTD

## Key Stats

**\$416M / \$107M**

LTM 9/30/21 Net Revenue /  
Adjusted EBITDA

**\$188M**

LTM 9/30/21 Net Revenue  
from Digital Solutions

**103%**

September YTD 2021  
Adjusted EBITDA  
as % of YTD 2019

**47%**

September YTD 2021  
Net Revenue from  
Digital Solutions<sup>(1)</sup>

**61M / 11M**

Total Digital / Broadcast  
Audience<sup>(2)</sup>

5.5x Digital Audience  
to Radio Audience

**20% / 25%**

% of LTM 9/30/21  
Total Revenue and  
Adjusted EBITDA from  
Digital Subscription Solutions  
(Townsquare Interactive) <sup>(1)</sup>

Note: Please refer to page 2 for definitions of non-GAAP measures. 1H 2019 Adjusted EBITDA is pro forma for the divestiture of our Arizona Bridal Shows business (consisting of two expositions) on March 18, 2019, giving effect to such divestitures as if they had occurred on January 1, 2019. In Q1 2019, the Arizona Bridal Shows business generated \$726K of net revenue and \$354K of Adjusted EBITDA.

1. Excluding political revenue.

2. Total digital audience represents average monthly global UVs on Townsquare's owned and operated websites in the nine months ended September 30, 2021 per Google Analytics. Total broadcast audience represents the average of Townsquare's Spring 2021 and Fall 2020 nationwide cume, P12+ M-Su 6a -6a, per Act 1 Systems (based on Nielsen data).



# TOWNSQUARE AT A GLANCE

## DIGITAL

**\$188M** LTM 9/30/21 Net Revenue

**~47%** LTM 9/30/21 Net Revenue  
(Ex. Political) Contribution

*Subscription Digital  
Marketing Solutions*

**\$79M** LTM 9/30/21 Net Revenue

**townsquare**  
interactive

**~25,950** SMB subscribers<sup>(1)</sup>

**~30%** LTM 9/30/21 Adjusted  
Operating Income Margin

*Digital  
Advertising*

**\$109M** LTM 9/30/21 Net Revenue

townsquare  
**ignite**

*Digital Programmatic  
Technology Platform*

townsquare  
**amped**

*Owned & Operated  
Digital Brands*

## BROADCAST

**\$207M** LTM 9/30/21  
Net Revenue<sup>(2)</sup>

**~51%** LTM 9/30/21 Net Revenue  
(Ex. Political) Contribution

**11M** Radio Listeners<sup>(3)</sup> Across

**322** Radio Stations

*Reach 1 out of 2 adults via  
AM/FM broadcast in each market*

**KLAQ**

COUNTRY  
**106.5**  
WYRK

NEW  
JERSEY **101.5**

NEW COUNTRY  
**107.7 GNA**  
ALBANY

AM • 1030 • KTWO • CASPER  
**K2** RADIO  
WYOMING'S RADIO STATION

**WJON**  
AM 1240 FM 95.3

BANANA  
**101.5**  
ROCKS

**94.5**  
PST  
#1 HIT MUSIC STATION

## LIVE EVENTS

**\$4M\*** LTM 9/30/21  
Net Revenue

**~200** local live events each  
year, pre-COVID



*\*Live events were cancelled due  
to the COVID-19 pandemic for  
most of this period. 2019 Live  
Events net revenue was \$16M  
with ~18% margin.*




Note: Please refer to page 2 for definitions of non-GAAP measures.

1. As of September 30, 2021.

2. Represents Broadcast Radio Ex-Political Revenue. Including Political, LTM Broadcast Revenue was \$218M.

3. Represents the average of Townsquare's Spring 2021 and Fall 2020 nationwide cume, P12+ M-Su 6a -6a, per Act 1 Systems (based on Nielsen data).

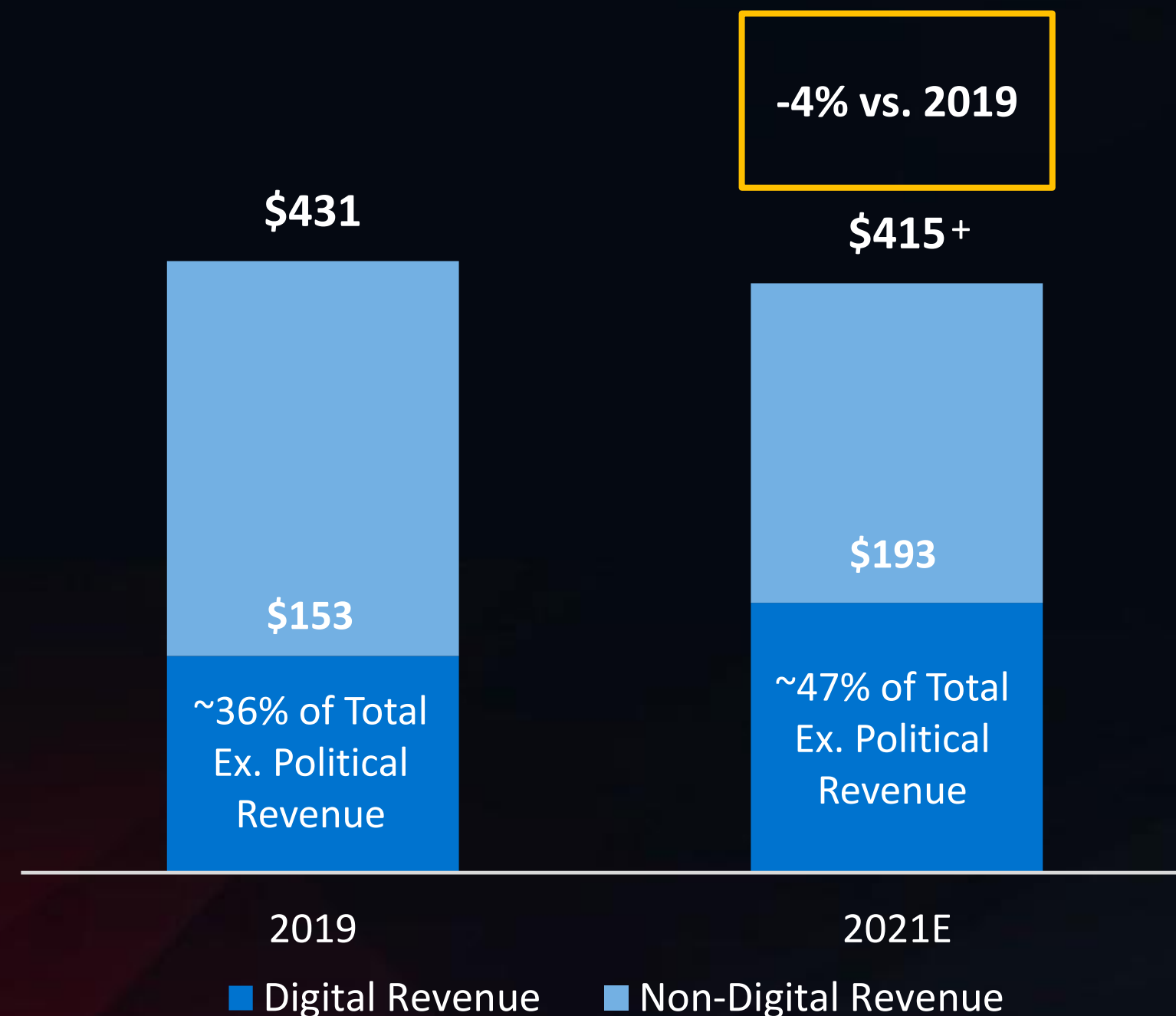
# Q3 2021: WHAT WE SAID... AND WHAT WE DELIVERED

Q3'2021 Statistic	What We Said...	...What We Delivered
Adjusted EBITDA	\$27.2M to \$28.2M +55% to +61% YoY -3% to flat vs. Q3 2019	\$29.2M +67% YoY +4% vs. Q3 2019 
Total Net Revenue	\$106M to \$109M +11% to +14% YoY -3% to -6% vs. Q3 2019	\$111.3M +17% YoY -1% vs. Q3 2019 
Townsquare Interactive net subscription revenue	+15% YoY	+16% YoY 

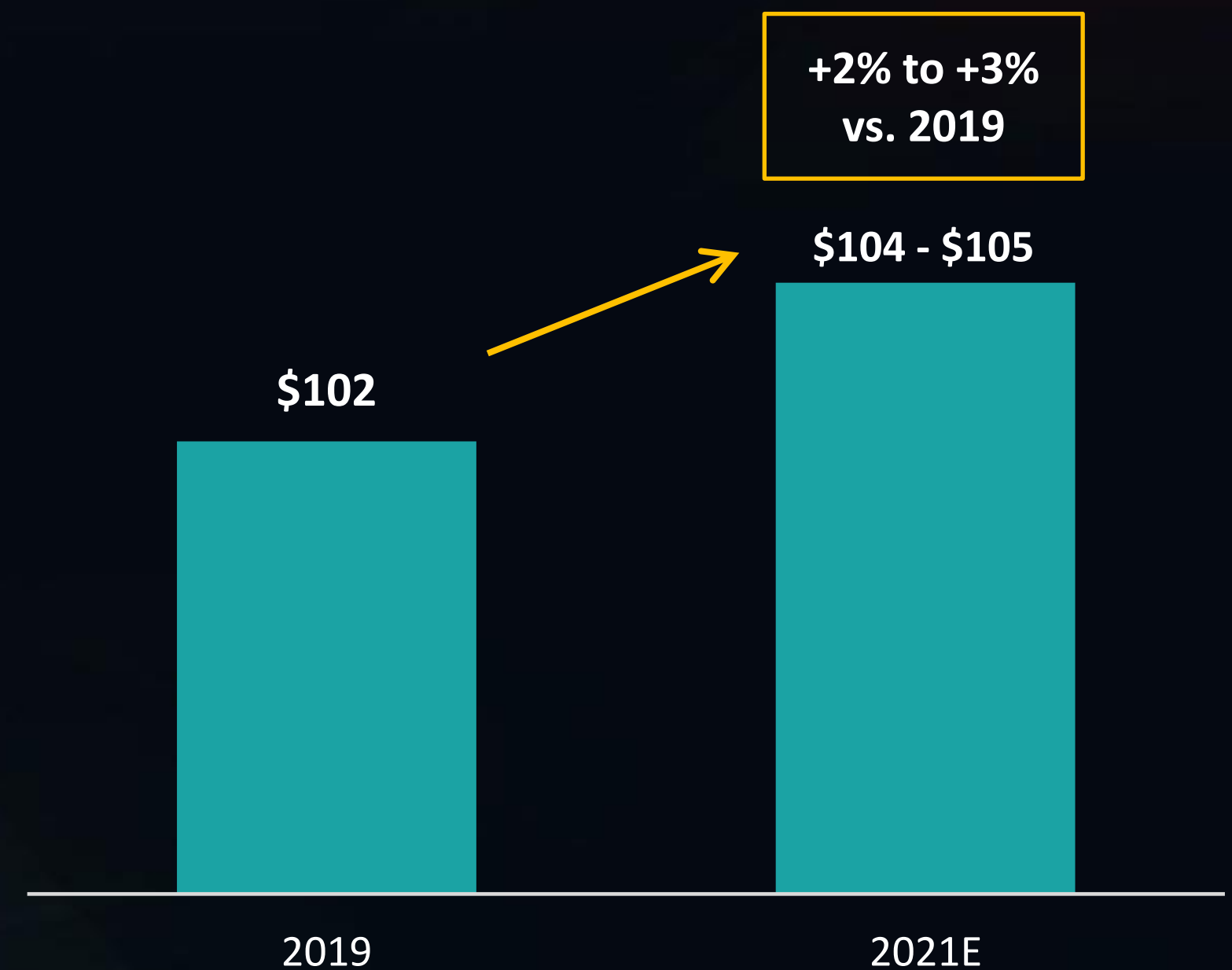
# RAISING FY 2021 GUIDANCE, AGAIN

Due to our results to date and current outlook, we have increased our FY 2021 guidance

Net Revenue & Digital Revenue (\$M)



Adjusted EBITDA (\$M)



2021 Statistic	Previous Guidance	New Guidance
Total Net Revenue	\$410M+ +10% or more, YOY 95% of 2019 Net Revenue	\$415M+ +12% or more, YOY 96% of 2019 Net Revenue
Total Digital Revenue	\$190M +17% YoY	\$193M +19% YoY
Adjusted EBITDA	\$102M +64% YoY 100% of 2019 Adj. EBITDA	\$104M - \$105M +67 to +69% YoY 102% to 103% of 2019 Adj. EBITDA



# NUMEROUS Q3 2021 HIGHLIGHTS

- ✓ Q3 Adjusted EBITDA increased to \$29M, **above Q3 2019's Adjusted EBITDA by +4%**
  - ✓ September YTD 2021 Adjusted EBITDA increased to \$80M, **above YTD 2019's Adjusted EBITDA by +3%**
- ✓ Q3 net revenue was 99% of Q3 2019 net revenue, and 99.6% excluding Live Events
- ✓ Q3 digital revenue increased +20%, and **was ~47%** of total net revenue (ex political) in September YTD 2021
- ✓ Q3 Townsquare Interactive net subscription revenue and Adjusted Operating Income **increased +16% and +13%**, respectively
- ✓ Outperformed the industry in our local markets that are measured by Miller Kaplan in Local Spot revenue and Total Revenue:

Miller Kaplan Data <sup>(1)</sup>					
YoY Revenue Growth:	TSQ	Industry	Delta	Industry Ex. TSQ	Delta
Q3 2021 Local Spot Revenue	+24.5%	+18.7%	+580bps	+15.6%	+890bps
Q3 2021 Total Revenue	+27.3%	+23.5%	+380bps	+21.1%	+620bps
Sep YTD 2021 Local Spot Revenue	+22.2%	+14.7%	+750bps	+11.1%	+1,120bps
Sep YTD 2021 Total Revenue	+24.1%	+20.8%	+330bps	+18.8%	+530bps

- ✓ **Generated \$38 million** of Cash Flow from Operations in YTD 2021
- ✓ Net leverage **declined to 4.9x** as of September 30, 2021 from 7.8x on September 30, 2020

Note: Please refer to page 2 for definitions of non-GAAP measures.  
 Represent year over year (2021 vs. 2020) growth rates unless otherwise specified.  
 1. 17 of Townsquare's 67 markets are measured and tracked by Miller Kaplan.



# TOWNSQUARE'S TRANSFORMATION TO A DIGITAL FIRST COMPANY

- YTD September 2021 digital revenue increased **+23%** (+20% YoY in Q3'21)
  - Expect double-digit digital revenue growth in FY 2021, reaching **\$193M**
- We expect to generate **\$250 Million of Digital Revenue** within 3 years
- Our digital revenue strength helped offset declines in broadcast advertising and live events revenue as a result of the pandemic, driving industry leading performance
- TSQ's digital platform is truly a differentiator in markets outside the Top 50

TSQ's Digital Revenue Growth (\$M)

Y/Y  
Growth:

+12%

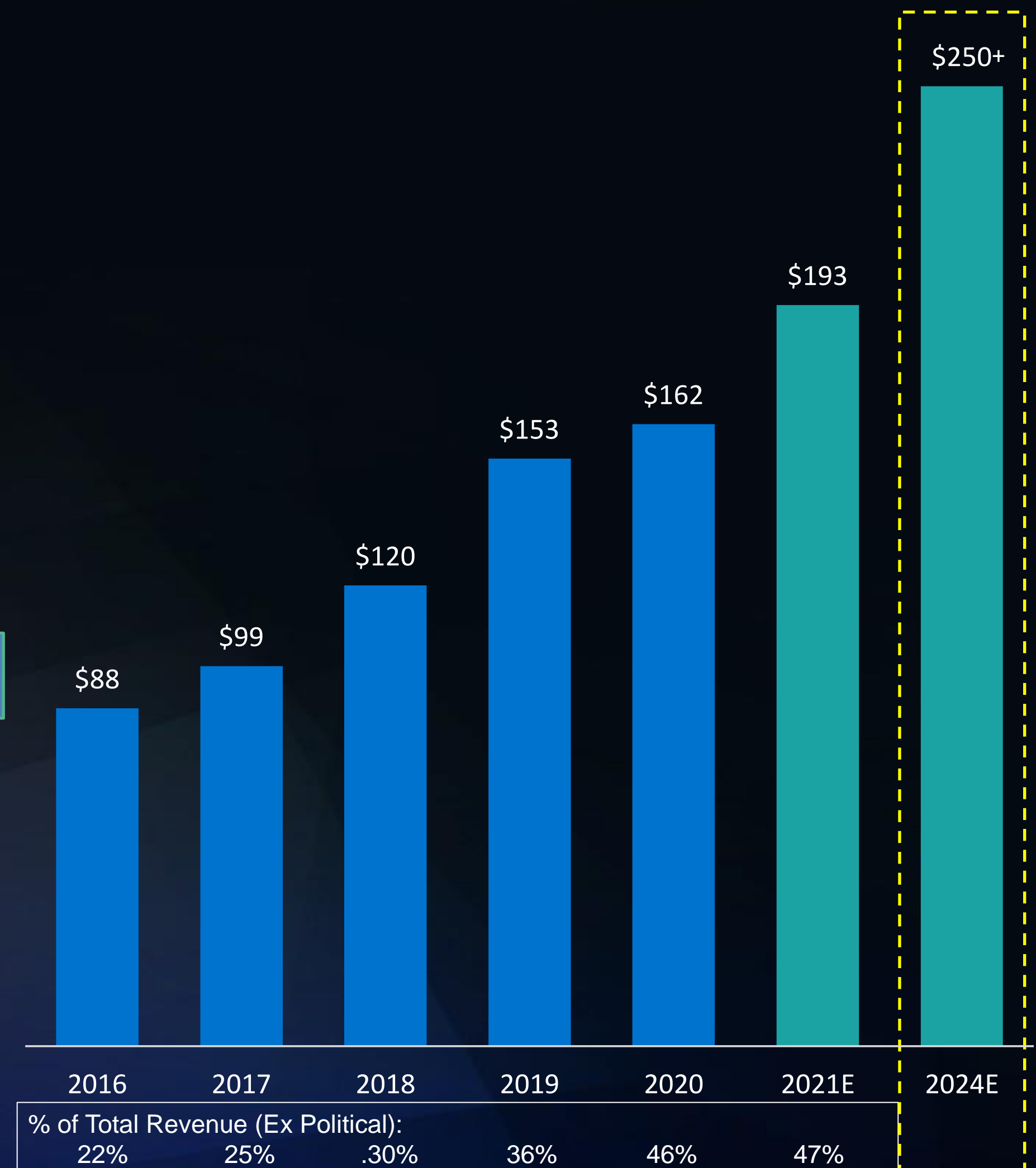
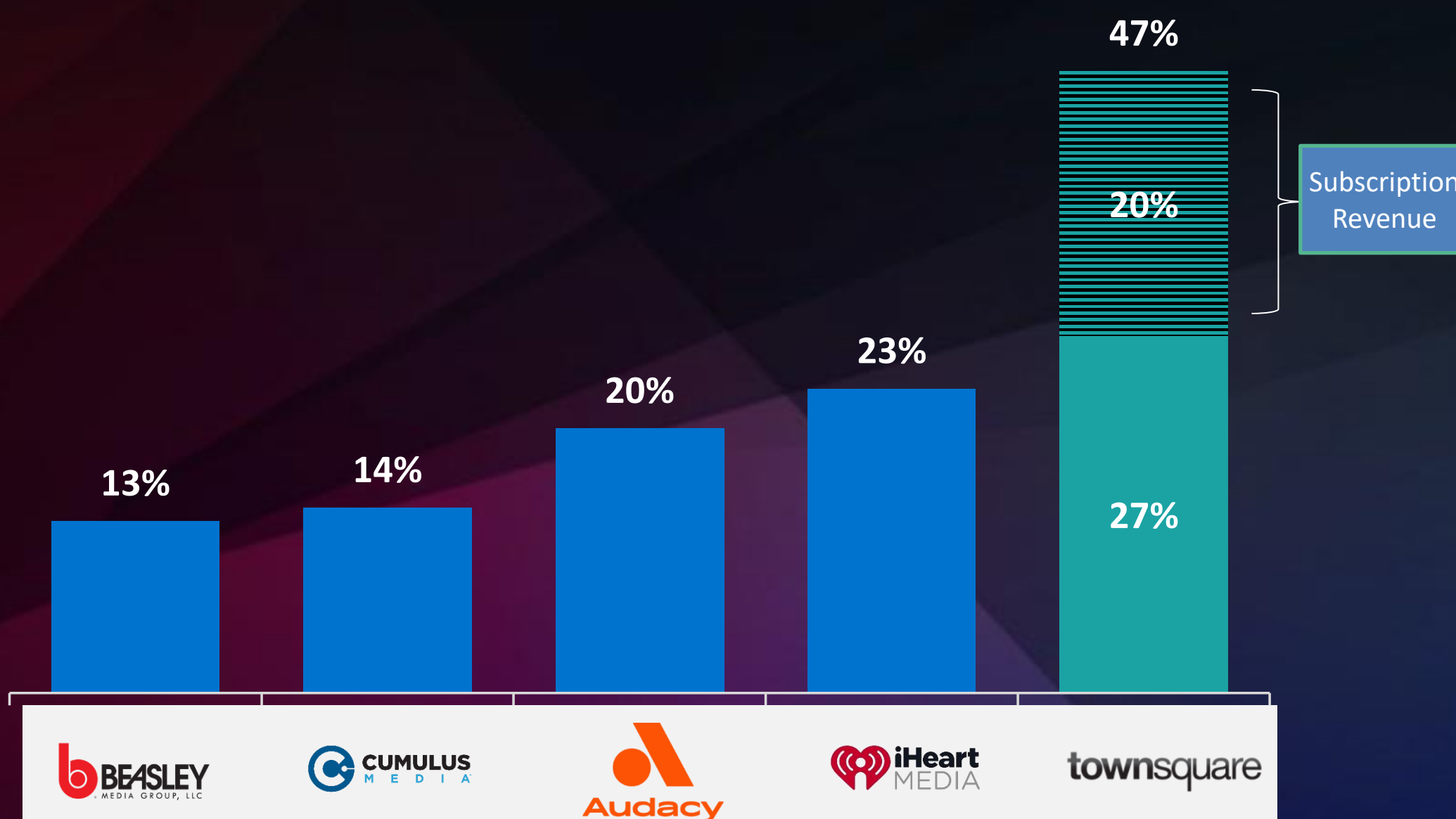
+22%

+27%

+6%

+19%

1H 2021 Digital % of Net Revenue <sup>(1)</sup>



Note: TSQ pro forma for acquisitions and divestitures.

1. Source: Company filings and earnings calls.

# TOWNSQUARE INTERACTIVE (TSI)

## (DIGITAL MARKETING SOLUTIONS)



100% owned, subscription-based business that provides website and digital marketing services to underserved SMBs

- ✓ Employs ~650 dedicated professionals
- ✓ Proprietary, internally developed software and support platform

Dedicated **Inside Sales Team** of ~200 sellers that prospect small to mid-sized markets across the U.S.

- ✓ ~58% of subscribers are outside of our local market footprint
- ✓ Plan to open a second, West-Coast location in 1H'2022

Also leverage **our Local Sales Teams**, trusted and long-standing local relationships and heritage brand recognition, to sell within our market footprint – a competitive advantage

TSI's subscription revenue has grown on average approximately \$10 million per year for 6 straight years, at a stable 30% margin since 2016

Consistent, and accelerating, net subscriber growth

### Key Stats

**\$79M LTM 9/30/21 net subscription revenue** (~20% of TSQ's net revenue ex. political) <sup>(1)</sup>

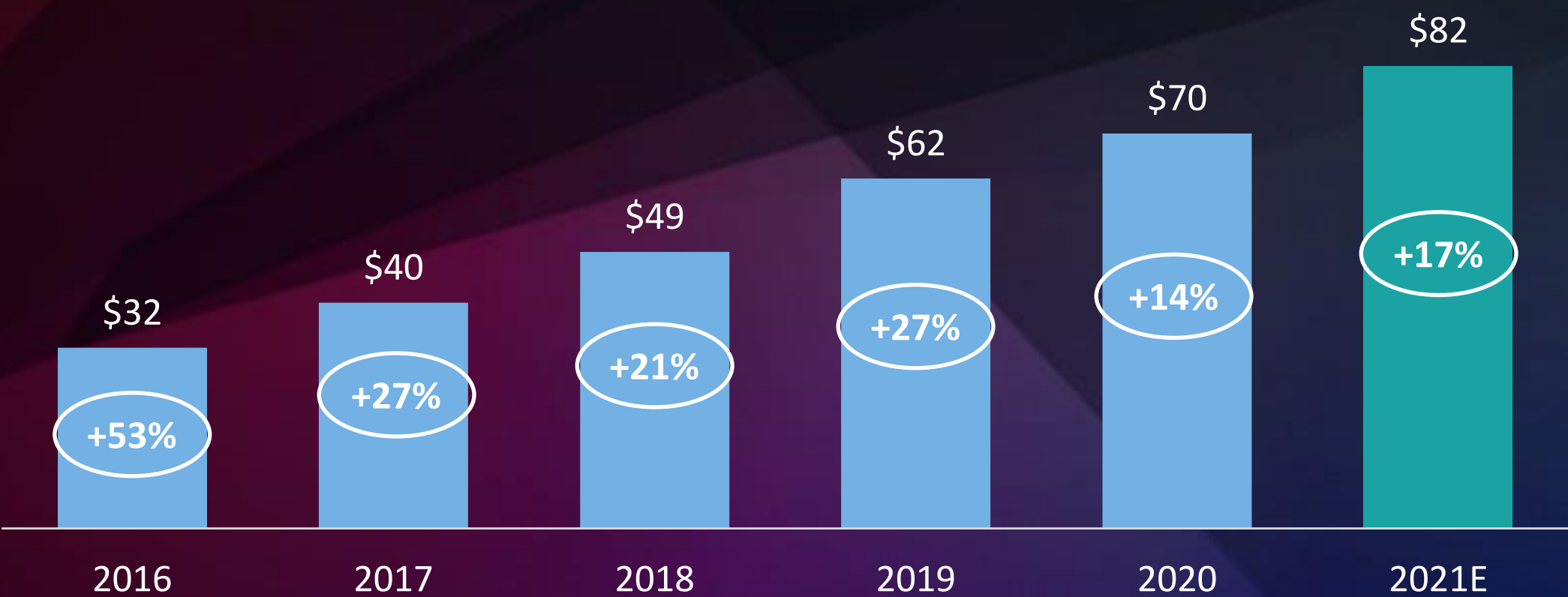
**\$24M LTM 9/30/21 subscription profit** (~30% profit margin) (~25% of TSQ's Adjusted EBITDA ex political) <sup>(1)</sup>

**~25,950 subscribers** as of 9/30/21

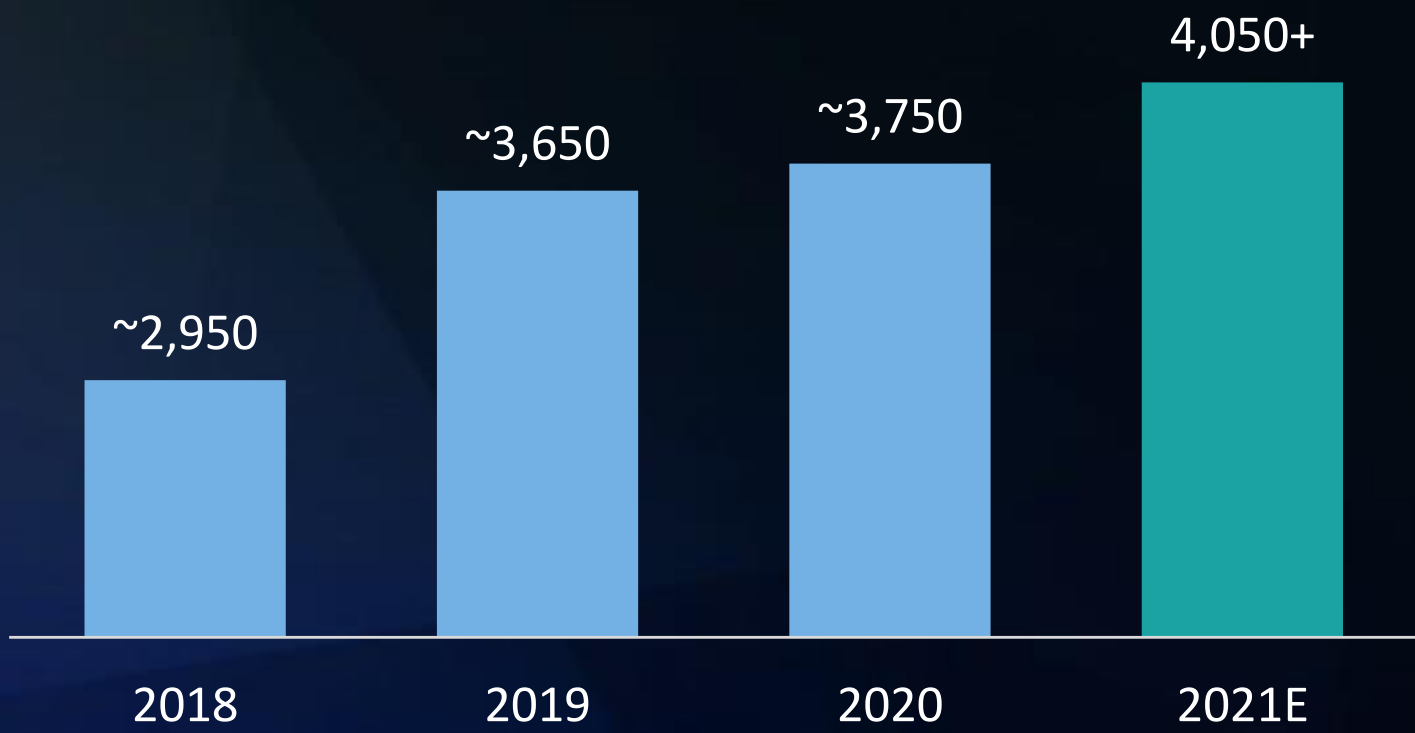
**~\$300 average monthly subscriber fee**

**Wix.com, a company which provides similar services to TSI, trades at a trailing revenue multiple of ~10x, despite having negative EBITDA<sup>(2)</sup>**

TSI Subscription Net Revenue (\$M) and Growth Trends



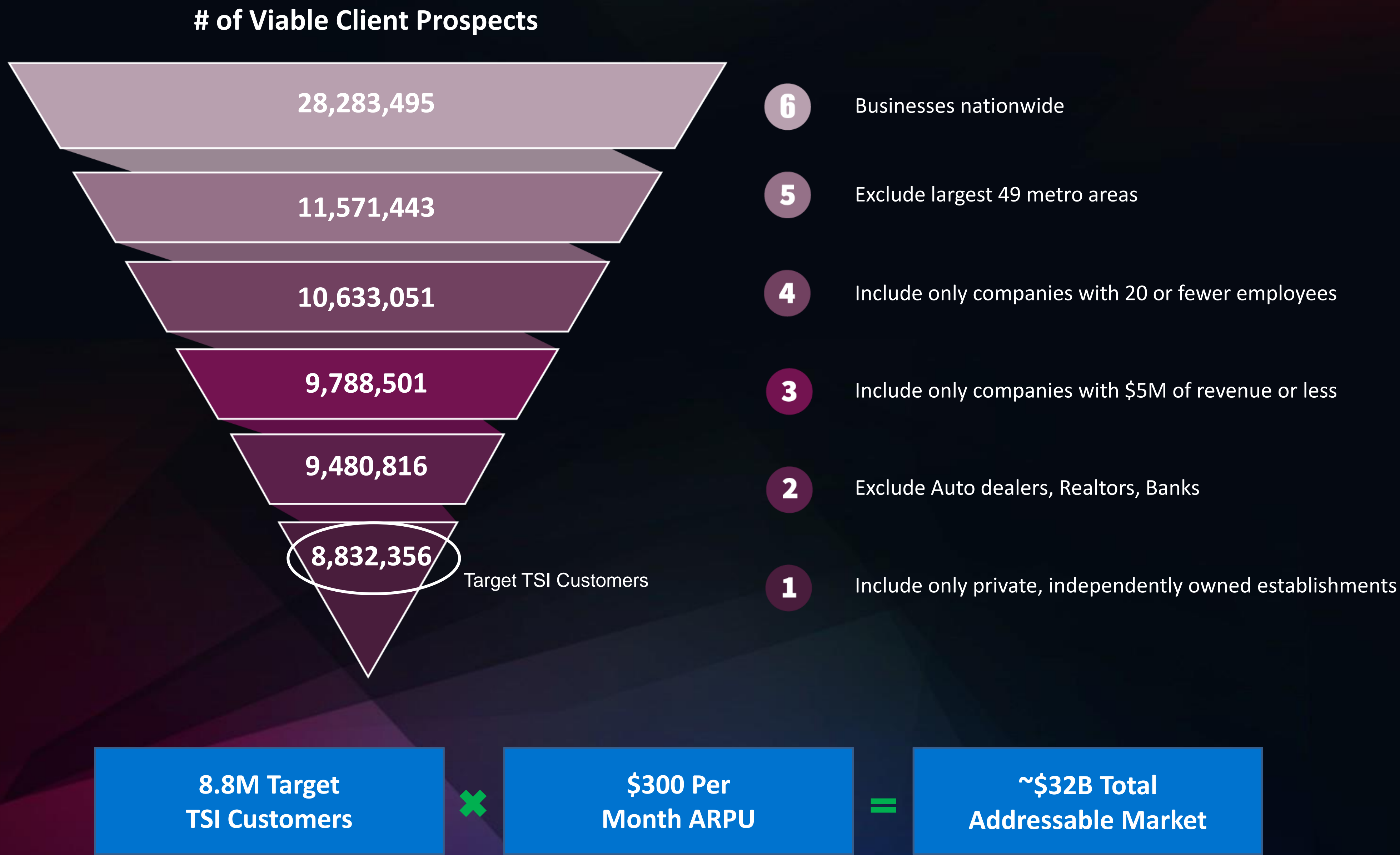
TSI Annual Net Subscriber Additions



Note: Please refer to page 2 for definitions of non-GAAP measures.

1. For the twelve months ended September 30, 2021. Subscription profit refers to TSI's Adjusted Operating Income. 2. Revenue multiple as of 10/28/2021. Negative EBITDA for the twelve months ended June 30, 2021.

# TOWNSQUARE INTERACTIVE'S ADDRESSABLE MARKET





# DIGITAL ADVERTISING: \$109 Million in Revenue LTM 9/30/2021



- Proprietary advertising technology platform that enables us to fulfill our clients' demand for online audience using the powerful combination of TSQ digital inventory (on our owned and operated websites) and third-party advertising inventory across the Internet
  - Hyper-targeted online audiences are delivered across desktop, mobile, apps, connected TV, email, paid search, and social media platforms utilizing display, video and native executions
- Our in-house buying platform (DSP) is integrated with 1,000+ exchanges accessing >250 billion impressions/day, making us among the largest in-house trading desks
  - Majority of competitors use a single inventory source

## PROGRAMMATIC DIGITAL ADVERTISING

In-House  
Buying  
Platform  
(DSP)

Integrated  
with 1000+  
Exchanges

Access to  
>250B  
impressions/  
day

White Glove  
Customer  
Service

- Proprietary in-house Content Management System (CMS) and website / app platforms
- Since 2004, approximately 1,800 newspapers have closed in the US, and more than 90 local newsrooms have closed during the pandemic <sup>(1)</sup>; we have stepped in to help fill that void in our communities
  - On-Air DJs are Digital Content Creators & Local Social Influencers, creating over 30K pieces of local content per month - one of the largest producers of local content in the U.S.

## OWNED & OPERATED BRANDS & DIGITAL TECHNOLOGY

330+ Local  
Websites

10  
National  
Websites

350+  
Mobile  
Apps

61M  
Monthly  
UVs<sup>(2)</sup>

31M+  
Social  
Followers

>3.5B  
YouTube  
Lifetime  
Views



1. Source: Kristen Hare, 'More than 90 local newsrooms closed during the coronavirus pandemic', *Poynter* [website], <https://www.poynter.org/locally/2021/the-coronavirus-has-closed-more-than-60-local-newsrooms-across-america-and-counting/>, (accessed October 20, 2021).

2. Represents average monthly global unique visitors ("UVs") on our owned and operated websites in the nine months ended September 30, 2021 per Google Analytics.

# DATASQRD

## (TOWNSQUARE'S FIRST PARTY DATA INITIATIVE)

DataSqrD is our analytics and strategic insights platform, collecting and analyzing first-party data from our O&O portfolio of websites and apps (and then overlaid with third party data), leading to detailed insights about consumer behaviors, audience interest and purchase intent

### What DataSqrD Provides:

- ✓ Fresh (data based on activity in last 30 days), accurate, robust, audience level data (based on what audience members are actually searching for online and websites they are visiting)
- ✓ Audience Profiles – showcasing key behavioral attributes, sentiments and interests of Townsquare audiences
- ✓ Indexing Rankers – demonstrating the likelihood of a target audience to take a desired action or exhibit a behavior
- ✓ Category/Market Research – illustrating key consumer and industry trends impacting the marketplace
- ✓ Unique view of small/mid sized markets and key regions (i.e., New York, Texas, Midwest)
- ✓ Station insights to aid digital team in publishing content that will resonate well with audiences and drive site traffic

### How it Works:

- ✓ All 67 Townsquare markets & Ignite sales teams have been trained on how to use data in their sales process, helping AEs to generate new business, upsell current clients, and further solidify our position reducing attrition
- ✓ AEs and Sales Leaders have access to a self-serve insights platform to pull quick insights
- ✓ A Ticket Request system is utilized to fulfill larger requests, completing an average of 250 tickets per month

WHY OUR DATA IS  
VALUABLE

- Proprietary to Townsquare – no one has this level of access to our audience data
- Based on actual user activity online – no surveys, weighting or assumptions
- Data makes us stand out from the competition in our markets – no one else has this type of information, turning our AEs into consultants instead of just sales reps

**datasqrd**

**~15M Profiles**

**Website Visitors**

**Mobile App &  
Streaming Users**

**Loyalty Club Members**

**Newsletter Subscribers**

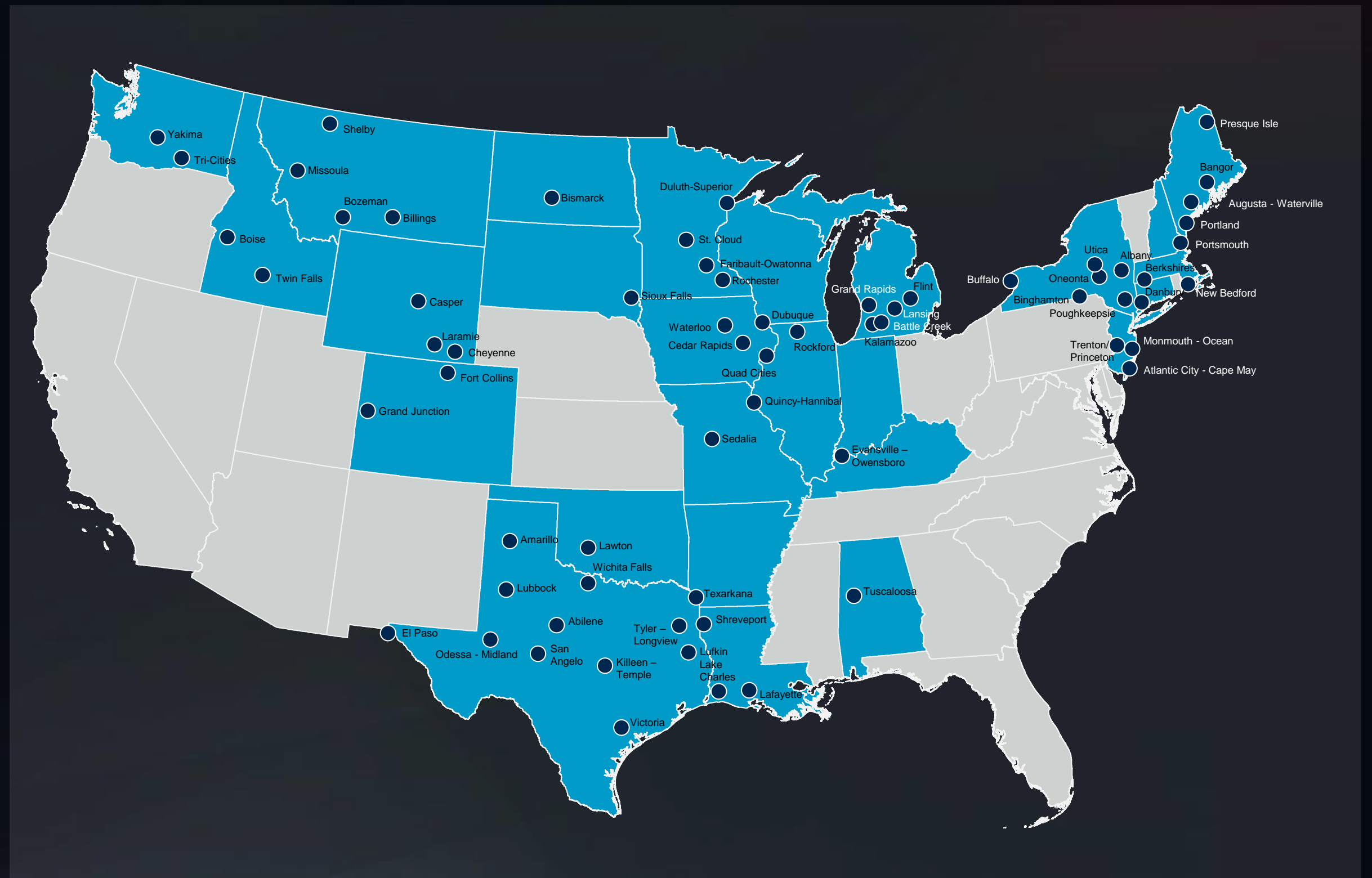


# TOWNSQUARE FOCUSES OUTSIDE THE TOP 50 MARKETS

## If You Don't Know, Now You Know

- More attractive competitive landscape
  - Very limited focus from larger media players
  - Starved for high quality local digital content given the retrenchment of newspapers in these markets
  - Very limited competition from digital marketing solutions providers
  - Very limited competition from digital programmatic providers
- Leading presence in 67 small and mid-sized markets across the U.S.
  - Portfolio of 322 radio stations with 330+ community websites and 300+ local apps
  - AM/FM broadcast alone reaches 50% of adults in our markets
  - Healthy, stable markets with lower economic volatility and stabilizing institutions such as universities, military installations and state capitals
  - Average market population of ~300,000 people
  - Talented Local Sales Teams in each of our 67 local media markets with strong long-term community relationships. Most often the largest media sales team in the market
- Built world class Inside Sales Team (~200 people) in Charlotte to focus on under-served digital markets with population less than 1.5 million people outside of our markets
- Influential Local Personalities and Original Local Content drive local engagement and large, at-scale local audiences powering compelling marketing and advertising solutions for local businesses

## Townsquare's 67 Local Media Markets with Local Sales & Content Teams





# THE POWER OF LOCAL RADIO: BRANDS, PERSONALITIES AND SALES TEAMS

Our local broadcast brands power our portfolio of local websites and apps, and their corresponding social and video platforms

Influential live and local media personalities and their original content drive deep, multiplatform audience engagement and create compelling advertising and marketing solutions for local clients

Our on-air talent are the **original social influencers** that command incredible authority, trust and engagement with their followers and with our local communities

Large, local salesforce with direct relationships with local advertisers and businesses

AM/FM terrestrial broadcast alone reaches 50% of adults in our markets

Over 40% of our terrestrial listening audience has downloaded the local radio stations standalone mobile app

Stable listening trends (Time Spent Listening) and stable audience given “Local First” strategy – local DJs and local content

## Key Stats

\$207M LTM 9/30/21  
Ex-Political Net Revenue

322 radio stations

11M listeners <sup>(1)</sup>

50% Reach of Adults in Our  
Markets

90 top-rated live and local  
morning shows <sup>(2)</sup>

## A SAMPLING OF LOCAL MEDIA BRANDS



1. Represents the average of Townsquare's Spring 2021 and Fall 2020 nationwide cume, P12+ M-Su 6a -6a, per Act 1 Systems (based on Nielsen data).  
2. Represents live and local morning shows that are ranked first in-format according to Nielsen's and Eastlan's Fall 2019 A25-54 ratings.



# LIVE EVENTS

- As a result of the COVID-19 pandemic, we cancelled the majority of our live events in 2020, which significantly impacted our Live Events revenue. We started a limited live event schedule beginning in Q2 2021
  - Largely variable expense base helped offset the negative revenue impact
- Live events are a natural extension of Townsquare's core advertising offerings
  - Expands our audience and reinforces media brands through association
  - Strong local presence and marketing strength
  - Complementary advertiser offering without cannibalizing other revenue streams
  - Monetizes the listener/consumer relationship
  - Expertise in local markets and ability to syndicate events across Townsquare markets
- TSQ creates, promotes and produces live events that are local, family oriented and community based in nature
  - Our events are largely perennial with strong customer loyalty
  - Low ongoing fixed cost, principally driven by innovation and human capital
  - Include concerts, expositions and other experiential events
- In 2019, hosted ~200 live events and generated pro forma net revenue of \$16.4M and \$3.0M Adjusted Operating Income
  - ~18% Adjusted Operating Income Margin

## Select Local Live Event Brands





# Balance Sheet & Ownership

## 9/30/21 Balance Sheet

- \$31M cash balance at 9/30/21
- On January 6, 2021, issued \$550M of Senior Secured Notes at 6.875%
- On March 9, 2021, used \$80M of cash to repurchase 100% of Oaktree Capital's ownership in TSQ

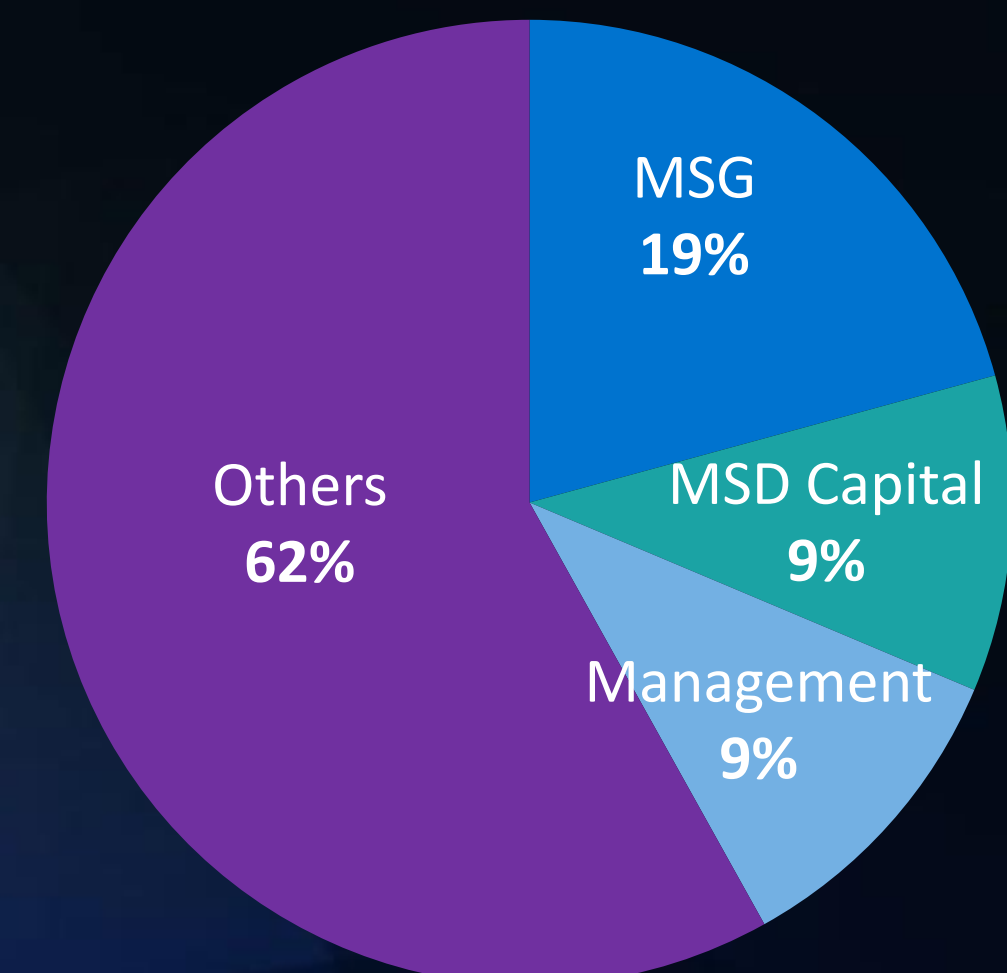
\$ in millions		Maturity	Pricing
Cash	\$31		
Senior Secured Notes	550	2026	6.875%
<b>Total Debt</b>	<b>\$550</b>		
<b>Total Net Debt</b>	<b>\$519</b>		
Total Leverage <sup>(1)</sup>	5.2x		
<b>Net Leverage <sup>(1)</sup></b>	<b>4.9x</b>		

## Ownership (as of 10/29/21)<sup>(2)</sup>

(shares in millions)		# of Votes	Primary Holders
Class A Common Stock	12.5	1	Public, MSG & MSD
Class B Common Stock	0.8	10	Management
Class C Common Stock	3.5	0	MSD & MSG
<b>Total Shares</b>	<b>16.8</b>		

- Townsquare's multi-class structure is driven largely by FCC considerations
- Class B (high vote) and Class C (no vote) shares revert to Class A (1 vote) shares upon a sale

### Equity Ownership



Note: Please refer to page 2 for definitions of non-GAAP measures.

1. Adjusted EBITDA for the twelve months ended September 30, 2021 was \$106.6 million.

2. There are also 10,662 Class A warrants outstanding. Each warrant is exercisable for one share of Class A common stock, at an exercise price of \$0.0001 per share. The aggregate exercise price for all warrants currently outstanding is \$1.



# townsquare

## Appendix

# KEY INVESTOR HIGHLIGHTS

I

Attractive Free Cash Flow Profile with Significant Subscription Component

II

Success in Digital Businesses Diversifying Revenue Base

III

Attractive Radio Industry Dynamics

IV

Leading Position in Small and Mid-Sized Markets

V

Industry Leading Revenue Results

VI

“Best in Class” Product & Engineering Team

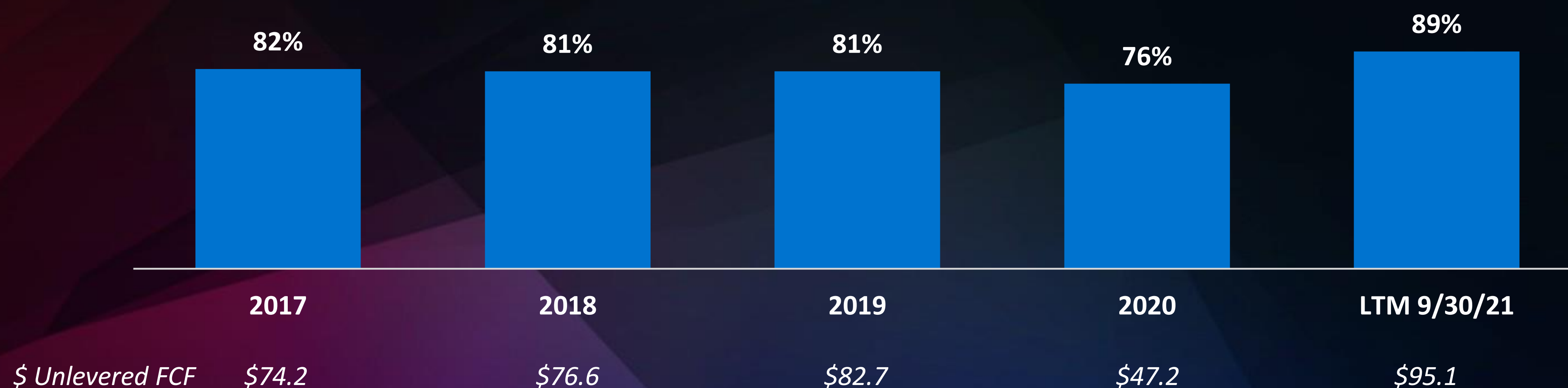
VII

Leading Management Team

# ATTRACTIVE FREE CASH FLOW PROFILE

- Fast growing, profitable digital revenue is complemented by stable (pre-pandemic) broadcast revenue with attractive margins (digital ~47% of September YTD 2021 net revenue excluding political)
- Increasing contribution from subscription-based Townsquare Interactive segment (TSI)
  - ~\$79M LTM 9/30/21 revenue; ~20% of total net revenue (excluding political) in September YTD 2021
  - Stable ~30% margin; ~25% of total Adjusted EBITDA (Excluding Political) in September YTD 2021
- Diverse revenue segments and operating scale contribute to greater net revenue and Adjusted EBITDA growth
- Low, predictable capex requirements (<5% of revenue)
- Substantial tax shields related to the tax amortization of intangible assets

## Unlevered Free Cash Flow Conversion <sup>(1)</sup>



Note: Please refer to page 2 for definitions of non-GAAP measures.

1. Unlevered Free Cash Flow defined as Adjusted EBITDA less Capex, and Unlevered Free Cash Flow Conversion defined as (Adjusted EBITDA – Capex) / Adjusted EBITDA. Unlevered Free Cash Flow, Unlevered Free Cash Flow Conversion, and Adjusted EBITDA are non-GAAP financial measures. Please refer to page 2 for the definition of Adjusted EBITDA and the appendix of this presentation for a reconciliation of Adjusted EBITDA to Net (loss) Income, the most directly comparable GAAP measure.





# SUCCESS IN DIGITAL ADVERTISING AND INTERACTIVE BUSINESSES IS DRIVING THE COMPANY'S DIGITAL TRANSFORMATION

Digital businesses support long-term growth and revenue and profit diversification, including subscription-based profit

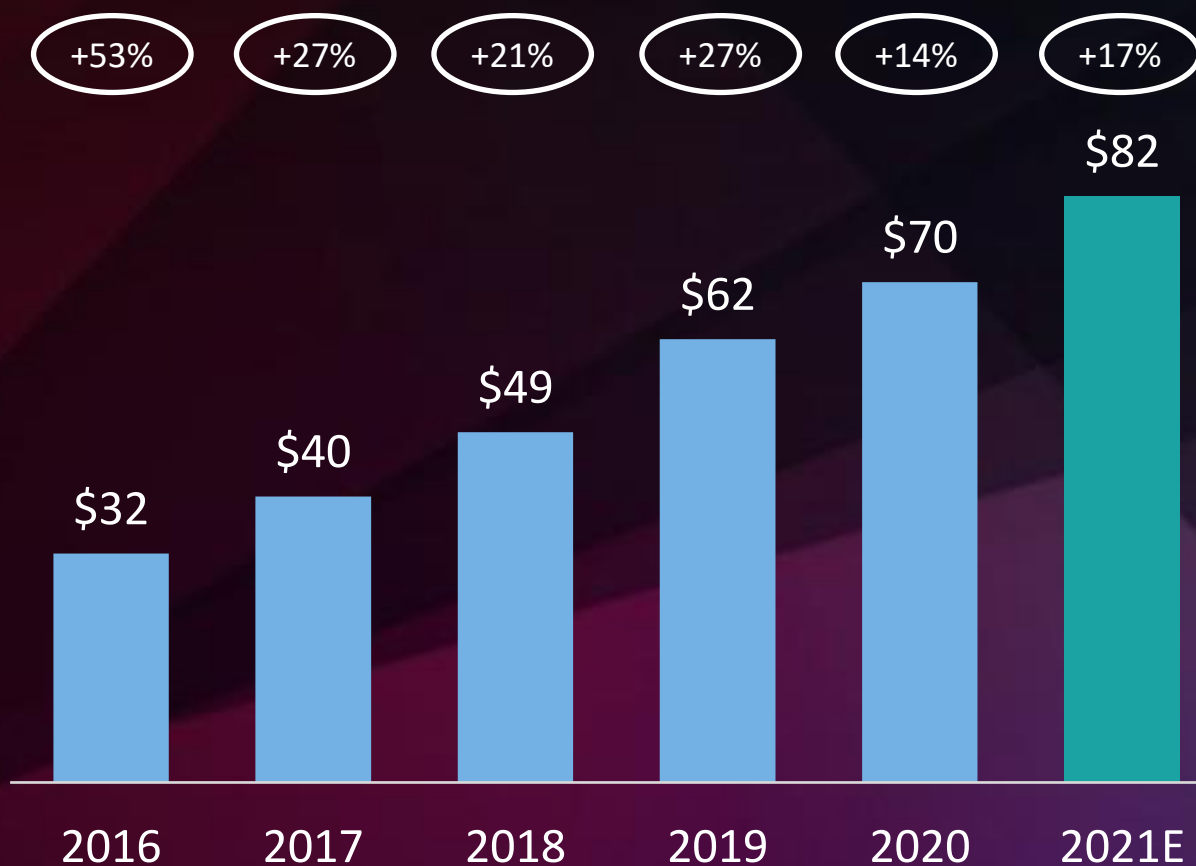
*Townsquare Interactive and Townsquare's Digital Advertising have delivered positive revenue growth in 2020 and YTD 2021 despite the COVID-19 pandemic, with TSQ's digital revenue delivering positive revenue growth in every quarter since COVID began, demonstrating TSQ's perceived value to its local clients*

## Townsquare Interactive

### Key Stats

- ✓ Total Addressable Market: 8.8M U.S. SMBs and >\$32B
- ✓ ~ 25,950 subscribers as of 9/30/21
- ✓ ~30% profit margin<sup>(1)</sup>
- ✓ ~ \$300 average monthly subscriber fee
- ✓ Approximately 58% of TSQ subscribers are outside of TSQ's local media market footprint

### TSI Revenue (\$M) and Growth Trends<sup>(2)</sup>



## Townsquare's Digital Advertising

### Key Stats

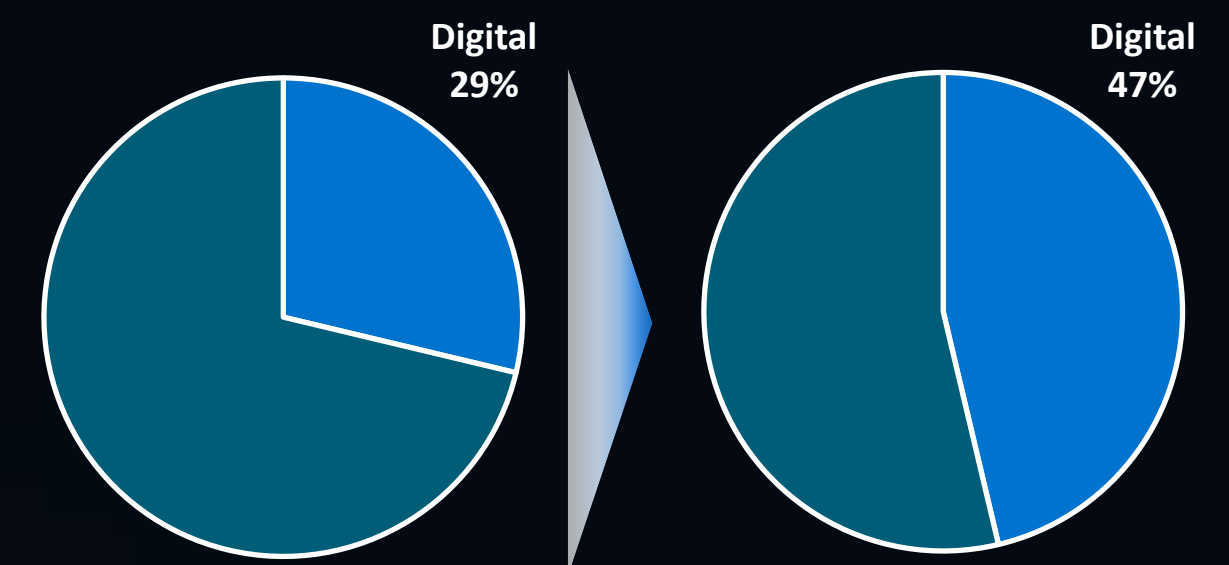
- ✓ Townsquare Ignite
  - ✓ In-house buying platform (DSP) integrated with 1,000+ exchanges accessing >250 billion impressions/day
  - ✓ In-House Digital Agency managing creative to campaign insights and everything in between to deliver strong Digital Advertising ROI
- ✓ Townsquare Amped
  - ✓ Owned and operated network of digital brands, made up of over 340 websites and 350 mobile apps
  - ✓ 61 million unique visitors <sup>(3)</sup>

**\$250M of Digital Revenue  
Within 3 Years  
(TSI + Ignite + Amped) <sup>(4)</sup>**

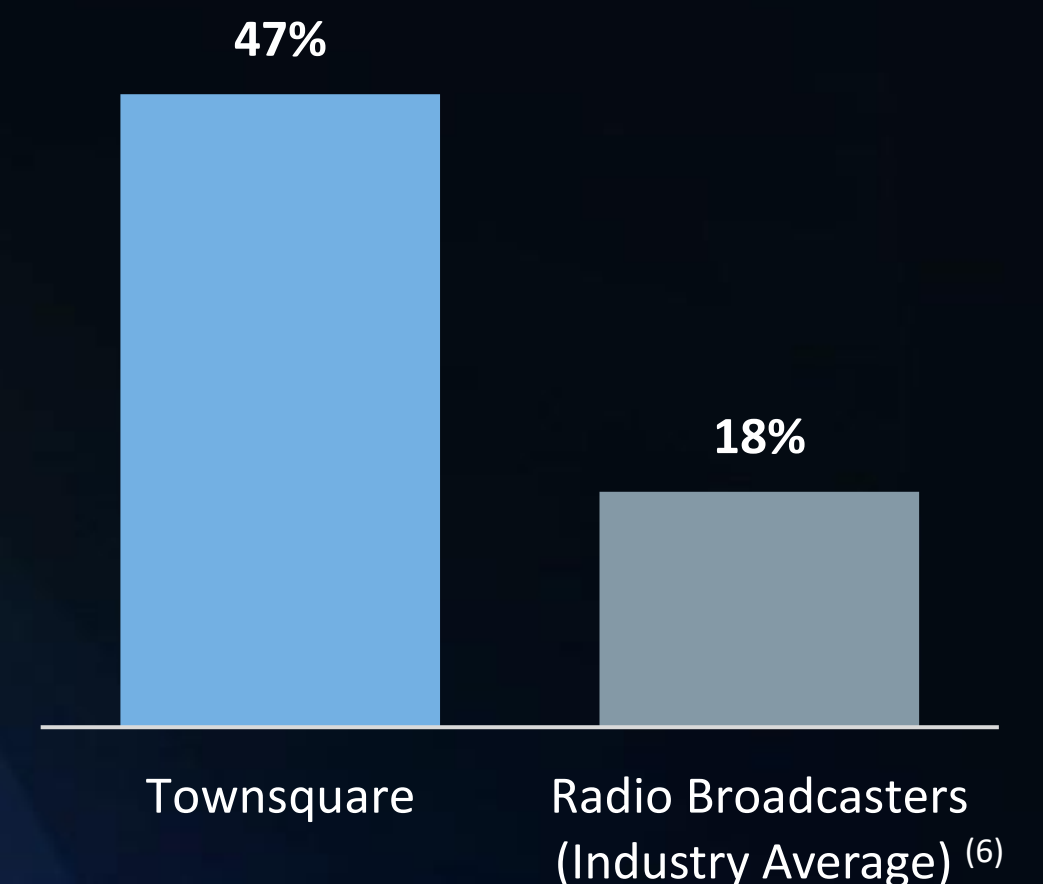
## Townsquare's Digital Evolution

### Sep YTD 2018 Revenue<sup>(5)</sup>

### Sep YTD 2021 Revenue<sup>(5)</sup>



### 1H'21 Percentage of Revenue from Digital Sales



Note: Please refer to page 2 for definitions of non-GAAP measures.

1. Represents Adjusted Operating Income Margin for the twelve months ended September 30, 2021.

2. Represents year-over-year revenue growth trends.

3. Represents average monthly global unique visitors ("UVs") on our owned and operated websites in the nine months ended September 30, 2021 per Google Analytics.

4. Represents management estimates.

5. Excluding political revenue.

6. Per reported 1H 2021 digital revenue for iHeart, Cumulus, Beasley, and Audacy.



# LEADING RESEARCH FIRM, BORRELL ASSOCIATES, SINGLES OUT TOWNSQUARE AS TOP DIGITAL PERFORMER

Borrell singles out Townsquare as the top digital performer in the radio business and one of the leading digital companies across all of local media

“Townsquare’s digital ventures are **fast-growing** and **impressive**”

“Townsquare’s overall share of addressable digital ad dollars is **2.6 times** the average for radio stations”

“Across its **67 markets**, Townsquare holds a phenomenal share of addressable digital advertising”

“Townsquare should no longer be thought of as [only a] radio company...”







# LEADING RESEARCH FIRM, BORRELL ASSOCIATES, SINGLES OUT TOWNSQUARE AS TOP DIGITAL PERFORMER

Percentage of Ad Revenue from Digital Sales for U.S. & Canadian Local Media Companies, 2020 Estimates

Company	% from Digital Advertising
Yellow Pages Ltd. (Canada)	75.3%
New York Times (newspaper)	54.7%
McClatchy (newspapers)	50.9%
Thryv (yellow pages)	49.1%
Postmedia (newspapers)	47.9%
Gannett/GateHouse (newspapers)	46.9%
Townsquare (radio)	43.6%
Lee Enterprises (newspapers)	36.8%
Torstar (metro newspapers/Canada)	31.9%
Torstar (community newspapers/Canada)	27.2%
Tribune (newspapers)	26.6%

Company	% from Digital Advertising
Entravision (radio & TV)	22.2%
Audacy (radio)	17.9%
TEGNA (television)	17.8%
Urban One	15.9%
iHeart Media (radio)	14.8%
Salem Communications (local radio only)	13.6%
Beasley Broadcasting (media)	11.1%
Cumulus (radio)	10.9%
Nexstar (television)	10.8%
Meredith (television)	3.8%
Saga Communications (radio)	3.6%

## Industry Averages (not restricted to companies above)

Newspaper Companies	49.5%
Yellow Pages Companies	40.8%
TV Broadcasters	29.3%
Radio Broadcasters	15.1%

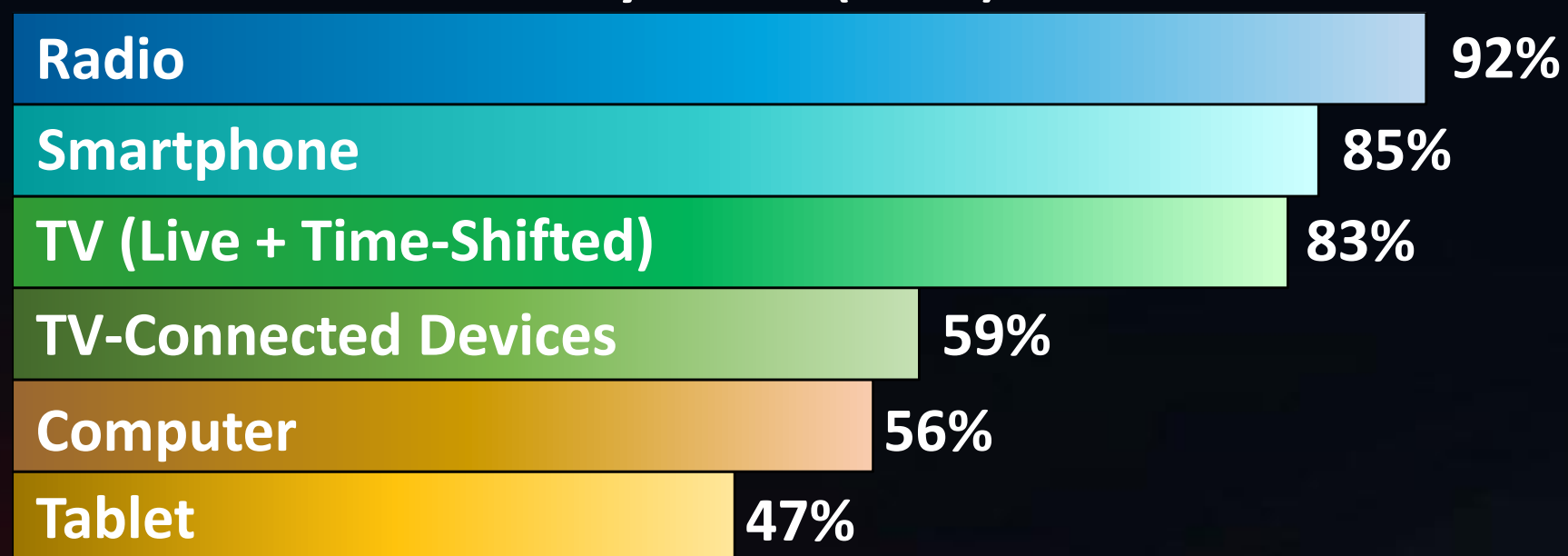


# RADIO: A STABLE FOUNDATION WITH AN ATTRACTIVE VALUE PROPOSITION

## Radio Reaches Everyone

- Radio usage has remained substantially unchanged since 1970, reaching ~85%+ of Americans 12+ <sup>(1)</sup>
- Radio dominates listening hours, with 42% vs. Streaming Audio's 17%, YouTube's 10% and SiriusXM's 9% share of listening <sup>(2)</sup>
- Radio reaches more people per week than any other media

Weekly Reach (P18+) <sup>(3)</sup>

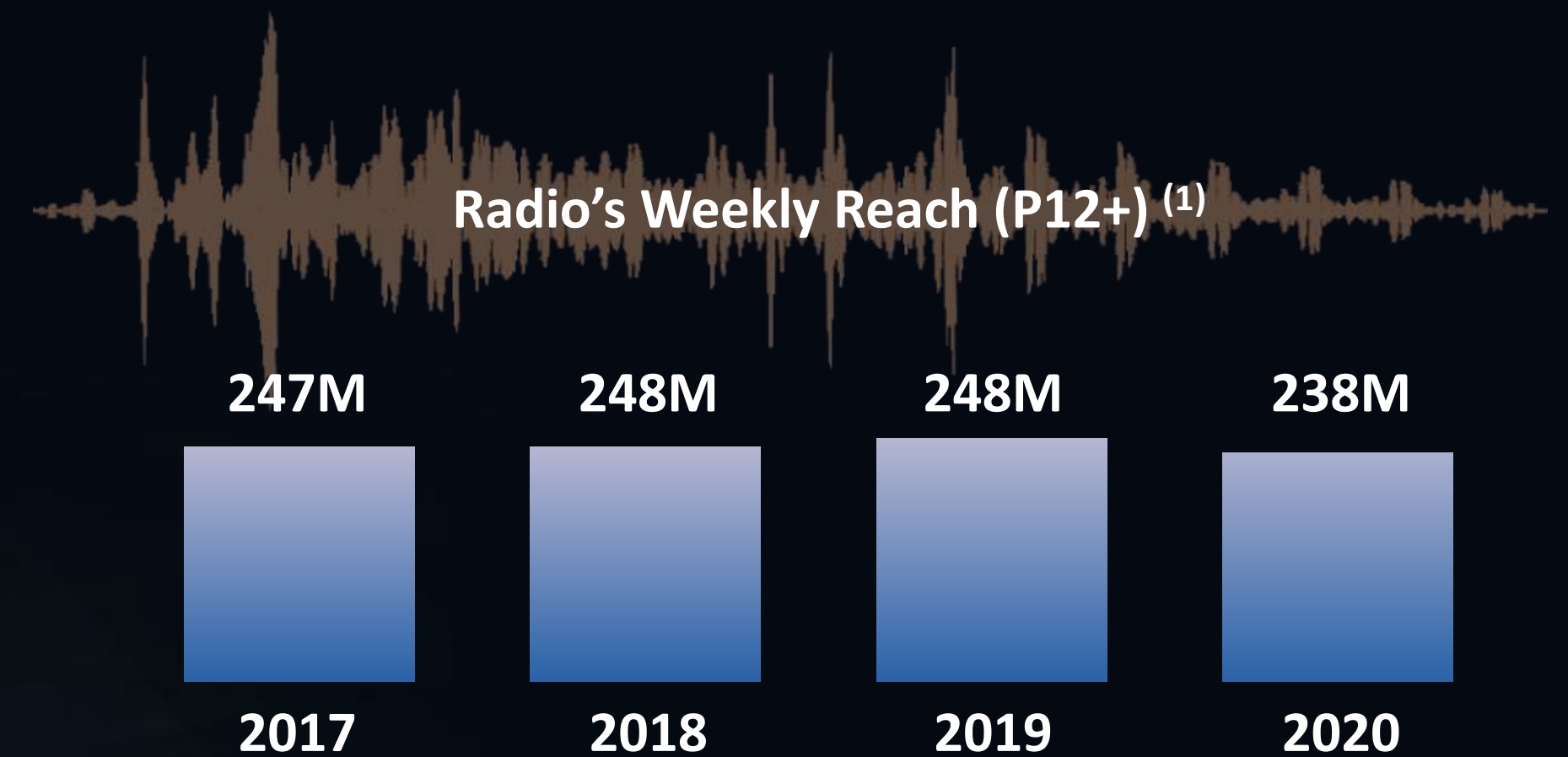


## Radio Delivers a Local Connection

- Radio megaphone with proven ability to activate audience to action
- Large, local salesforce with direct relationships with local advertisers
- Compelling live and local content on heritage brands delivered by local personalities
- First party audience data collection and insights
- Ability to produce curated local content absent from national and social media platforms

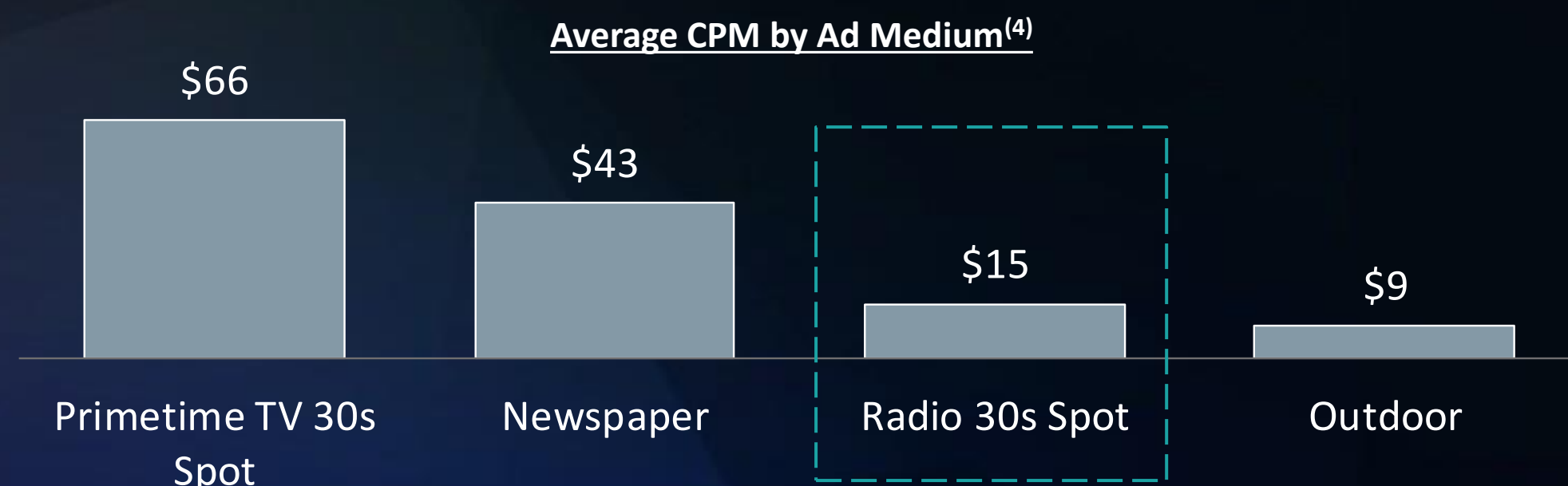
## Radio's Audience is Stable

- Unlike certain other traditional media, radio's audience is stable
- The introduction of streaming, mobile apps and smart speakers have added to radio's total audience



## Radio Delivers Results at an Attractive Price

- Radio is still one of the most cost-effective and efficient ways for local advertisers to reach the masses and local communities



**New attribution tools, such as Analytic Owl, are providing ways to measure broadcast campaigns that have historically not existed**

1. Nielsen Audio RADAR reports (135, 139, 143, 147), Mon-Sun, 12M-12M.  
 2. Edison Research, "Share of Ear," 2019, Q2 2020.  
 3. Nielsen Total Audience Report November 2020.  
 4. Based on 2018-2019 metrics for Adults ages 25 to 54.

# SMALL AND MID-SIZED MARKET STRATEGY IS A COMPETITIVE ADVANTAGE

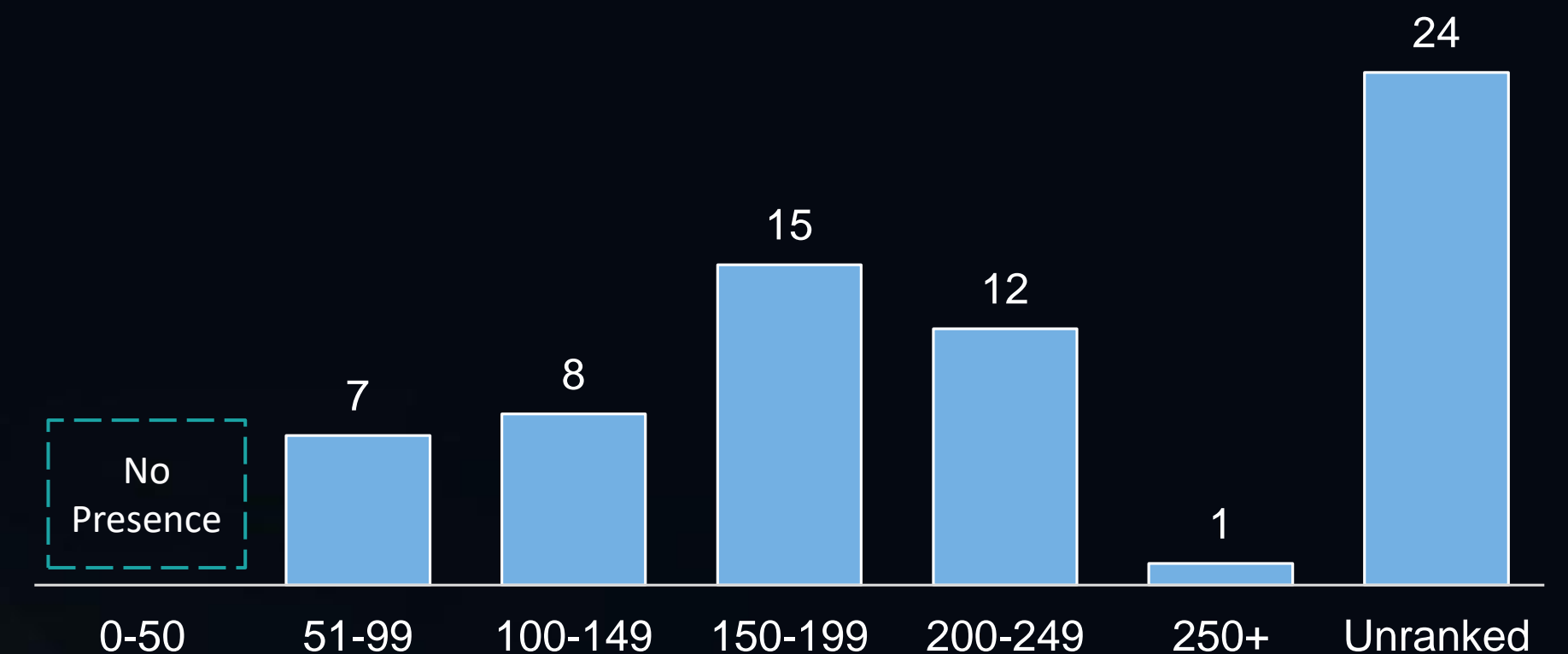
**Townsquare operates in 67 small and mid-sized markets across the US, with virtually no presence in the top 50 markets**

- ✓ More attractive competitive landscape
  - Limited focus from larger media players
  - Starved for high quality media and entertainment experiences
  - Limited competition from advertising technology and digital marketing solutions providers
- ✓ Healthy, stable markets with lower economic volatility and stabilizing institutions such as universities, military installations and state capitals
- ✓ On average, lower level of unemployment versus the national average
- ✓ TSQ reaches a majority of the population in its markets
- ✓ TSQ has trusted relationships between its heritage brands and its audience and strong local relationships with its advertisers
- ✓ TSQ's ability to bring national products, technology and practices to small and mid-sized markets is unique
  - Our national scale and expertise allows us to develop market leading products and services, and provide training and support to our local markets
- ✓ Inside Sales Team in Charlotte focused on serving cities with under 1.5 million people

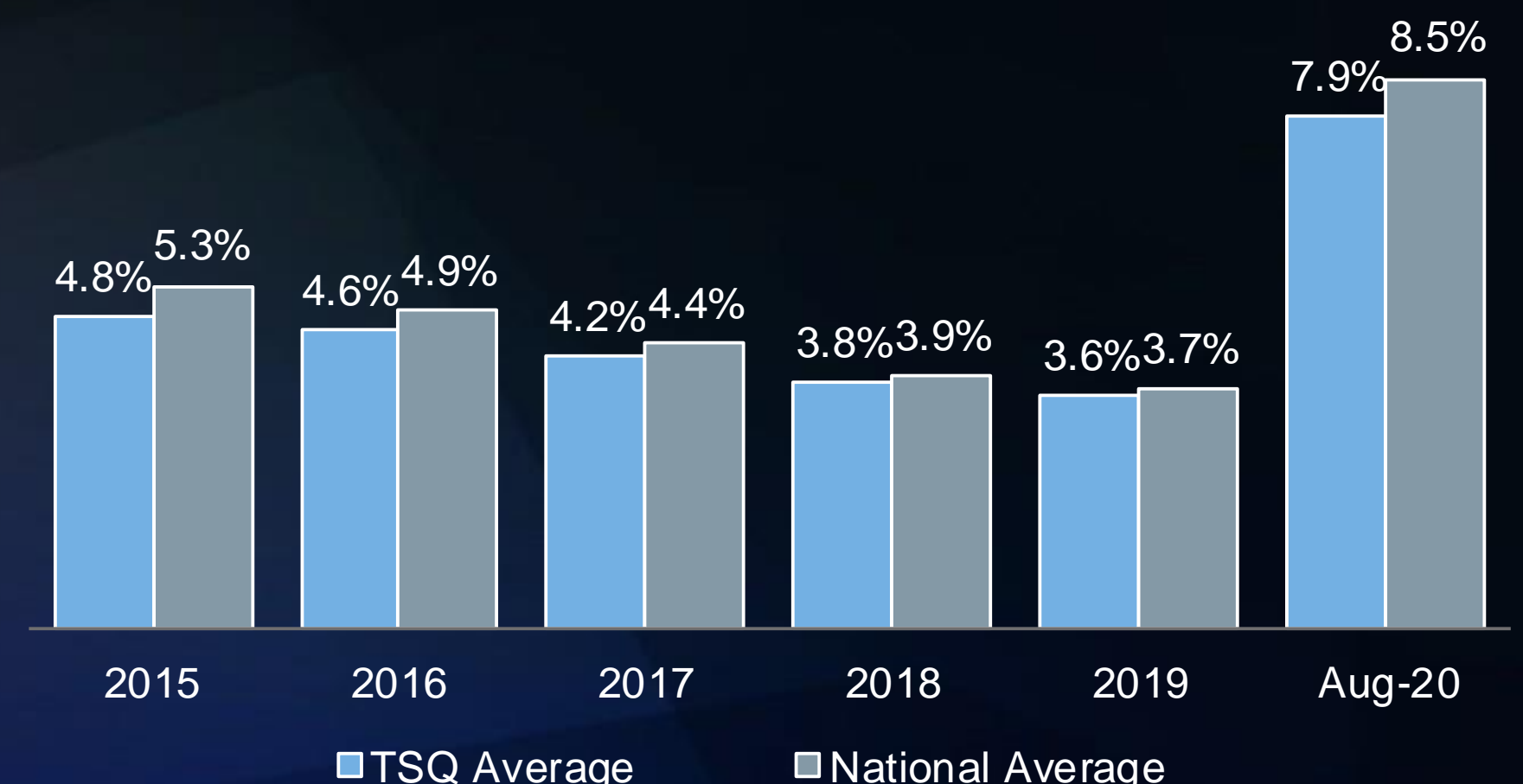
## Opportunity in Small and Mid-Sized Markets<sup>(1)</sup>

(Count of Townsquare Markets by DMA Rank)

Average Townsquare market population: ~300k (50K – 1M)



## Unemployment Rate<sup>(2)</sup>



1. Source: Nielsen, Fall 2020.

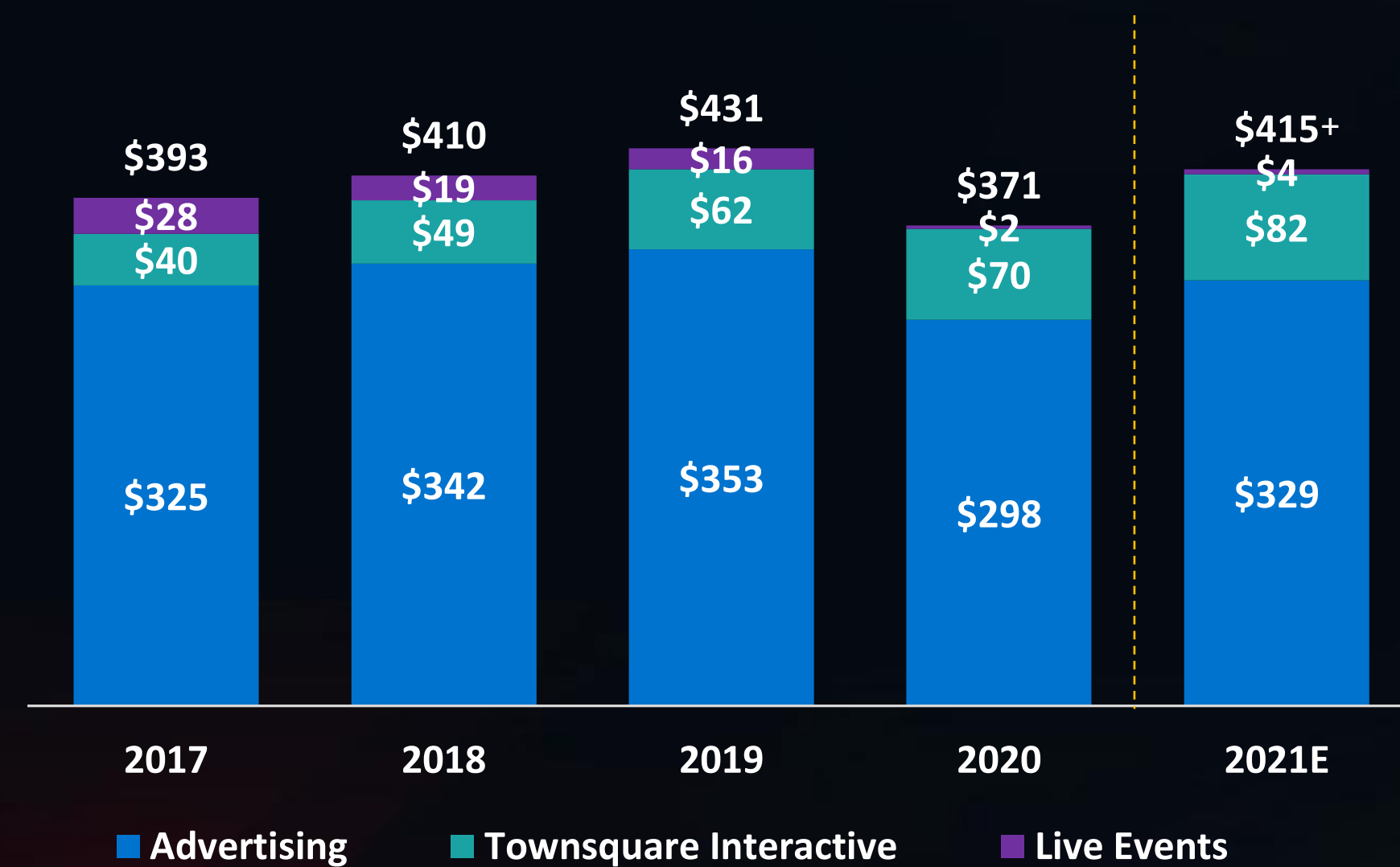
2. Bureau of Labor Statistics; TSQ averages based on simple average of local market footprint.



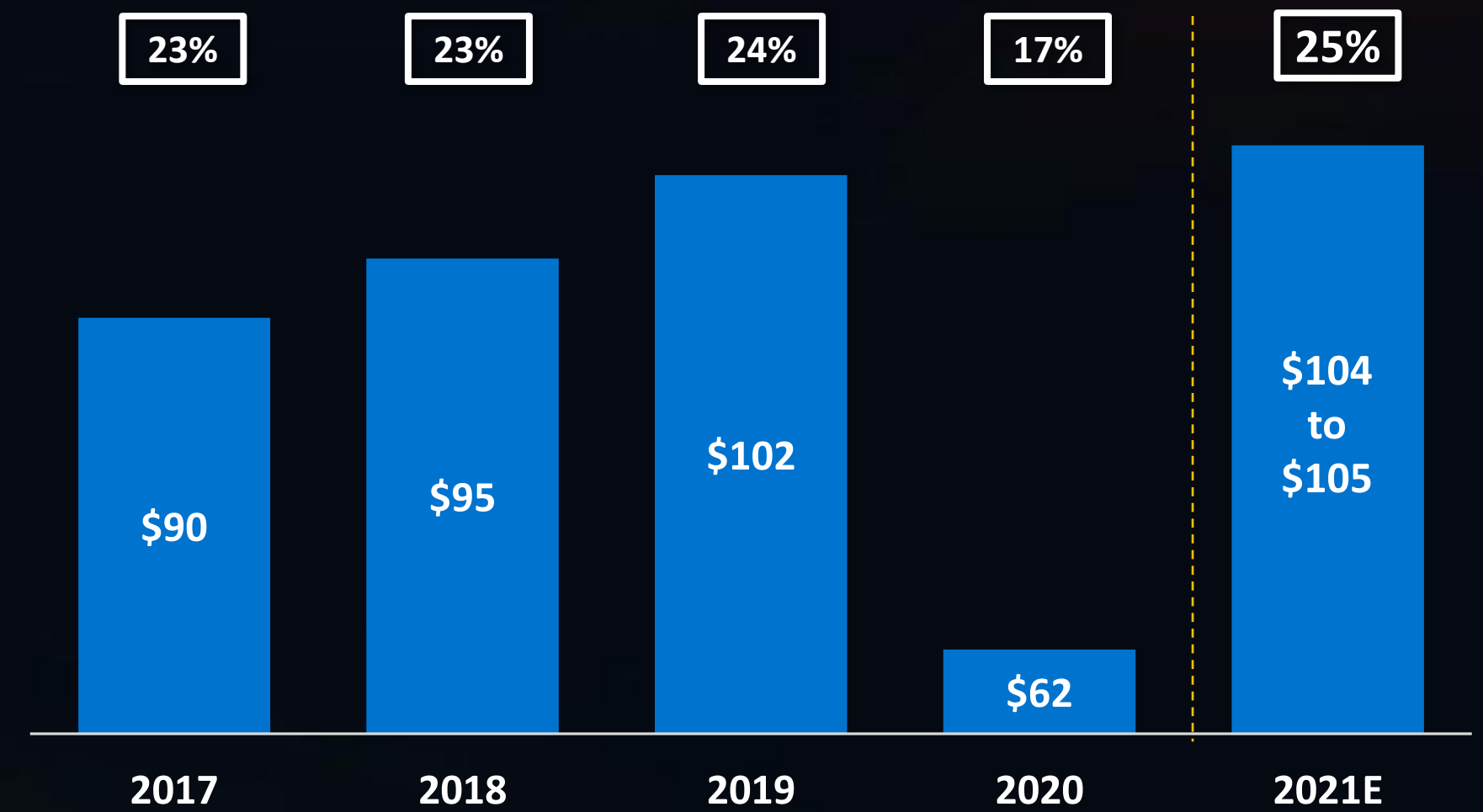
# HISTORICAL FINANCIAL PERFORMANCE

(\$ in millions)

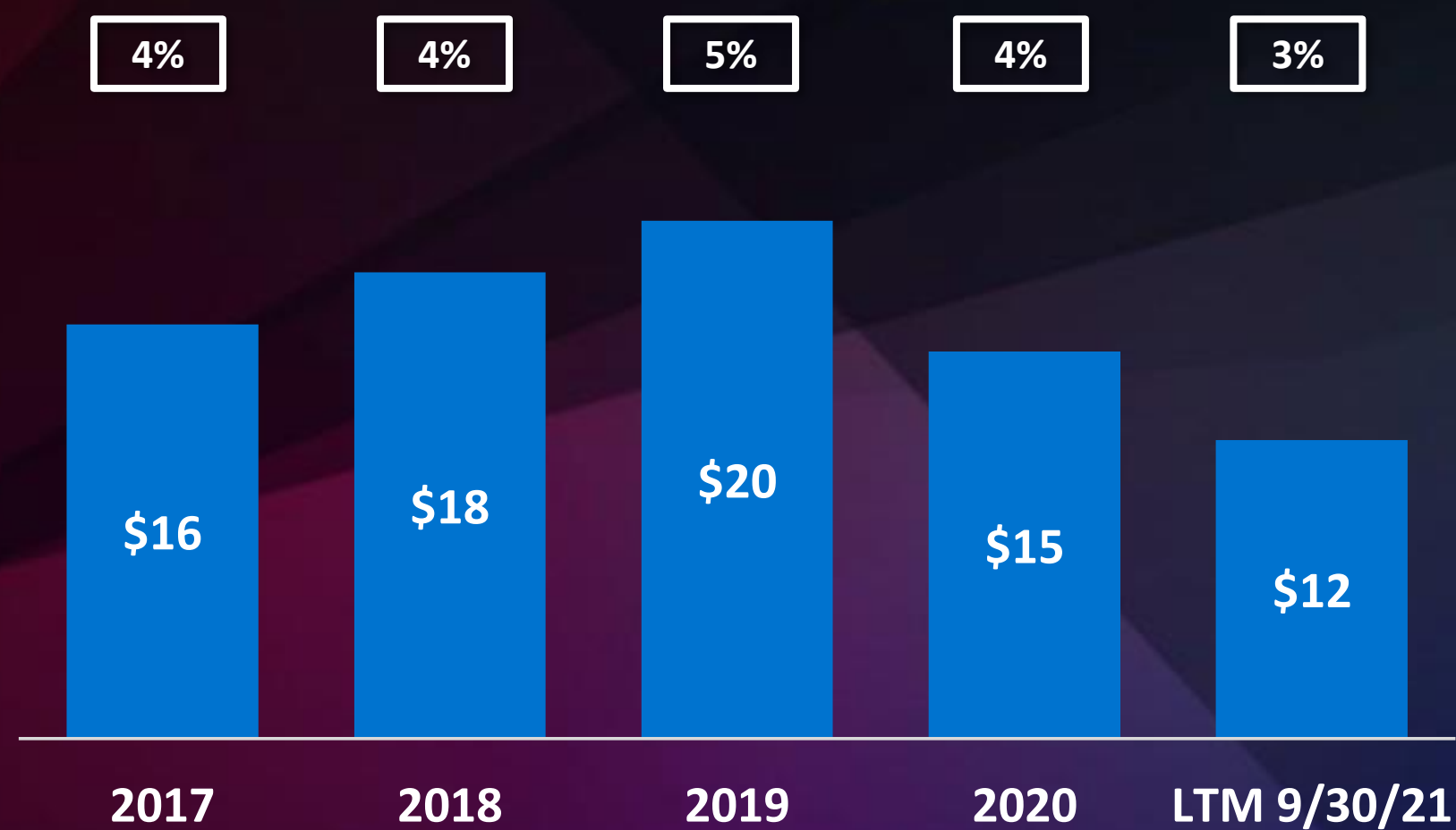
## Net Revenue



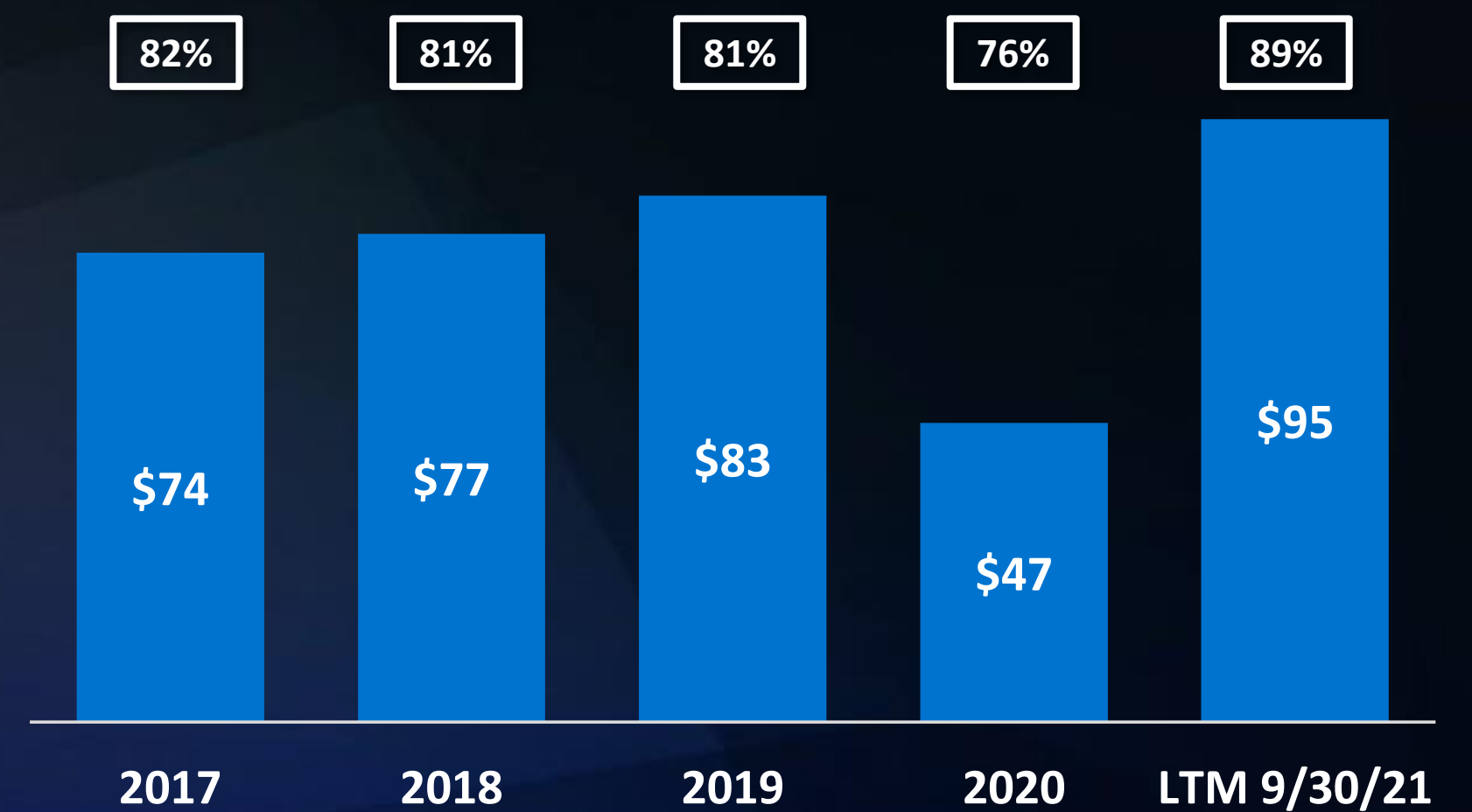
## Adjusted EBITDA (% Margin) <sup>(1)</sup>



## Capital Expenditures (% of Total Revenue)



## Unlevered Free Cash Flow (% Conversion) <sup>(2)</sup>



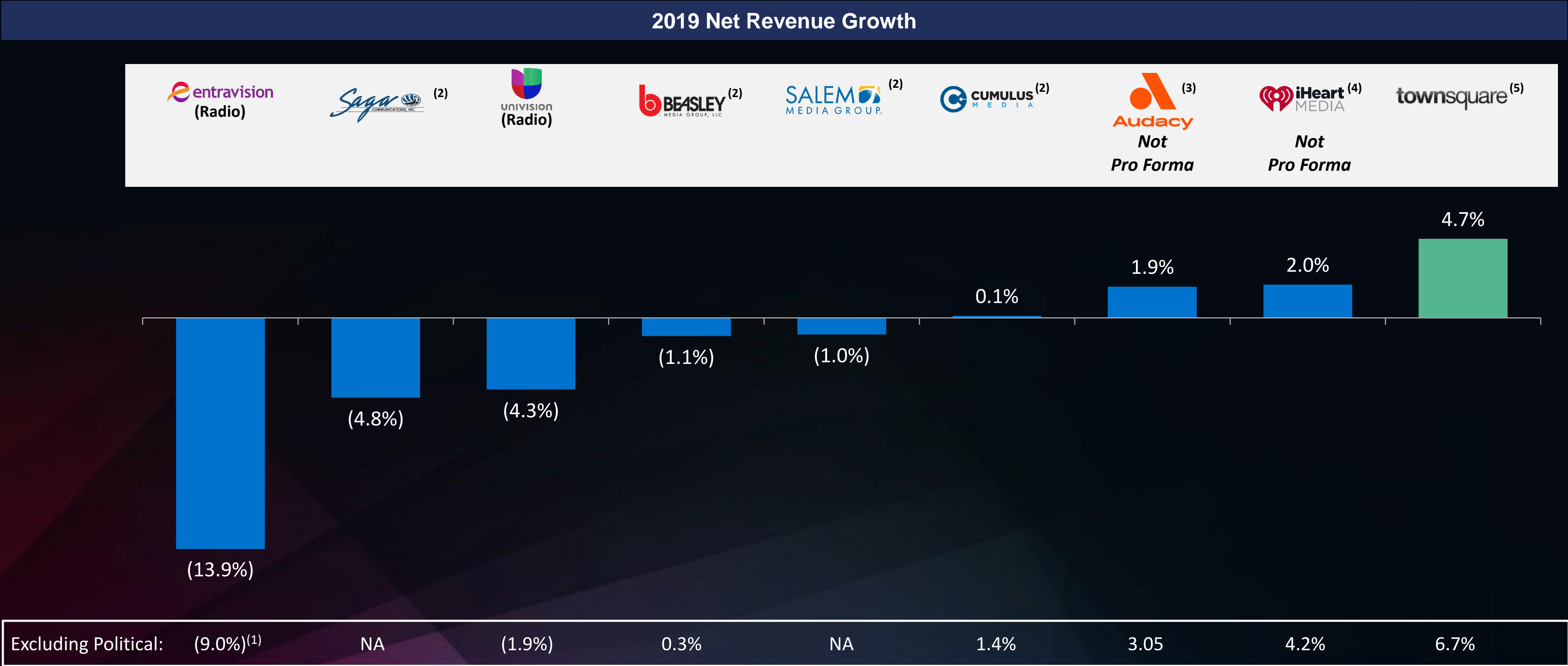
1. Adjusted EBITDA is a non-GAAP financial measure. Please refer to page 2 for the definition of Adjusted EBITDA.

2. Unlevered Free Cash Flow is defined as Adjusted EBITDA less Capital Expenditures. % Conversion is defined as Adjusted EBITDA less Capital Expenditures divided by Adjusted EBITDA.



# WE OUTPERFORMED THE INDUSTRY IN 2019, 2020 & 1H 2021

TSQ continues to lead its radio competitors in performance and outlook, driven by our “Digital First” strategy, with stability in our core business and digital growth drivers



Source: Company filings and earnings call transcripts.

1. Also excludes advertising related to the 2018 World Cup.

2. Represents same station results (excludes acquisitions/divestitures). Salem and Saga's ex political numbers are not available on a same station basis.

3. Not pro forma for podcasting acquisitions.

4. Not pro forma for Jelli and Stuff Media acquisitions, acquired in Q4 2018.

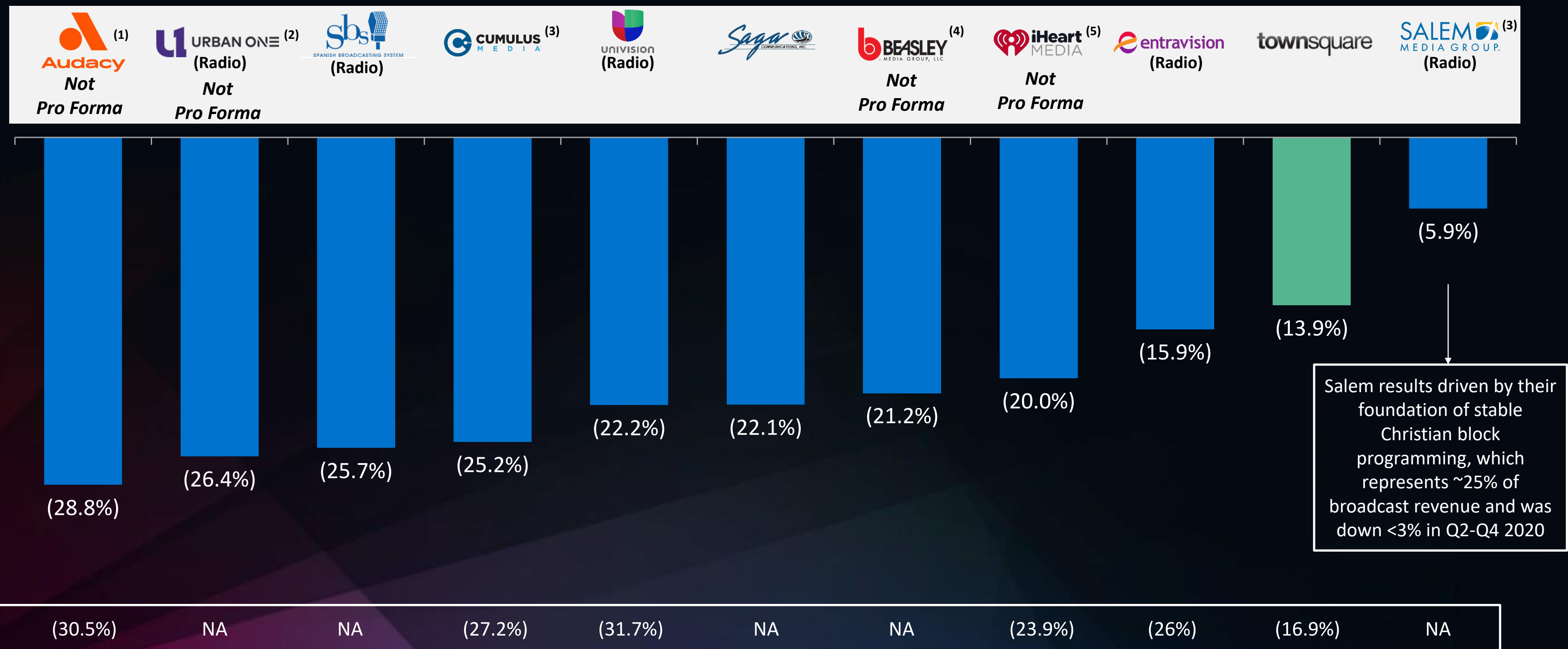
5. Pro forma for acquisitions.



# WE OUTPERFORMED THE INDUSTRY IN 2019, 2020 & 1H 2021

Across the industry, radio operators were hit especially hard in 2020 by the COVID-19 pandemic, however, largely due to cost cuts were able to generate positive EBITDA starting in Q3. In 2020, TSQ led our competitors driven by our digital strategy, advertising and marketing solutions

## 2020 Net Revenue Growth



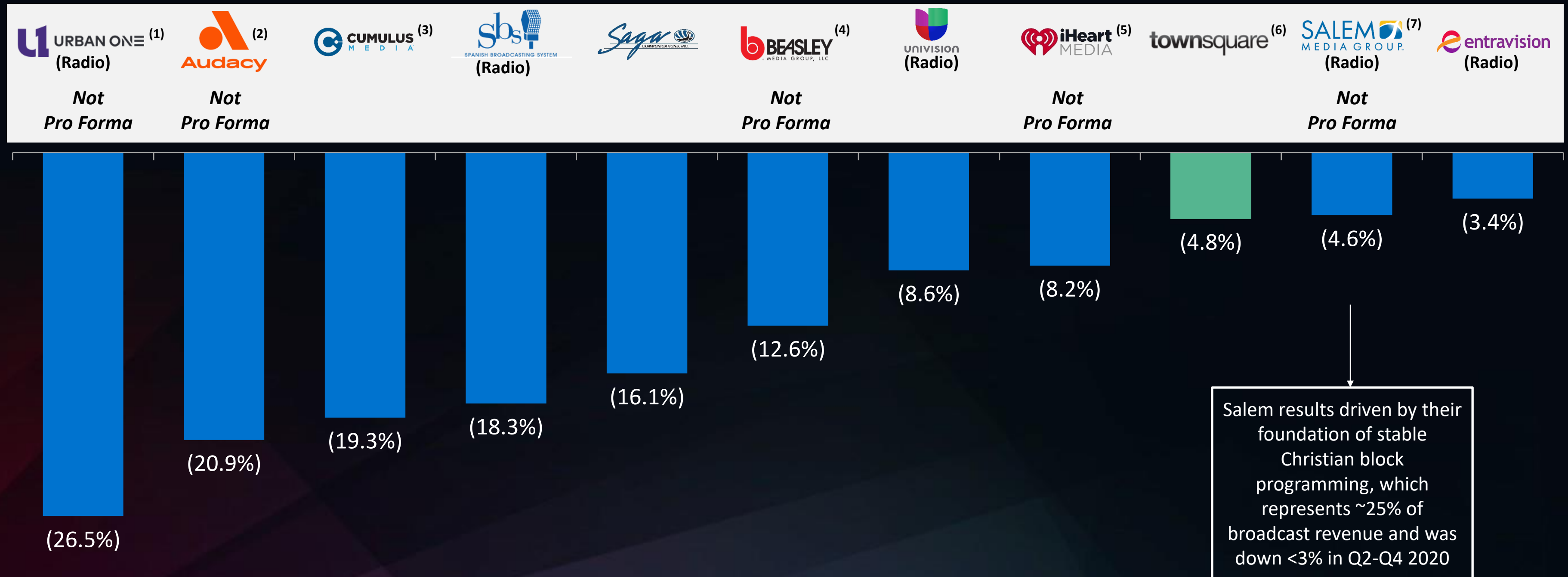
Source: Company filings and earnings call transcripts.

- GAAP results. The impact of the station swap with Cumulus effective 3/1/19 (ETM got NASH FM in NYC and 2 stations in Springfield, MA in exchange for 3 Indianapolis stations); the divestiture of WAAF-FM in Boston to EMF (effective 2/22/20); and the acquisitions of podcast companies Cadence13 and Pineapple Media and sports data and iGaming affiliate platform QL Gaming Group are not defined.
- GAAP results. The impact of the asset swap on 11/23/20 (sold St. Louis stations, WTEM in DC and WPHI in Philadelphia and acquired 4 stations in Charlotte) is not defined.
- Represents same station results (excludes acquisitions/divestitures).
- GAAP results. Does not adjust for the acquisition of WDMK-FM in Detroit from Urban One on August 31, 2019.
- GAAP results. The impact of the acquisition of podcasting company Voxnest (October 2020) is not defined.

# WE OUTPERFORMED THE INDUSTRY IN 2019, 2020 & 1H 2021

TSQ's large and growing digital platform (\$180M digital revenue on a trailing twelve-month basis as of June 30, 2021) and our strong advertising and marketing solutions is propelling us ahead of most of the industry

## 1H 2021 vs. 2019 Net Revenue Growth



Source: Company filings from 2020 and 2021, and earnings call transcripts.

- GAAP results. The impact of the asset swap on 11/23/20 (sold St. Louis stations, WTEM in DC and WPHI in Philadelphia and acquired 4 stations in Charlotte) and the sale of WDMK in 8/19 is not defined.
- GAAP results. The impact of the divestiture of WAAF-FM in Boston to EMF (effective 2/22/20); and the acquisitions of sports data and iGaming affiliate platform QL Gaming Group (11/20) and podcast company Podcorn (Q1'21), Cadence13 (acquired remaining 55% interest in October 2019) and Pineapple Street Media (8/19) are not defined.
- Represents same station results (excludes acquisitions/divestitures).
- GAAP results. The impact of the acquisition of WDMK (8/19) is not defined.
- GAAP results. The impact of the acquisition of podcasting company Voxnest (October 2020) and Triton (3/21) is not defined.
- Pro forma for the divestiture of the Arizona Bridal Shows business (consisting of two expositions) on March 18, 2019, giving effect to such divestitures as if they had occurred on January 1, 2019.
- GAAP results. Same station results provided for 2021 vs. 2020, but not available vs. 2019.



# “BEST IN CLASS” PRODUCT AND ENGINEERING TEAM

Complete end-to-end product, design and engineering team

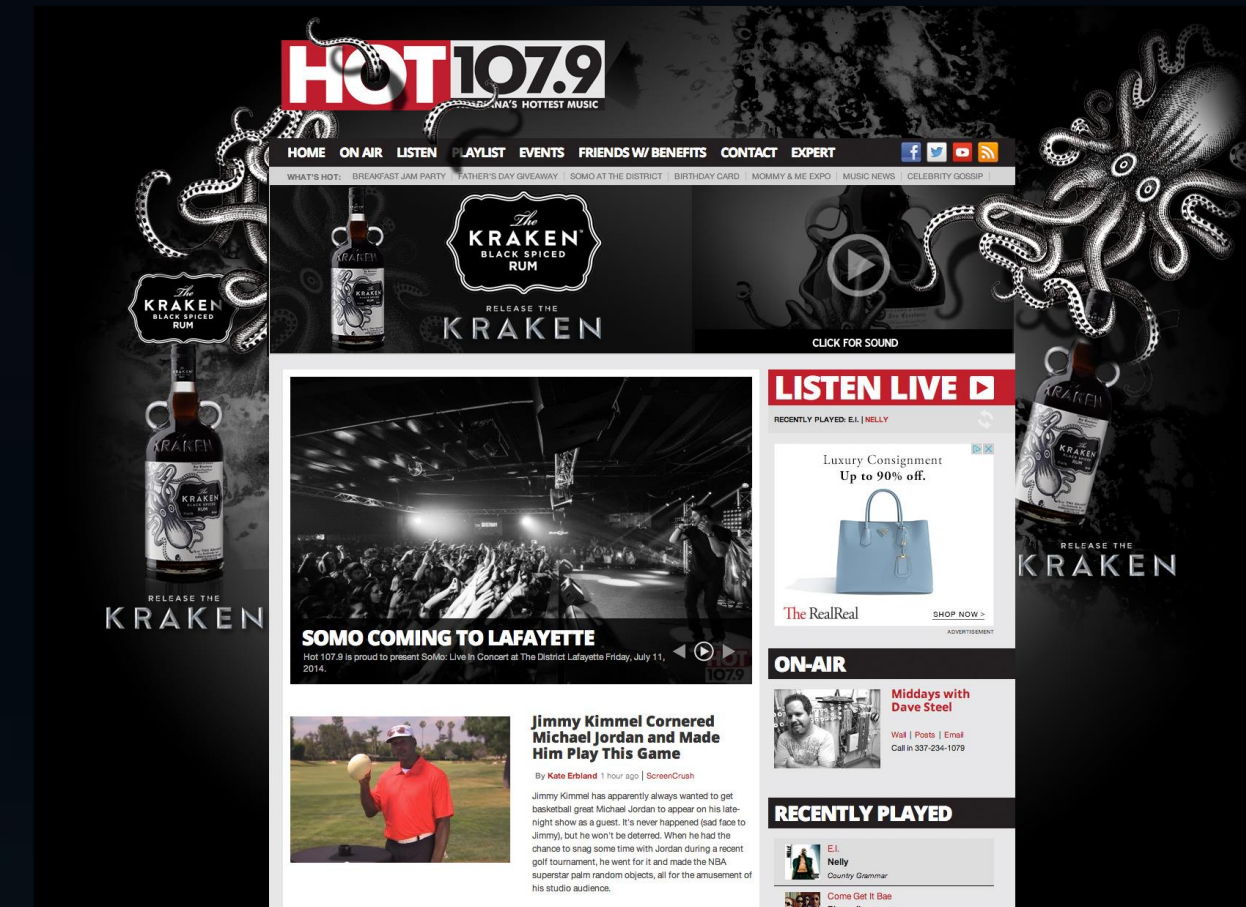
- 50+ person team organized around Design, Engineering and Q&A disciplines

Collaborative, yet structured team focus allows for rapid innovation and stable environment at scale

Annual hackathons and periodic meet-ups foster teamwork and accelerate innovation

Developed countless products and tools for TSQ, including:

- ✓ Content Management System that supports 350+ TSQ websites, ~30,000 articles per month, 25,950+ SMB websites (TSI) and is used daily by 1,000+ employees
- ✓ Mobile app platform for 350+ brand/station apps and an aggregator app (radioPup)
- ✓ Premium digital advertising products
- ✓ Sales tools including the Blueprint app and CRM





# EXPERIENCED MANAGEMENT TEAM



**Bill Wilson**

Chief Executive Officer  
(In current role since 2017)

- President of AOL Media
- SVP, Worldwide Marketing at Bertelsmann Music Group
- 10+ years at Townsquare



**Stu Rosenstein**

EVP, Chief Financial Officer  
(In current role since 2010)

- Owner and Managing Principal of AMG Financial
- EVP and CFO of LiveWire Ventures
- EVP and CFO of PriCellular Corporation (sold in 1998 for \$1.4bn)
- 10+ years at Townsquare



**Claire Yenicay**

EVP, Investor Relations  
(In current role since 2015)

- Associate at Oak Hill Capital Partners
- Analyst at Merrill Lynch
- 10+ years at Townsquare



**Erik Hellum**

EVP, COO Local Media  
(In current role since 2017)

- President of GAP West
- Leadership roles at Bonneville Communications, Clear Channel and Katz Radio
- 10+ years at Townsquare



**Allison Zolot**

SVP and General Counsel

(In current role since 2021)

- Attorney at Mayer Brown, LLP
- First year at Townsquare



**Sun Sachs**

SVP, Product & Engineering

(In current role since 2010)

- Vice President, Design and Product at AOL Media
- 10+ years at Townsquare



**Cristina Cipolla**

SVP, Data & Analytics

(In current role since 2013)

- Director of Revenue Management at Clear Channel
- 7+ years at Townsquare



**Scott Schatz**

EVP, Finance & Operations

(In current role since 2015)

- Associate at Bear Stearns and Brown Brothers Harriman
- Analyst at JP Morgan
- 10+ years at Townsquare



**Heather Hagar**

SVP, Human Resources

(In current role since 2021)

- Talent Acquisition Partner at Yodle
- 8+ years at Townsquare



# ADJUSTED EBITDA RECONCILIATION

\$ in millions	2017	2018	2019	2020	LTM 9/30/21	Commentary
<b>Net (loss) income</b>	<b>(\$12.9)</b>	<b>(\$97.3)</b>	<b>(\$65.7)</b>	<b>(\$80.6)</b>	<b>\$21.4</b>	<p>1. In 2019 and 2020, TSQ took significant non-cash impairment charges to the value of its FCC licenses, primarily due to a change in valuation methodology adopted after discussion with its new auditors. Beginning with the 2019 audit, TSQ no longer utilizes the revenue and cash flows from Townsquare Ignite, Townsquare Interactive and Live Events to support the intangible assets and goodwill that is associated with the radio stations, which is significantly different than how the Company valued TSQ's intangible assets and goodwill since the inception of TSQ in 2010. As a reminder, impairment charges are purely non-cash charges and do not impact TSQ's net revenue, direct operating expenses, Adjusted EBITDA or cash balance.</p> <p>2. Includes impairment loss on investment, net loss from discontinued operations, net loss (gain) on sale and retirement of assets and other (income) expense</p>
Provision (benefit) for income taxes	(7.5)	30.8	(14.6)	(23.9)	15.6	
Interest expense, net	32.8	34.3	33.9	31.4	37.5	
Gain on repurchase of debt	0.0	(0.1)	0.0	(1.2)	0.0	
Loss on extinguishment and modification of debt	0.0	0.0	0.0	0.0	6.0	
Depreciation and amortization	18.4	19.6	25.8	20.1	19.4	
Stock-based compensation	0.7	1.6	2.6	2.1	3.3	
Transaction costs	1.2	1.5	1.5	2.7	5.1	
Business realignment costs	1.3	1.4	0.2	3.1	1.2	
Impairment of goodwill and intangible assets [1]	20.6	48.2	108.7	109.1	0.1	
Change in fair value of assessment	0.0	0.0	0.0	0.0	(2.9)	
Other [2]	35.4	54.7	9.9	(0.7)	(0.1)	
<b>Adjusted EBITDA</b>	<b>\$90.0</b>	<b>\$94.7</b>	<b>\$102.4</b>	<b>\$62.1</b>	<b>\$106.6</b>	

townsquare