

March 10, 2022

Fellow Shareholders,

As I write to you today, I am pleased to share that Townsquare is firing on all cylinders. Although the effect of the pandemic was significant in 2020, in 2021 our Company and our team moved forward quickly; overwhelmingly, our employees returned to the workplace, creating high quality, relevant local original content for our audience and delivering creative and effective marketing solutions for our local clients. In fact, we utilized the pandemic to significantly accelerate our transformation to a Digital First Local Media Company, with a mission of becoming the #1 Local Media Company in markets outside of the Top 50 in the United States.

Before I share our 2021 results with you, I want to highlight an important fact: Townsquare is the only local media company of scale focused principally on markets outside of the Top 50 in the United States. This is a vital differentiator for our Company and our team, translating directly into our strong financial results. In 2021, our net revenue rebounded substantially, achieving 97% of 2019's net revenue (99.8% excluding live events), growing +12.6% year-over-year. Impressively and most importantly, Adjusted EBITDA reached an all-time high of \$105.1 million, exceeding 2019 levels by +2.7% (+5.3% excluding live events) and growing +69.2% year-over-year. The pandemic presented us with an optimal opportunity to separate from our local media peers, which we were able to achieve by continuing to execute our strategy, accelerating our strategic growth plan, and placing a spotlight on our world-class team and our unique and differentiated strategy, assets, platforms and solutions. Townsquare was among the first companies with radio assets to return to 2019 Adjusted EBITDA levels (which we actually first achieved in Q4 2020 and in each and every quarter of 2021). However, we accomplished this because of our transformation to a Digital First Local Media Company. We are no longer a radio broadcast company, and should not be compared to other radio broadcasters, nor valued as a broadcast radio company.

While critical to our Company's DNA, local radio is only a component of our multiplatform diverse media business. According to S&P Global Market Intelligence, radio advertising represented approximately 6% of all advertising dollars spent in the United States in 2021, while digital advertising garnered more than 60% of all ad spend. By 2025, it is estimated that digital advertising will account for nearly 75% of all advertising spend in the United States. Therefore, while we view local radio as an extremely valuable asset with significant cash flow properties, unparalleled consumer reach, and an important local connection to our audience, it is not our primary growth driver. Our growth engine is and will continue to be digital. In 2021, our Digital revenue increased +18.7% to \$198.6 million, representing 48% of our total net revenue; Digital Adjusted Operating Income, which I refer to as profit, increased +29.2% to \$61.4 million (a 31% profit margin), representing 47% of our total profit. We are confident that our Digital platform will grow to \$275 million of annual revenue by 2024, and will very soon represent the majority of our Company's revenue and profit.

We believe that our diversified digital product offering, our primary focus on markets outside of the Top 50 in the United States, and our emphasis on original, local content differentiates us from our competition, and offers a clear roadmap to consistently strong growth and shareholder value creation.

Digital First

Since our 2010 inception, we have made significant investments in world-class personnel, technology and infrastructure that transformed Townsquare from a traditional local radio company into a Digital First Local Media Company. We utilized the strong cash flows of our local radio business to build a vital digital technology platform with best of breed products, services and solutions, including sophisticated and powerful digital advertising products, such as our digital programmatic advertising technology stack with an in-house demand and data management platform. Most importantly, we organically built Townsquare Interactive, our Subscription Digital Marketing Solutions business that generates recurring subscription revenue and profit.

Our Digital Advertising solutions (which we market externally as Townsquare Ignite) provide precision customer targeting solutions to our local, regional and national advertisers, giving them the ability to reach a high percentage of their online audience across desktop, mobile, connected TV, email, paid search and social media platforms utilizing display, video and native executions. As a publisher with more than 330 local websites, 350 mobile apps, and 10 leading national music and entertainment websites, we are able to collect and analyze first-party data, leading to detailed and unique insights about consumer behaviors, audience interest and purchase intent. We use this data in our sales process, helping our sales team generate new business and upsell current clients, and to inform our client's advertising campaigns, providing significant value to them. We believe our success with Townsquare Ignite is multi-faceted, yet two strong differentiators drive our results: (1) we are a major publisher with an at scale digital audience, and (2) we have our own in-house digital advertising technology solution. The entire ad-tech is in-house and we own and control the customer relationship from end to end – starting with creating original local content, then developing the right advertising message and creative, to activation and optimization of client campaigns, and finally to detailed in-depth client reporting – which leads to a better customer experience and higher client retention rates. In 2021, Townsquare's Digital Advertising net revenue increased +20.5% to \$116.8 million, and Digital Advertising profit increased +40.0% to \$36.9 million.

Since 2012, when we organically built and launched Townsquare Interactive, our Subscription Digital Marketing Solutions business, its revenue has grown double digits each and every quarter, even during the worst of COVID in 2020. In 2021, Townsquare Interactive net revenue increased +16.2% to \$81.8 million, and profit increased +15.7% to \$24.4 million. We added approximately 4,050 net subscribers in 2021, setting an all-time record, and ended the year with approximately 26,800 Townsquare Interactive subscribers. We believe that Townsquare Interactive is still underpenetrated within our local market footprint – as well as within additional local markets of similar size and demographics (today, approximately 58% of our Townsquare Interactive subscribers are outside of our local media market footprint). The future runway for Townsquare Interactive is very significant in both our local radio markets and like size markets outside the Top 50 across the United States. As I have previously shared, we are opening a second location for Townsquare Interactive in the western U.S. in Q2 2022 to help capture this opportunity. With our existing subscriber base, current sales momentum, and huge market opportunity, I am confident that Townsquare Interactive will continue to break more records in 2022.

I am very pleased to share with you that beginning with our 2021 year-end reporting, we have re-segmented our business to provide greater visibility into our strong financial results for our existing and prospective investors. We now have three reportable segments: Subscription Digital Marketing Solutions (Townsquare Interactive), Digital Advertising (which we market externally as Townsquare Ignite, and includes digital advertising on our owned and operated digital properties and our digital programmatic advertising platform), and Broadcast Advertising. Importantly, this re-segmentation will highlight the profit characteristics of our digital platforms, which are essentially equal to those of our broadcast platform, each with profit margins of approximately 30%. It is our hope and expectation that given this new, more detailed information, Townsquare will now be viewed as a Digital First Local Media Company,

rather than how we began over a decade ago - as a traditional broadcast radio company - and therefore afforded a sum-of-the-parts valuation that gives appropriate credit to our digital assets.

Focus on Markets Outside of the Top 50

We are the only local media company of scale solely focused on markets outside of the Top 50 in the United States. As such, we have a significant competitive advantage in the markets in which we operate. There is a very limited focus from larger media players in these markets, including digital marketing solutions providers, digital programmatic providers, and at scale media and advertising companies, in terms of both local content production and local sales efforts. For example, we generally do not see sellers from Google, Facebook, The Trade Desk, etc. in our local markets. Similarly, many competing audio media offerings, including Spotify, Pandora and SiriusXM, do not offer local content in our markets. In general, the markets that we service are starved for high quality, local digital content given the retrenchment of newspapers in these markets, presenting a significant opportunity that we have attacked.

Content Differentiation

In our markets, we are among the largest providers of original local content available to consumers. The quality and availability of our original local content distinguishes our brands from other local offerings, attracting larger and very loyal audiences. Several of our local media competitors, particularly in print media, have reduced the amount of original local content they produce or created paywalls that restrict access to their content. According to research conducted by UNC School of Media and Journalism, approximately 2,000 newspapers have closed in the United States since 2004, a majority of them in small to mid-sized U.S. markets. We believe these trends will continue and further amplify the attractiveness of our offerings as we fill this expanding void in our communities, both online and on-air. To that point, as I have highlighted often, Google provided Townsquare a \$260,000 grant in 2020 for the creation of two local news outlets, serving the great cities of Tuscaloosa, Alabama and Portsmouth, New Hampshire. We believe that our focus on providing original news, entertainment, music and lifestyle media experiences to our audience is a key driver of our powerful reach and our engagement metrics. Our on-air personalities, or as we refer to them, “the original social influencers,” are also digital content creators, and create or curate approximately 20,000 pieces of content per month for our websites and apps, making Townsquare one of the largest producers of original local content in the United States. In 2021, we again set new company records reaching more than 60 million unique visitors per month, on average, across our digital platform, 11 million listeners on a weekly basis across our radio platform, and 40 million social media followers across our local and national media brands. We believe our investment in our original content strategy has contributed to a larger and more engaged online audience, that is spending more time consuming content on our websites and mobile apps, and a stable radio audience, in terms of both number of listeners and, importantly, time spent listening.

You Matter

Our most important core value is “You Matter.” We are not just a company; we are a team. “You Matter” means that every employee has an impact on our success, and it is our obligation to provide each employee with the tools, resources and leadership required to succeed and achieve their goals which in turn enable us to achieve our overall Company goals.

The Great Resignation of 2020 and 2021 has not had a meaningful impact on Townsquare, and we credit that to our culture. We believe that if we work together to train, develop and reward our employees in ways that acknowledge performance, abilities and contributions, we will all grow together and share our individual and collective success. Quite honestly, the digital field has always been fiercely competitive and we have had to make Townsquare an attractive workplace environment in order to attract and retain employees. Most importantly, perhaps, is ensuring that our employees understand our vision of becoming the number one local media company in each our markets and their role in bringing that to fruition. We believe that empowering our employees is key to our success, and that is one of the reasons we launched

an Employee Stock Purchase Plan at the start of year. We believe this will be a powerful motivator and retention tool by granting the opportunity for every employee to have a stake in the success of our Company. In addition, I am pleased to share that as of January 1, 2022, we have reinstated the 401K company match, which was paused in 2020 in response to the the pandemic. We also continue to expand the Townsquare Team, and grew our employee base by +4% in 2021.

BALANCE SHEET / CAPITAL ALLOCATION

We begin 2022 with a healthy balance sheet that will further strengthen as the year progresses. In 2021, we generated \$61 million of cash flow from operations, as we grew Adjusted EBITDA by +\$43 million year-over-year, and ended the year with more than \$50 million of cash on our balance sheet. We used our cash for two significant transactions in 2021: to refinance our outstanding debt, erasing all near-term maturities, and to repurchase 100% of Oaktree Capital’s stake of Townsquare at a highly accretive price, eliminating any perceived overhang issues related to their majority ownership stake. Despite the use of more than \$90 million to finance those transactions, our net leverage declined from 7.45x at year-end 2020 to 4.75x at year-end 2021, due to our strong operating performance and cash generation. Based on our current outlook, we believe that our net leverage will further decline to approximately 4x by the end of 2022.

Beginning in February 2023, we will have the ability to refinance our \$550 million 6.875% senior secured notes due 2026 when our no-call period expires. Assuming we reach our goal of 4x net leverage by year-end 2022, and if market conditions permit, we believe it will be possible to replace our outstanding senior secured notes with a term loan facility. We believe this capital structure will greatly benefit our shareholders as it will likely result in a meaningfully lower annual interest rate and prepayment ability.

Aside from reducing net leverage so that we may successfully execute a refinancing next year, our capital allocation priorities for 2022 will be to invest in our local business through organic, internal investments and/or compelling and prudent acquisitions that support our revenue and profit growth. Any potential acquisitions would complement our existing businesses and would likely be “bite-sized” so as not to interfere with our deleveraging plans which is our primary balance sheet objective. We plan to continue to invest in our digital growth, including our digital product technology, sales, content, and support teams, specifically in our Townsquare Interactive and Townsquare Ignite businesses. In addition, we intend to open a second, west-coast based location for Townsquare Interactive to further support growth in that subscription business by accessing a new geographic talent pool and better aligning our subscribers with support personnel in a similar time zone.

LOOKING FORWARD

The past few years have demonstrated that our digital and radio products and services have a powerful impact on helping small, medium and large businesses grow their customers, and as a result, grow their revenue and business. Nothing is better than helping people achieve their business dreams, and I feel an immense sense of pride in the role we play in helping local businesses flourish. At Townsquare, we focus on providing the solutions that are going to work for our clients, knowing that will translate to having a lifetime partner – or in other words, “taking care of clients like friends,” – if we do that each day, we will achieve success and ultimately our mission of becoming the #1 Local Media Company in markets outside of the Top 50 in the United States.

To say that I am proud of what the Townsquare Team achieved in 2021 would be insufficient. The strong foundation we have built together as we have transformed to a Digital First Local Media Company will propel us forward with strong growth. I have never been more eager and energized to see what we can accomplish together in 2022 and beyond.

As we close out Q1 and move into Q2 2022, I believe our flywheel is gaining greater momentum each and every day. We are confident about the future of Townsquare: our revenue and profit growth prospects,

our ability to provide our clients with the best advertising and marketing solutions and our audience with relevant, local content, and ultimately, our ability to drive shareholder value. In closing, all of us at Townsquare would like to thank our shareholders and our debtholders for the continued support of our team and your confidence in our strategy. We hope that you share in our enthusiasm. #HowHighIsHigh

Sincerely,

A handwritten signature in black ink that reads "Bill Wilson". The signature is fluid and cursive, with a long, sweeping underline.

Bill Wilson
Chief Executive Officer

Forward Looking Statements and Non-GAAP Financial Measures

This letter contains forward looking statements and certain non-GAAP financial measures. For further information regarding these matters, see Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the SEC on March 10, 2022.