



vividseats

Experience It Live

William Blair Growth Conference
June 2022
(Nasdaq: SEAT)

vividseats

Agenda

- 01 **Company Overview**
Stan Chia, Chief Executive Officer
- 02 **Financials**
Lawrence Fey, Chief Financial Officer
- 03 **Q&A**
Stan Chia, Chief Executive Officer
Lawrence Fey, Chief Financial Officer

Forward looking statements and use of non-GAAP financial measures

- Certain statements made in this presentation are "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact contained in this presentation may be forward-looking statements. Forward-looking statements in this presentation include, but are not limited to, statements regarding our future results of operations and financial position, including our expectations regarding Marketplace Gross Order Value, revenues and Adjusted EBITDA and the impact of our investments; our expectations with respect to live event industry growth; our competitive positioning; our business strategy; and the plans and objectives of management for future operations. When used in this presentation, the words "estimates," "projected," "expects," "anticipates," "forecasts," "plans," "intends," "believes," "seeks," "may," "will," "should," "future," "propose" and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside of our control, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements. Important factors, among others, that may affect actual results or outcomes include the continuing impact of the COVID-19 pandemic, the timing and manner of the resumption of large-scale sporting events, concerts and theater shows, our relationships with buyers, sellers and distribution partners, changes in Internet search engine algorithms or changes in marketplace rules, competition in the ticketing industry, the willingness of artists, teams and promoters to continue to support the secondary ticket market, and our ability to maintain and improve our platform and brand or develop successful new solutions and enhancements or improve existing ones, the impact of potential unfavorable legislative developments, the success of our acquisition of Betcha Sports, Inc., our ability to obtain subsequent debt refinancing, the impact of system interruption and the lack of integration and redundancy in our systems and infrastructure, the impact of cyber security risks, data loss or other breaches of our network security, our being a controlled company, and other risks and uncertainties described in the section titled "Risk Factors" in our most recent Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.
- We present Adjusted EBITDA and Adjusted EBITDA margin, which are non-GAAP measures, because they are measures frequently used by analysts, investors, and other interested parties to evaluate companies in our industry. Further, we believe these measures are helpful in highlighting trends in our operating results as they exclude the impact of items that are outside the control of management or not reflective of ongoing performance related directly to the operation of our business segments. These non-GAAP measures are used by our management internally to make operating decisions, including those related to analyzing operating expenses, evaluating performance, and performing strategic planning and annual budgeting. Moreover, we believe these non-GAAP measures provide useful information to investors and others in understanding and evaluating our results of operations, as well as providing a useful measure for period-to-period comparisons of our business performance and highlighting trends in our operating results. These non-GAAP measures are not based on any comprehensive set of accounting rules or principles and should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP. Further limitations of these non-GAAP measures are that they do not reflect all of the amounts associated with our operating results as determined in accordance with GAAP and may exclude costs that are recurring, such as interest expense, equity-based compensation, litigation, settlements and related costs and change in value of warrants. In addition, other companies may calculate similarly-titled non-GAAP measures differently than us, thereby limiting their usefulness as a comparative tool. We compensate for these limitations by providing specific information regarding the GAAP amounts excluded from Adjusted EBITDA and Adjusted EBITDA margin. Please refer to the "Non-GAAP Reconciliations" at the end in this presentation. We calculate forward-looking non-GAAP Adjusted EBITDA based on internal forecasts that omit certain information that would be included in forward-looking GAAP net income (loss), the most directly comparable GAAP measure. We do not attempt to provide a reconciliation of forward-looking non-GAAP Adjusted EBITDA guidance to forward-looking GAAP net income (loss) because forecasting the timing or amount of items that have not yet occurred and are out of our control is inherently uncertain and unavailable without unreasonable efforts.

Company Overview

Stan Chia, Chief Executive Officer

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Vivid Seats: Scaled, Growing and Highly Profitable

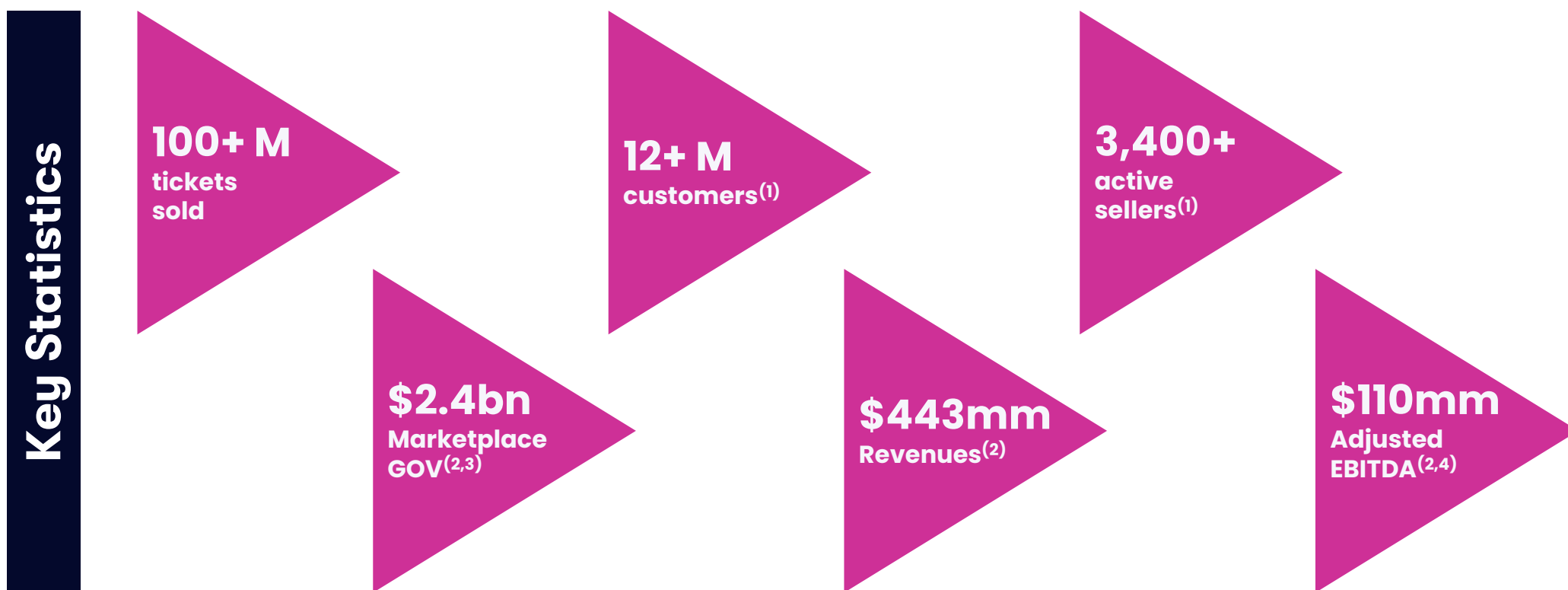
Marketplace flywheel working as we emerge from pandemic with record results

Our Mission:

To empower and enable fans to *Experience It Live*

Our Business:

A scaled, growing, and profitable online secondary ticketing marketplace serving the concert, sports & theater markets



(1) Represents 2019 metrics

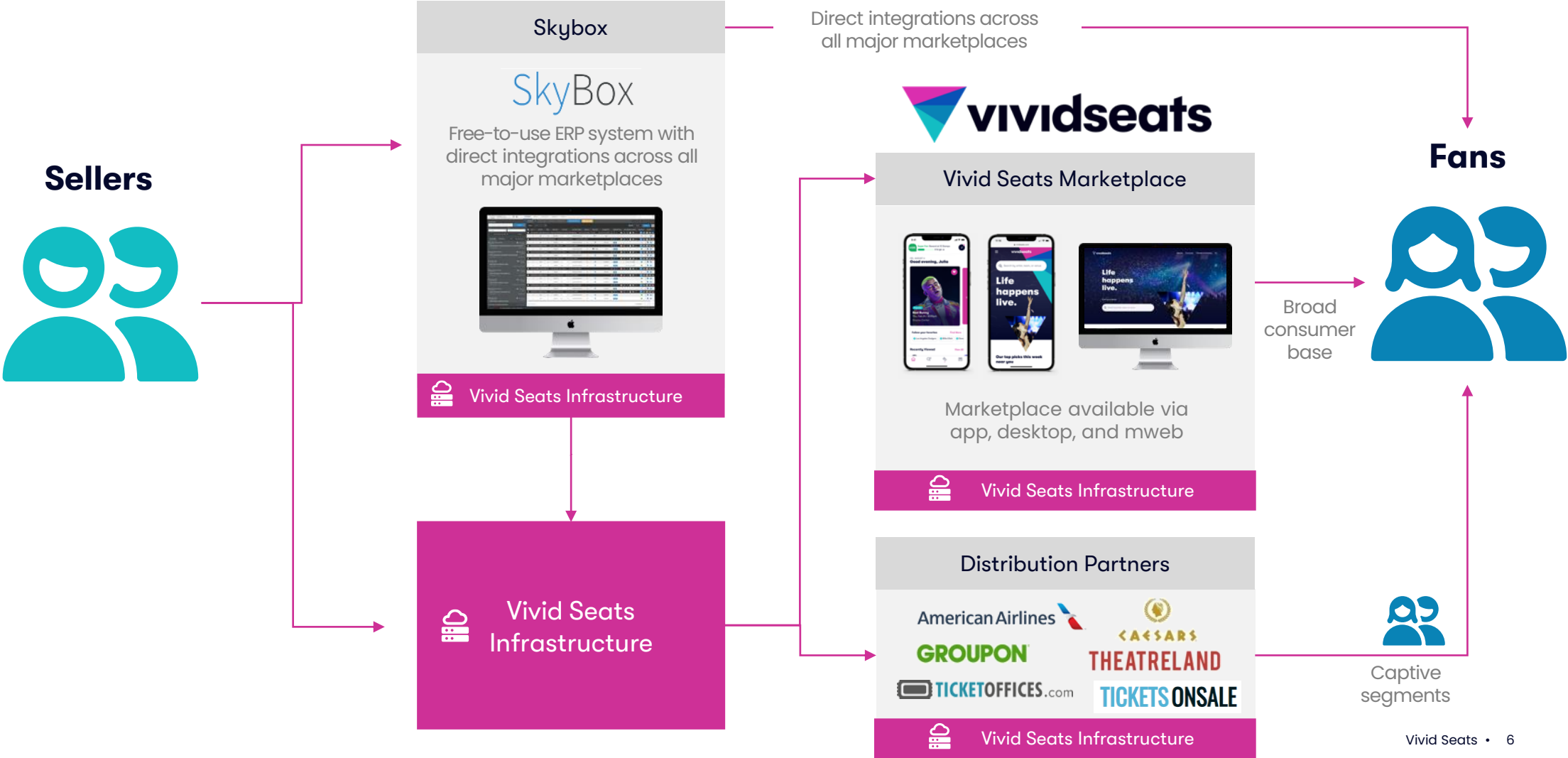
(2) Represents 2021 metrics

(3) Marketplace GOV represents the total transactional amount of Marketplace segment orders placed on our platform in a period, inclusive of fees, exclusive of taxes, and net of event cancellations that occurred during that period.

(4) Adjusted EBITDA is not a measure defined under GAAP. Please see the appendix for a reconciliation of Net Income to Adjusted EBITDA.

Vivid Seats Is a Full-Service Marketplace...

The Vivid Seats Ecosystem



...With A Broad Portfolio of Events

Concerts (44% of 2021 Marketplace GOV)



Sports (45% of 2021 Marketplace GOV)



Theater (11% of 2021 Marketplace GOV)



200,000+ Unique Events Sold⁽¹⁾

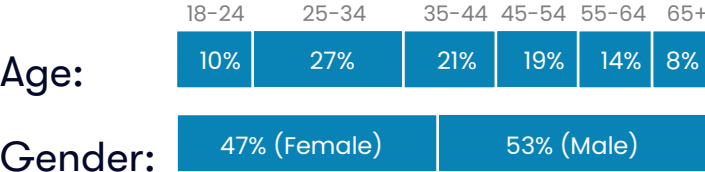
100 million+ Tickets Sold

(1) Based on 2019 data

Our Multi-Sided Network: Fans and Sellers



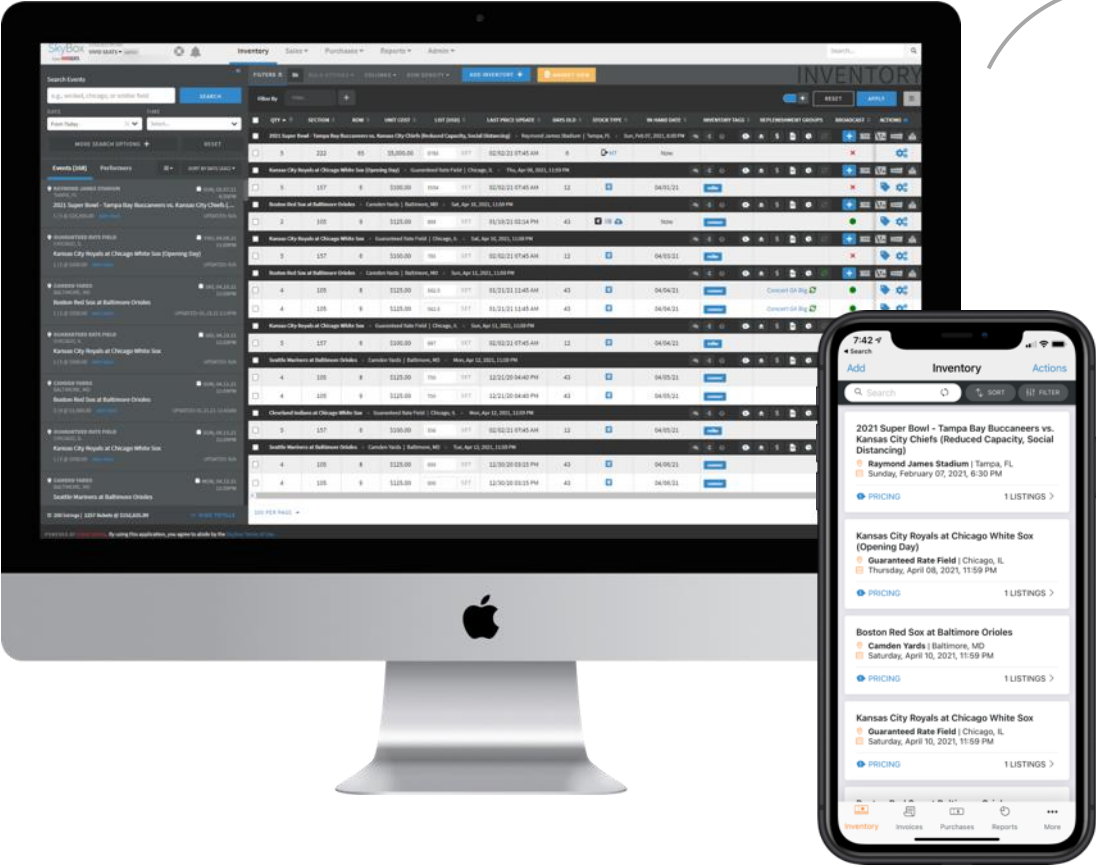
Fans:
Diverse with millennials
representing the largest segment



Sellers:
Broad range from casual
opportunist to large sophisticated
brokers

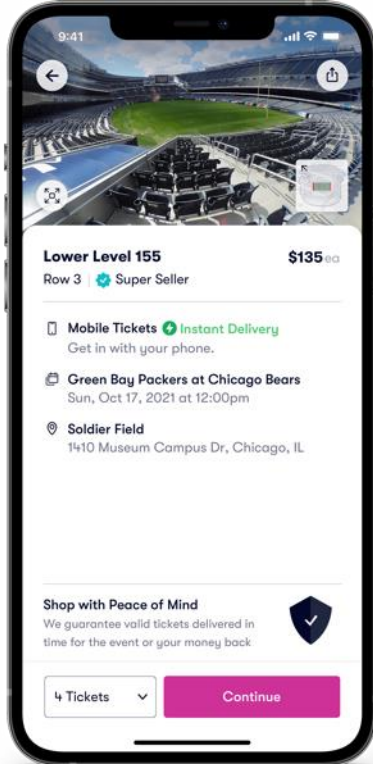
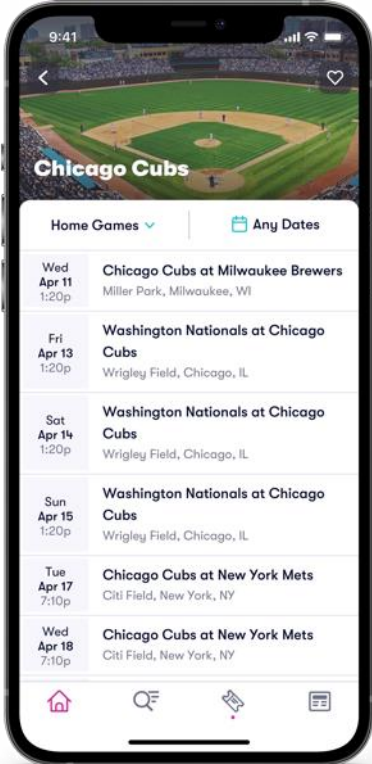
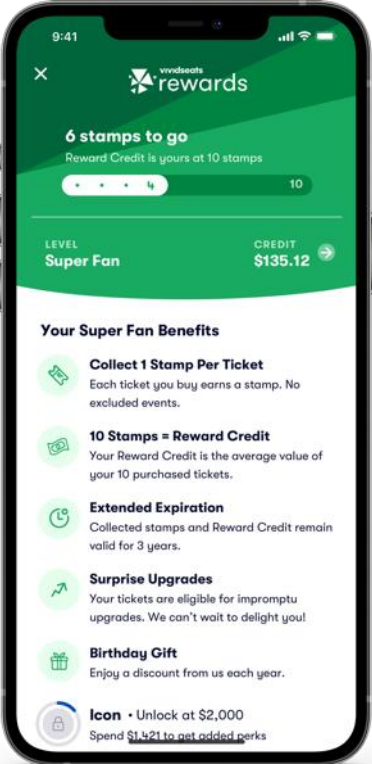
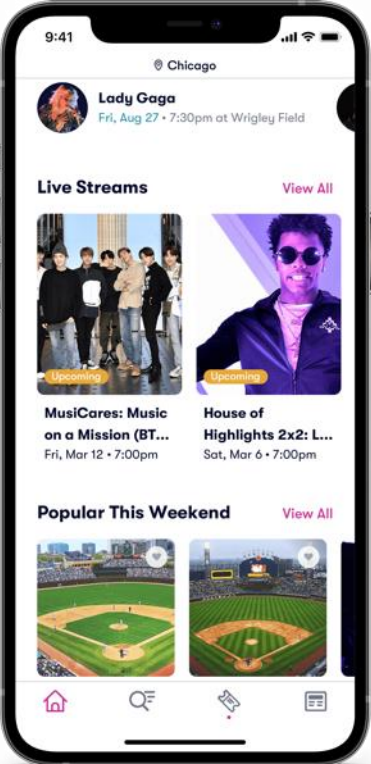
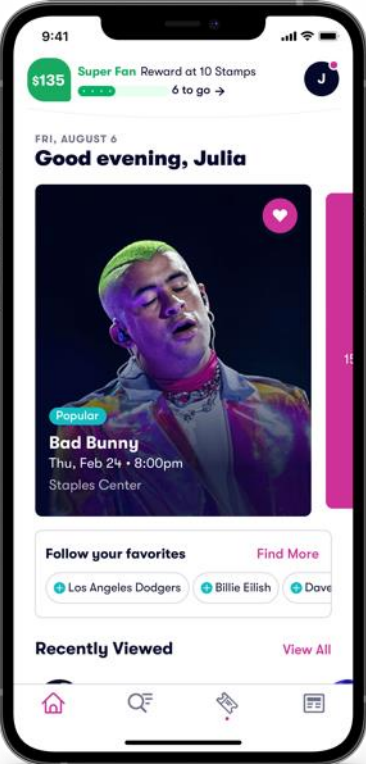
Fragmented and diversified across:
Size, Categories, and Geographies

Leading Seller Technology through Skybox



- ✔ Cloud-based POS solution adopted by large share of seller base
- ✔ Rich feature set across key seller activities
- ✔ Native integrations & listing toolsets provided to all sellers
- ✔ 3rd party automation tools built around Skybox enhance platform value
- ✔ Desktop plus iOS experience

Differentiated Buyer Experience



Discovery

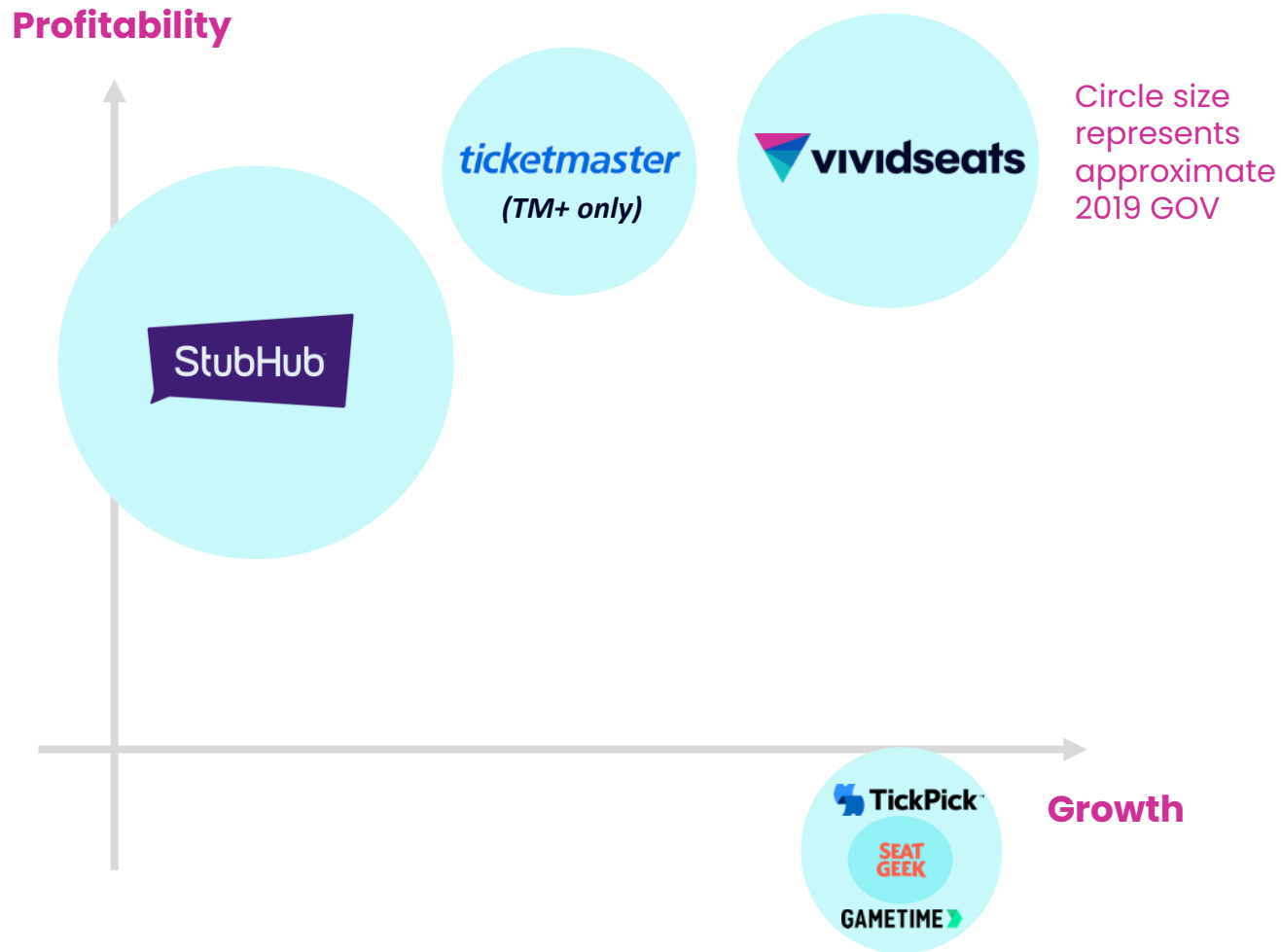
Engagement

Rewards

Transactional Path

Simplified Purchase

Unique Value Proposition within Ticketing Ecosystem⁽¹⁾



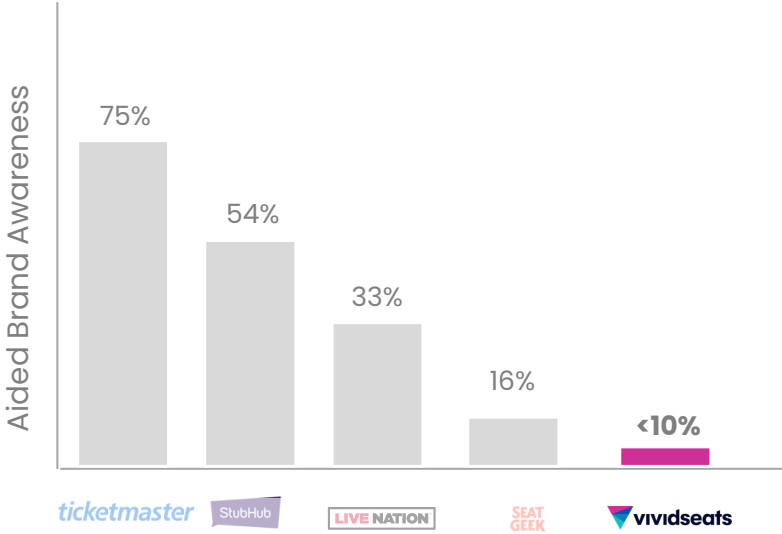
- ✓ Unique combination of growth, profitability and cash flow
- ✓ Strong balance sheet with net-cash position provides stability and flexibility
- ✓ Well-situated in environment with heightened focus on profitability

(1) Based on internal Company estimates, publicly available information and historical publicly available information

Building Brand, Loyalty and Engagement

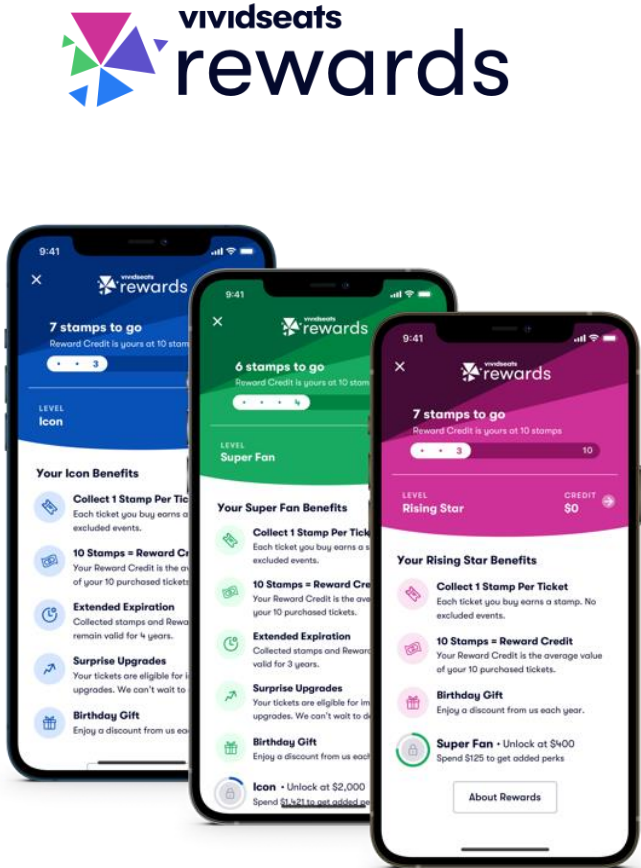
Brand Awareness

Brand Opportunity

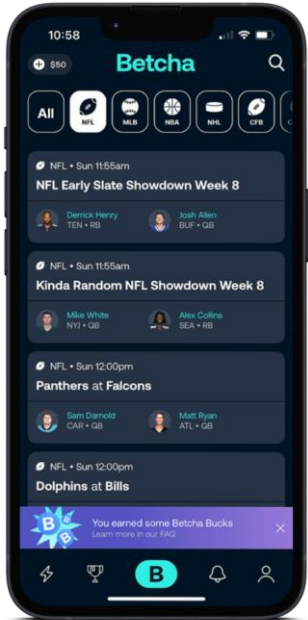


Source: YouGov July 2021

Loyalty



Engagement



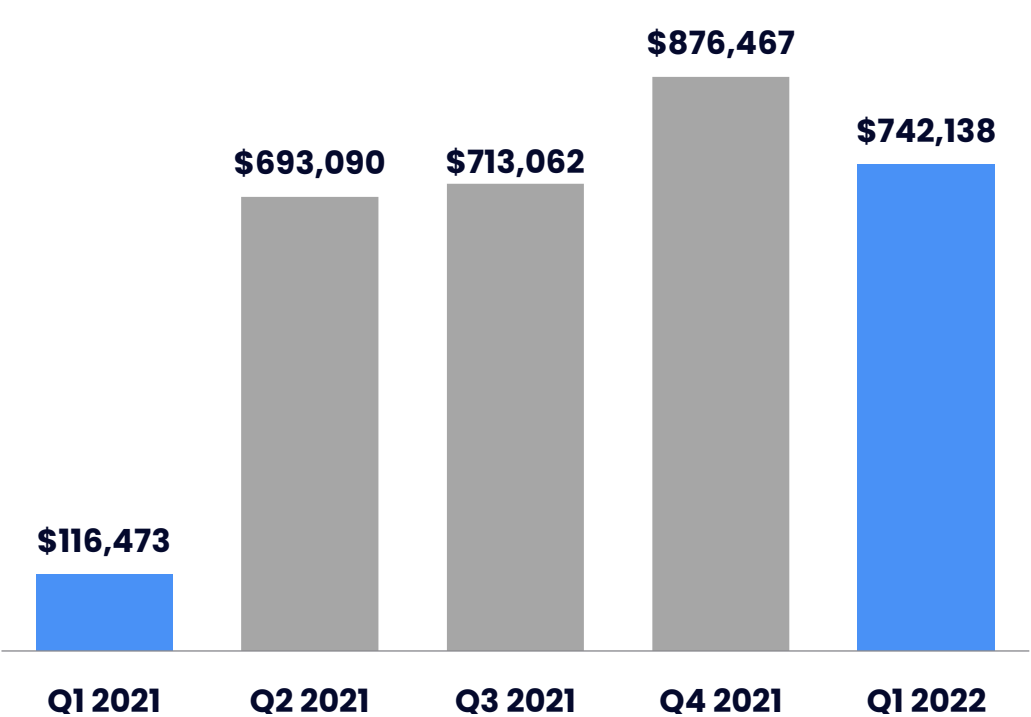
Financials

Lawrence Fey, Chief Financial Officer

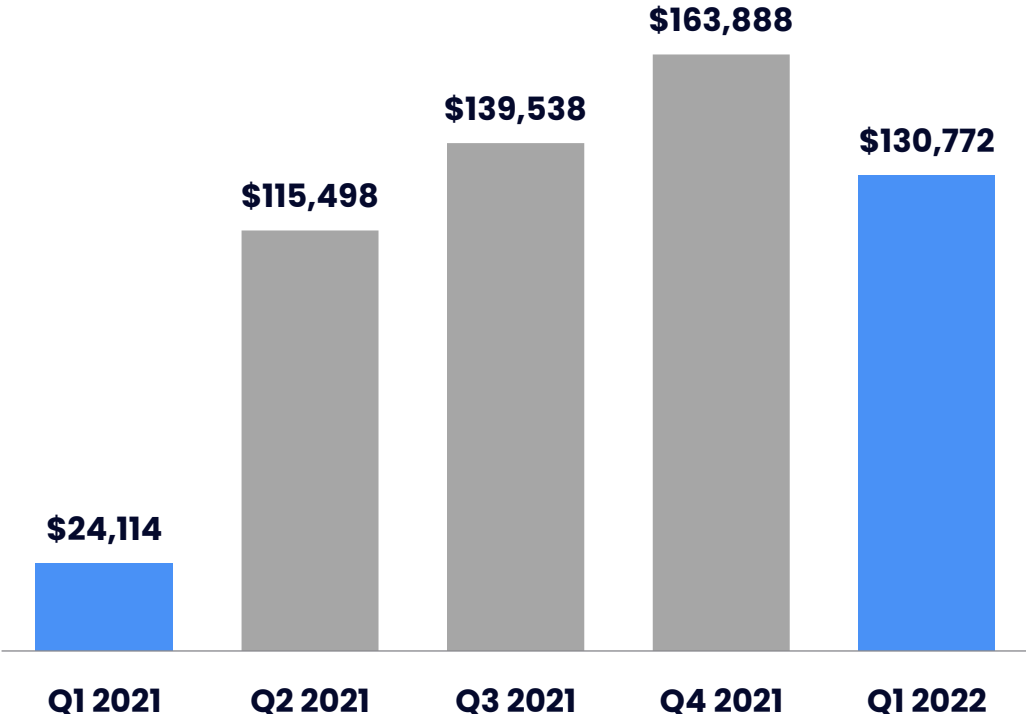
Marketplace GOV and Revenues

(in thousands)

Marketplace GOV¹



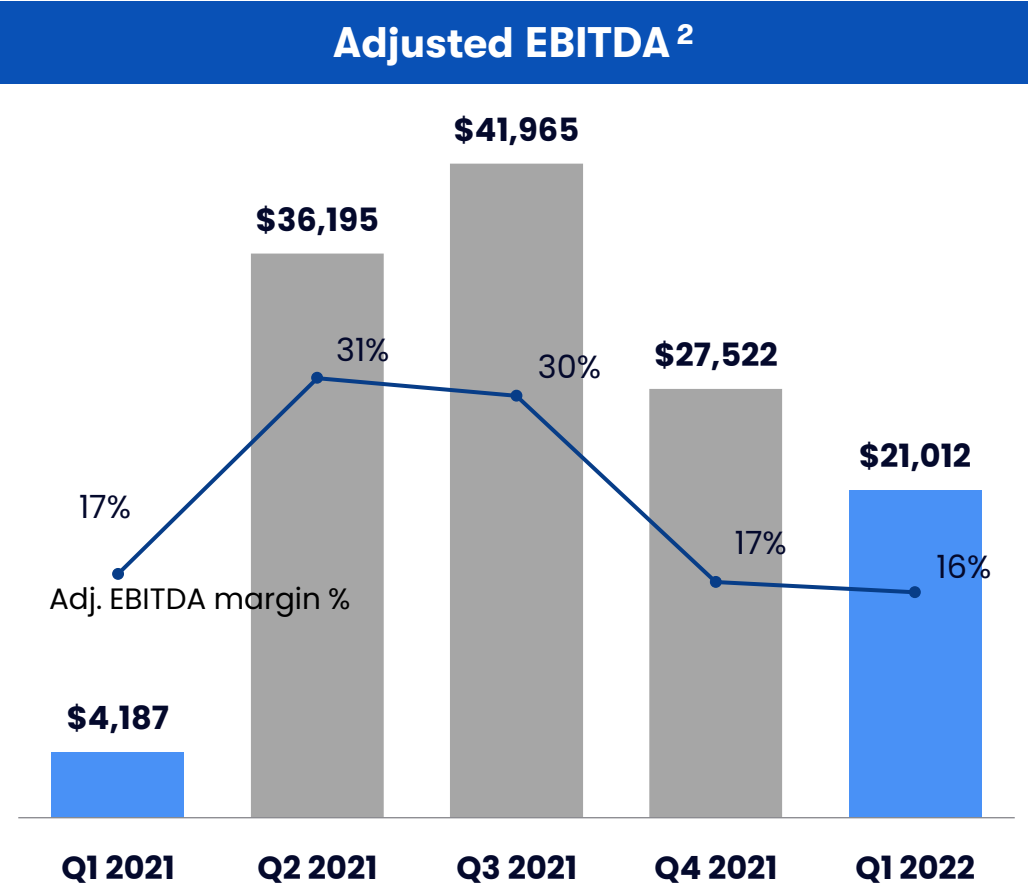
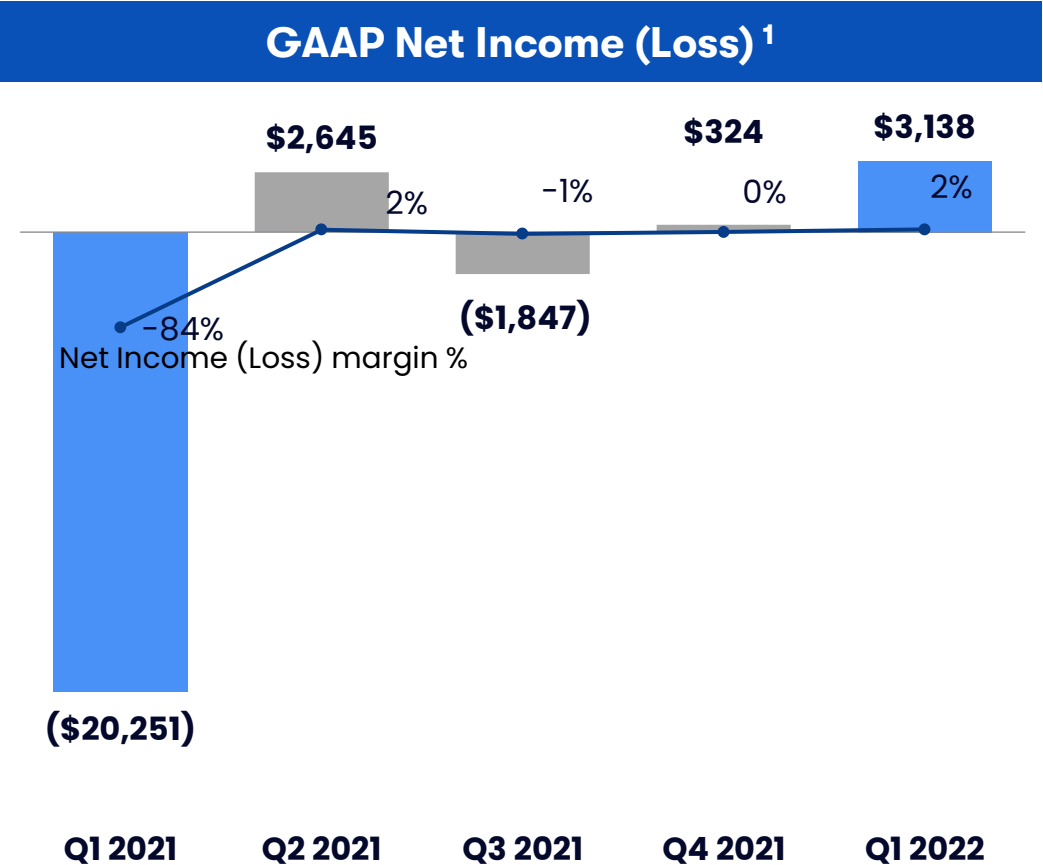
Revenues



(1) Marketplace GOV represents the total transactional amount of Marketplace segment orders placed on our platform in a period, inclusive of fees, exclusive of taxes, and net of event cancellations that occurred during that period.

Net Income/(Loss) and Adjusted EBITDA

(in thousands)



(1) Represents consolidated net income (loss) before allocation to noncontrolling interests.

(2) Adjusted EBITDA and Adjusted EBITDA margin are not measures defined under GAAP. See the appendix for a reconciliation of Adjusted EBITDA to net income (loss) and Adjusted EBITDA margin to net income (loss) margin.

2022 Financial Guidance

Key Financial Metrics	May 10, 2022	March 10, 2022	Change
Marketplace GOV	\$2.80B to \$3.05B	\$2.7B to \$3.0B	↑
Revenues	\$520M to \$555M	\$510M to \$550M	↑
Adjusted EBITDA ¹	\$110M to \$115M	\$110 to \$115M	→

(1) Adjusted EBITDA is not a measure defined under GAAP. We believe adjusted EBITDA provides useful information to investors and others in understanding and evaluating our results of operations, as well as providing a useful measure for period-to-period comparisons of our business performance. We calculate forward-looking non-GAAP Adjusted EBITDA based on internal forecasts that omit certain information that would be included in forward-looking GAAP net income (loss), the most directly comparable GAAP measure. We do not attempt to provide a reconciliation of forward-looking non-GAAP Adjusted EBITDA guidance to forward-looking GAAP net income (loss) because forecasting the timing or amount of items that have not yet occurred and are out of our control is inherently uncertain and unavailable without unreasonable efforts.

Closing Remarks

Stan Chia, Chief Executive Officer

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Key Takeaways

Flywheel Gathering Momentum

Our marketplace flywheel is working as we emerge from the pandemic with record results and momentum with both buyers & sellers

Healthy Supply-Demand Environment

We sit at the intersection of supply and demand; recent volume indicates healthy environment and secular trends are in our favor

Right to Win

We have the product, technology and scale to win in the long-term

Q&A

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Thank You

investors@vividseats.com

Non-GAAP Reconciliations

(in thousands except for percentages)

	2021					2022	2021					2022
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2021	Q1 2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2021	Q1 2022
Net income (loss) / Net income (loss) margin	-\$20,251	\$2,645	-\$1,847	\$324	-\$19,129	\$3,138	-84.0%	2.3%	-1.3%	0.2%	-4.3%	2.4%
Income tax expense	-	-	-	\$304	\$304	\$76	-	-	-	0.2%	0.1%	0.1%
Interest expense	\$16,319	\$16,839	\$17,319	\$7,702	\$58,179	\$3,942	67.7%	14.6%	12.4%	4.7%	13.1%	3.0%
Depreciation and amortization	\$295	\$500	\$711	\$816	\$2,322	\$1,385	1.2%	0.4%	0.5%	0.5%	0.5%	1.1%
Sales tax liability ⁽¹⁾	\$2,261	\$10,726	\$21,574	-\$25,605	\$8,956	\$922	9.4%	9.3%	15.5%	-15.6%	2.0%	0.7%
Transaction costs ⁽²⁾	\$3,546	\$3,863	\$1,428	\$4,015	\$12,852	\$1,402	14.7%	3.3%	1.0%	2.4%	2.9%	1.1%
Equity-based compensation ⁽³⁾	\$1,090	\$1,184	\$1,197	\$2,576	\$6,047	\$3,597	4.5%	1.0%	0.9%	1.6%	1.4%	2.8%
Loss on extinguishment of debt ⁽⁴⁾	-	-	-	\$35,828	\$35,828	\$4,285	-	-	-	21.9%	8.1%	3.3%
Litigation, settlements and related costs ⁽⁵⁾	\$641	\$438	\$1,583	\$173	\$2,835	-\$14	2.7%	0.4%	1.1%	0.1%	0.6%	-0.0%
Severance related to COVID-19 ⁽⁶⁾	\$286	\$0	\$0	\$0	\$286	\$0	1.2%	-	-	-	0.1%	-
Change in value of warrants ⁽⁷⁾	-	-	-	\$1,389	\$1,389	\$2,279	-	-	-	0.8%	0.3%	1.7%
Adjusted EBITDA / Adjusted EBITDA margin	\$4,187	\$36,195	\$41,965	\$27,522	\$109,869	\$21,012	17.4%	31.3%	30.1%	16.8%	24.8%	16.1%

Non-GAAP Reconciliations

Notes:

- (1) We have historically incurred sales tax expense in jurisdictions where we expected to remit sales tax payments but were not yet collecting from customers. During the second half of 2021, we began collecting sales tax from customers in all required states. The sales tax liability presented herein represents the exposure for sales tax prior to the date we began collecting sales tax from customers reduced by abatements received, inclusive of any penalties and interest assessed by the jurisdictions. Discussions with jurisdictions regarding our liability for uncollected sales taxes continued into 2022.
- (2) Transaction costs consist of legal; accounting; tax and other professional fees; personnel-related costs, which consists of retention bonuses; and integration costs. Transaction costs recognized in 2022 were related to the merger transaction with Horizon Acquisition Corporation (the "Merger Transaction"), the acquisition of Betcha Sports Inc., and refinancing of the remaining June 2017 First Lien Loan with a new February 2022 First Lien Loan. Transaction costs recognized in 2021 were related to the Merger Transaction, to the extent they were not eligible for capitalization.
- (3) We incur equity-based compensation expenses for profits interests issued prior to the Merger Transaction and equity granted according to the 2021 Incentive Award Plan ("2021 Plan"), which we do not consider to be indicative of our core operating performance. The 2021 Plan was approved and adopted in order to facilitate the grant of equity incentive awards to our employees and directors. The 2021 Plan became effective on October 18, 2021.
- (4) Losses incurred resulted from the extinguishment of the June 2017 First Lien Loan in February 2022.
- (5) These amounts relate to external legal costs, settlement costs and insurance recoveries, which were unrelated to our core business operations.
- (6) These charges relate to severance costs resulting from significant reductions in employee headcount due to the effects of the COVID-19 pandemic.
- (7) These expenses relate to the revaluation of Hoya Intermediate Warrants following the Merger Transaction.

Defined Terms:

- In March of 2021, we incorporated an entity in Delaware for the purpose of completing the transactions contemplated by the transaction agreement dated April 21, 2021 (the "Transaction Agreement") among Horizon Acquisition Corporation ("Horizon"), a publicly traded special purpose acquisition company, Horizon Sponsor, LLC, a Delaware limited liability company, Hoya Intermediate, LLC ("Hoya Intermediate") and Hoya Topco, LLC ("Hoya Topco"), a Delaware limited liability company.
- In October 2021, as contemplated by the Transaction Agreement, Horizon merged with us (the "Merger Transaction"), upon which the separate corporate existence of Horizon ended and we remained as the surviving entity. At the same time, we became a publicly traded company listed on the Nasdaq Global Select Market ("Nasdaq") with our Class A common stock trading under the symbol "SEAT" and warrants trading under the symbol "SEATW."
- On June 30, 2017, we entered into a \$575.0 million first lien debt facility, comprised of a \$50.0 million revolving facility (the "Revolving Facility") and a \$525.0 million term loan (the "June 2017 First Lien Loan"), and a second lien credit facility, comprised of a \$185.0 million second lien term loan (the "June 2017 Second Lien Loan"). The First Lien Loan was amended to upsize the committed amount by \$115.0 million on July 2, 2018. On October 28, 2019, we paid off our June 2017 Second Lien Loan balance. The underlying credit facility was subsequently retired on May 22, 2020. On October 18, 2021, in connection with and using the proceeds from the Merger Transaction, we made an early payment of a portion of our May 2020 First Lien Loan balance.
- On May 22, 2020, we entered into a new \$260.0 million first lien term loan (the "May 2020 First Lien Loan") that is pari passu with the June 2017 First Lien Loan. The proceeds from the May 2020 First Lien Loan were used for general corporate purposes and to extinguish and retire the Revolving Facility in full. On October 18, 2021, in connection with and using the proceeds from the Merger Transaction, we paid off in full our May 2020 First Lien Loan balance.
- In connection with the Merger Transaction, Hoya Intermediate issued to Hoya Topco (i) warrants to purchase 3,000,000 shares of Hoya Intermediate common units at an exercise price of \$10.00 per share, and (ii) warrants to purchase 3,000,000 shares of Hoya Intermediate common units at an exercise of \$15.00 per share (collectively, the "Hoya Intermediate Warrants").