



Vivid Seats Q3 2021 Earnings Report (Nasdaq: SEAT)

November 15, 2021

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Agenda

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Stan Chia, Chief Executive Officer
- 02 Financial Results
Lawrence Fey, Chief Financial Officer
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Stan Chia, Chief Executive Officer
Lawrence Fey, Chief Financial Officer

Forward looking statements and use of non-GAAP financial measures

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Q3 Business Highlights & Updates

Stan Chia, Chief Executive Officer

Business Combination Complete

- ✓ Completed business combination with Horizon Acquisition Corporation on October 18, 2021
- ✓ Began trading on the NASDAQ Global Select Market on October 19, 2021
- ✓ All net proceeds used to retire debt and optimize capital structure; resulting in cash in excess of debt



Key Q3 Financial Highlights



- **Record quarterly Marketplace GOV**
- Up from (\$31M) in Q3'20 when cancellations outpaced purchases

- **Record quarterly Revenues**
- Up from (\$7M) in Q3'20 and +21% q/q

- **Record quarterly Adjusted EBITDA**
- Adjusted EBITDA up from \$4M in Q1'21 and \$36M in Q2'21

(1) Marketplace GOV represents the total transactional amount of Marketplace segment orders placed on the Vivid Seats platform in a period, inclusive of fees, exclusive of taxes, and net of event cancellations.
(2) Adjusted EBITDA is not a measure defined under GAAP. See the appendix for a reconciliation of Net Income to Adjusted EBITDA.

Vivid Seats Overview

Our mission is to enable our fans to *Experience It Live.*

Our two-sided marketplace connects millions of buyers with thousands of sellers



17 million+ tickets sold¹



200,000+ unique events sold

Across three major event categories



Concerts



Sports



Theater & Comedy

Recent Consumer Experience Launches

New App



iOS & Android

Re-platformed Web

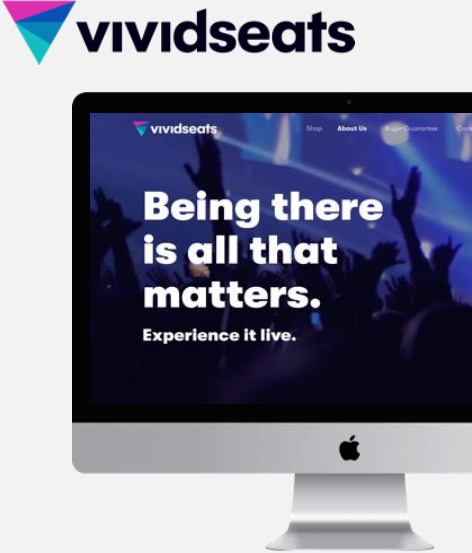


mWeb & Desktop

Revamped Loyalty



Brand (re)Launch



Financial Results

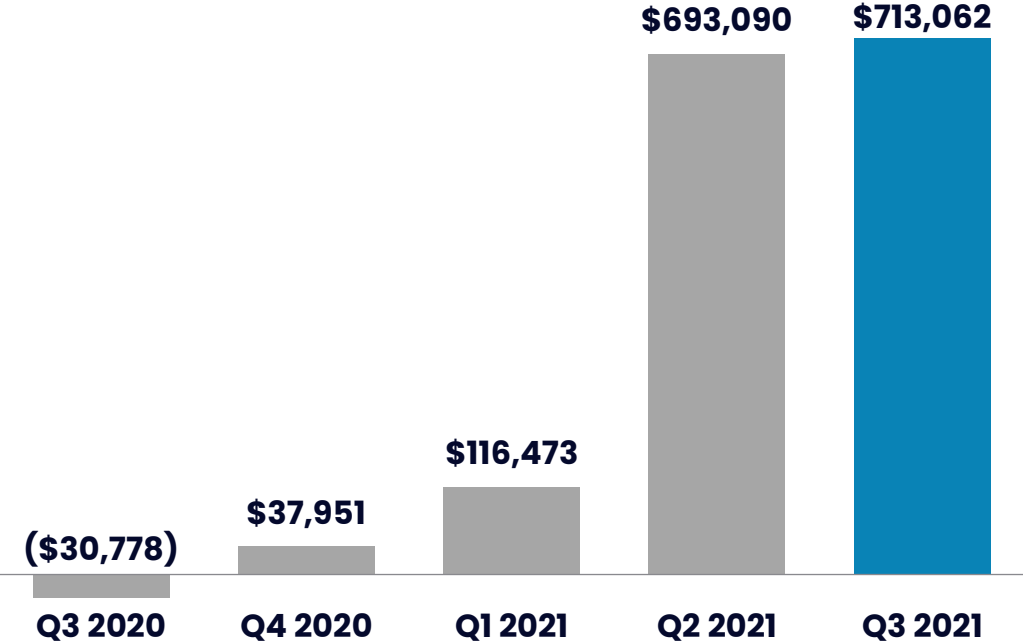
Lawrence Fey, Chief Financial Officer

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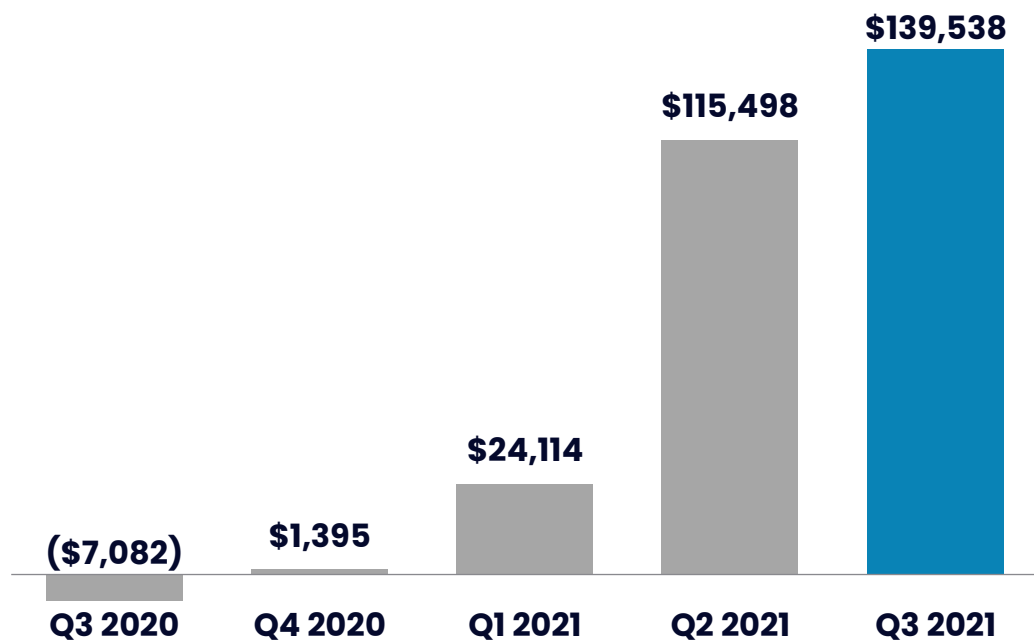
Marketplace GOV and Revenues

(in thousands)

Marketplace GOV¹



Revenues

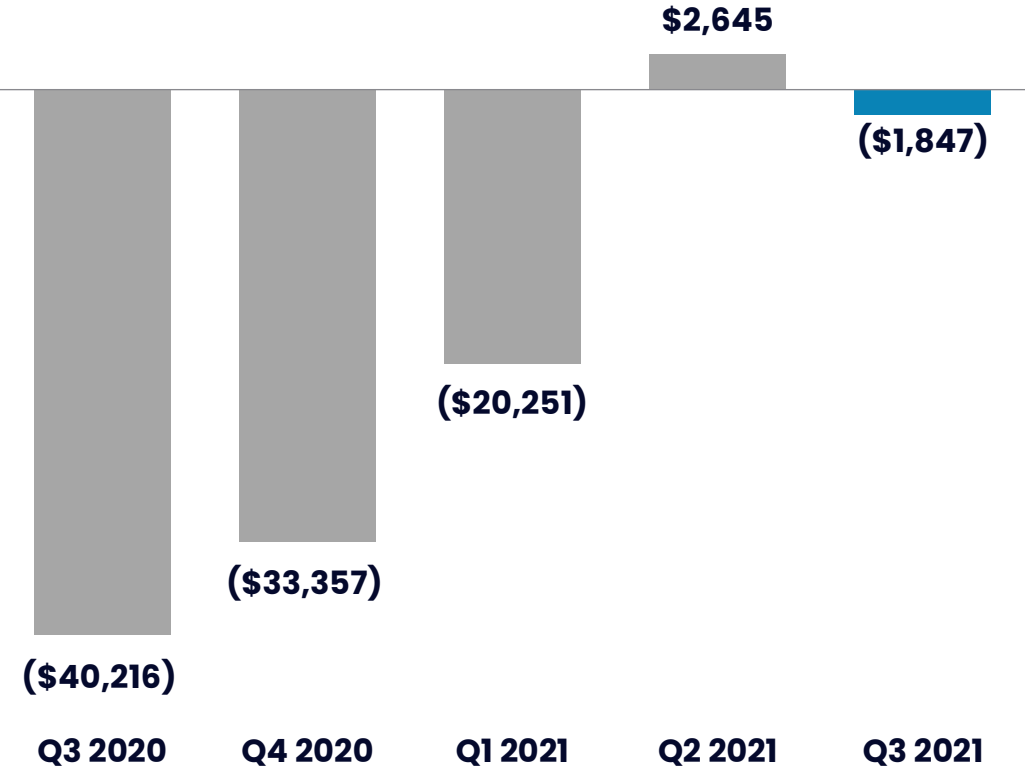


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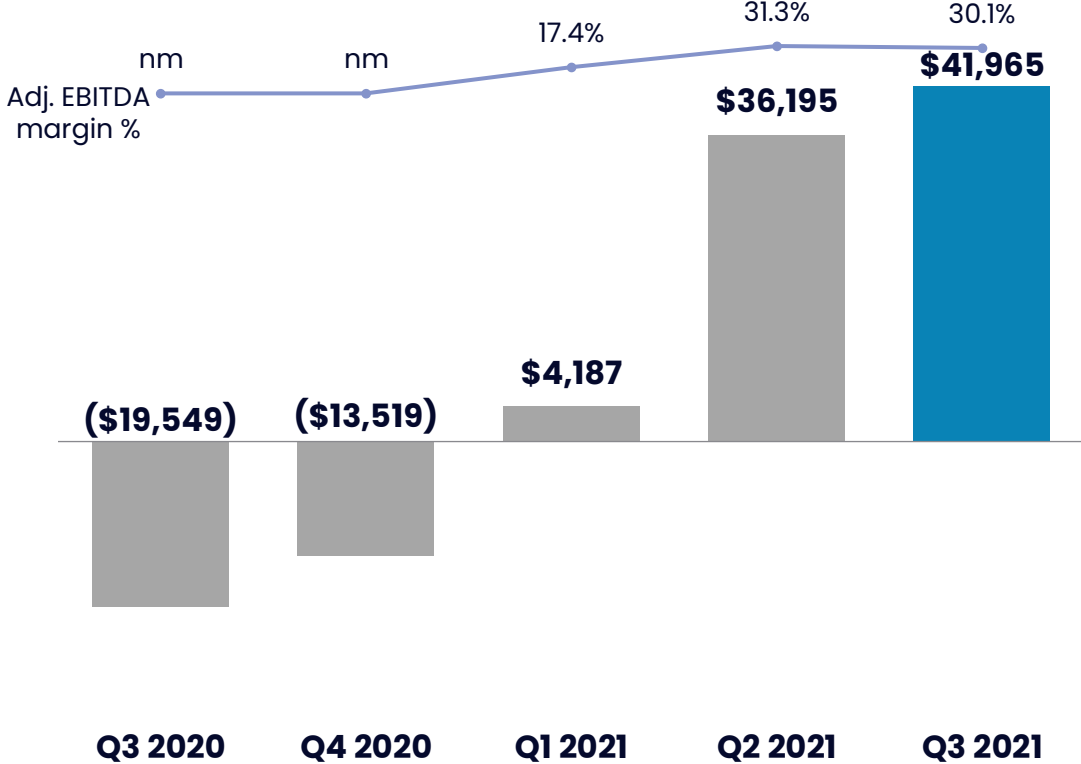
Net Income/(Loss) and Adjusted EBITDA

(in thousands)

GAAP Net Income/(Loss)



Adjusted EBITDA¹

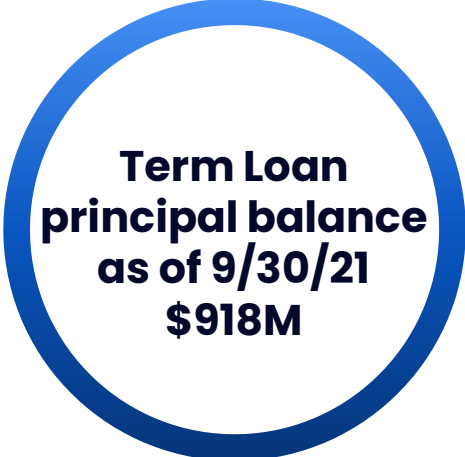


(1) Adjusted EBITDA is not a measure defined under GAAP. See the appendix for a reconciliation of Net Income to Adjusted EBITDA.

Net Debt and Cash Flow



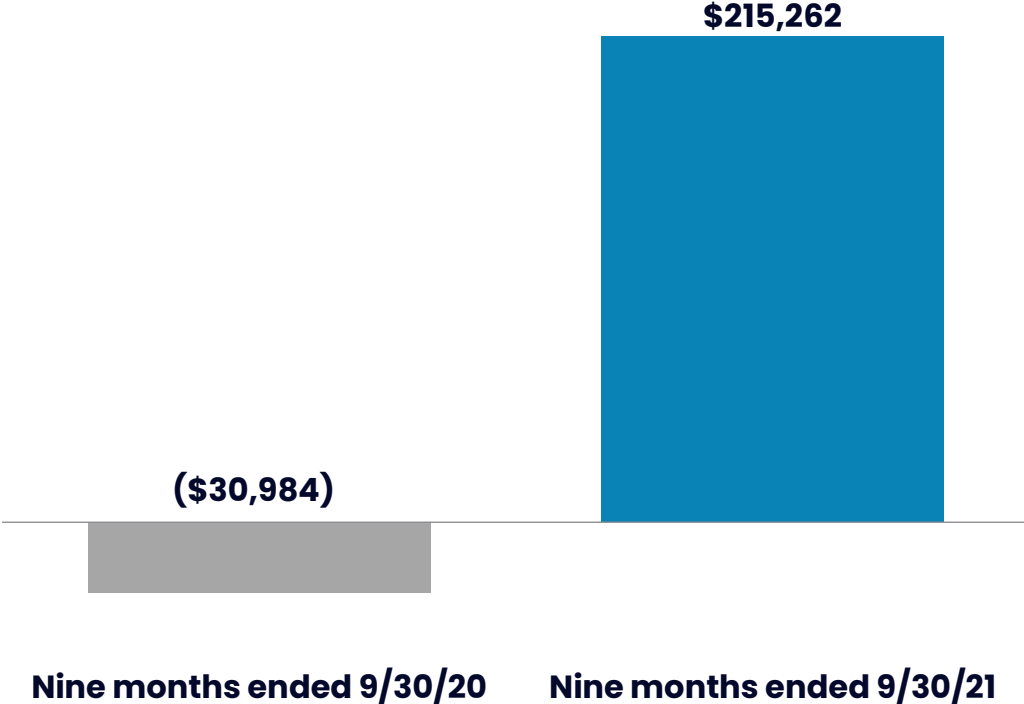
As compared to
\$285M as of 12/31/20



Upon the close of the
Business Combination,
net proceeds were used
to repay \$452M of Term
Loan principal

(in thousands)

Cash Flow from Operations



2021 Financial Guidance

Issued October 25, 2021

Key Financial Metrics	2021 Guidance
Marketplace GOV	\$2.225B to \$2.325B
Revenues	\$420M to \$435M
Adjusted EBITDA ¹	\$102M to \$107M

(1) Adjusted EBITDA is not a measure defined under GAAP. GAAP means generally accepted accounting principles in the United States as in effect from time to time. We believe Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our results of operations, as well as provides 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 amounts that would be included in forward-looking GAAP net income (loss). 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. Further, we believe that such reconciliations would imply a degree of precision and certainty that could be confusing to investors and could have a substantial impact on GAAP measures of financial performance.

Closing Remarks

Stan Chia, Chief Executive Officer

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Key Takeaways

Record financial performance in Q3

Robust financial results and record setting Marketplace GOV, Revenues and Adjusted EBITDA

Brand marketing initiative underway

Brand marketing efforts launched in October

Poised for 2022 and beyond

Customer experience and loyalty upgrades set the table for strong performance against a full year of events with pent up demand

Q&A

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Thank You!

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Non-GAAP Reconciliations

\$000s	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2021	2020	2021
Net loss	\$ (40,216)	\$ (1,847)	\$ (740,828)	\$ (19,453)
Interest expense	18,310	17,319	41,076	50,477
Depreciation and amortization	80	71	48,057	1,506
Sales tax liability ⁽¹⁾	488	21,574	4,959	34,561
Transaction costs ⁽²⁾	-	1,428	359	8,837
Equity-based compensation ⁽³⁾	1,099	1,197	3,475	3,471
Loss on extinguishment of debt ⁽⁴⁾	-	-	685	-
Litigation, settlements and related costs ⁽⁵⁾	492	1,583	837	2,662
Impairment charges ⁽⁶⁾	-	-	573,838	-
Loss on asset disposals ⁽⁷⁾	-	-	169	-
Severance related to COVID-19 ⁽⁸⁾	198	-	688	286
Adjusted EBITDA	\$ (19,549)	\$ 41,965	\$ (66,685)	\$ 82,347

(1) These expenses relate to sales tax liabilities incurred during the periods presented. We incur sales tax expenses in jurisdictions where we expect to remit sales tax payments. We are in the process of upgrading our IT infrastructure to enable us to collect sales tax from ticket buyers going forward. We expect these upgrades to be complete by December 31, 2021.

(2) Transaction costs incurred during the three and nine months ended September 30, 2020 and 2021 consist primarily of transaction and transition related fees and expenses incurred in relation to completed and attempted acquisitions. Transaction costs consist of legal, accounting, tax and other professional fees, as well as personnel-related costs, which consist of severance and retention bonuses. Transaction costs consist of personnel costs associated with the integration of an acquiree. Transaction costs reflected above were incurred in the first 12 months following the completed acquisition of Fanxchange Ltd. in 2019. Transaction costs were recognized in 2021 related to the merger transaction with Horizon, to the extent they were not eligible for capitalization. We do not believe these acquisition-related costs to be representative of normal, recurring, cash operating expenses.

(3) We incur equity-based compensation expenses, which we do not consider to be indicative of our core operating performance.

(4) Losses incurred resulted from the retirement of the revolving credit facility in May 2020.

(5) These expenses relate to external legal costs and settlement costs incurred, which were unrelated to our core business operations.

(6) We incurred impairment charges triggered by the effects of the pandemic. The impairment charges resulted in a reduction in the carrying values of our goodwill, indefinite-lived trademark, definite-lived intangible assets, and other long-lived assets.

(7) We incurred losses on asset disposals, which are not considered indicative of our core operating performance.

(8) These charges relate to severance costs resulting from significant reductions in employee headcount due to the effects of the pandemic..