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Experience It Live

Q3 2022 Financial Results
November 8, 2022
(Nasdaq: SEAT)

Agenda

01 **Business Highlights & Update**
Stan Chia, Chief Executive Officer

02 **Financial Results**
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

Safe Harbor

- 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 launch of Vivid Picks, the effects of a recession and inflation, 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” later 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.

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Business Highlights & Updates

Stan Chia, Chief Executive Officer

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Q3 2022 Financial Highlights

Marketplace GOV[1]
$782M

Revenues
$157M

Adjusted EBITDA[2]
$28M

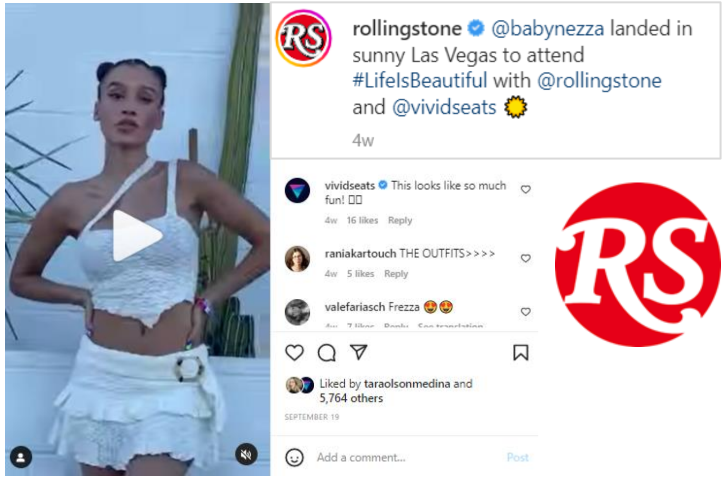
- Continued to capture industry strength (quarterly records for both Marketplace GOV and Revenues for six consecutive quarters)
- Adj. EBITDA Margin (18%) reflects sequentially higher marketing expense, but steady G&A expense (net of EBITDA adjustments)
- Remained highly profitable while making targeted investments to strengthen our differentiated platform

(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.
(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. Q3'22 net income was $18.7M and Q3'21 net loss was $1.8M. Q3'22 net income margin was 12.0% and Q3'21 net loss margin was 1.3%.

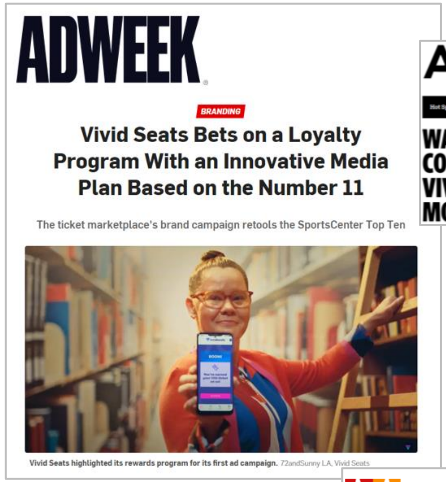
Growing Our Brand

Driving targeted awareness & brand trust

Category Reach & Conferred Brand Equity



Targeted Recruitment of High-Value Audiences



ADWEEK

BRANDING

Vivid Seats Bets on a Loyalty Program With an Innovative Media Plan Based on the Number 11

The ticket marketplace's brand campaign retools the SportsCenter Top Ten

Vivid Seats highlighted its rewards program for its first ad campaign.

AdAge

WATCH THE NEWEST COMMERCIALS FROM CANON, VIVID SEATS, MILK-BONE AND MORE

MediaPost

Agency Daily

Vivid Seats 'Rewards' Fan Dreams In Latest Brand Campaign

TICKETING BUSINESS

Vivid Seats launches campaign focusing on 11th free ticket

Vivid Seats has launched an integrated campaign produced with creative agency 72andSunny LA, which highlights loyalty programme, Vivid Seats Rewards.

Ticket marketplace Vivid Seats has launched an integrated campaign produced with creative agency 72andSunny LA, which highlights loyalty programme, Vivid Seats Rewards.

Cultural Cachet with New Demos

Building Customers For Life

With unified customer profiles powering personalized fan recommendations

Engagement Data

Bought 49ers
Browsed Warriors
Read Blog
Added Favorites
Abandoned Cart

Transactional Data

Identifying Data

Anonymous Visit 10/5
Anonymous Visit 11/3
Home Email – JDoe@aol.com
Work Email – Jay@Doe.com
IDENTITY RECONCILED

Jay Doe
Rolling In Doe, Inc.
jay@doe.com

Vivid Seats App:
ID: 12ab-ef69
Push Token = Yes
Spotify Connected = No
Favorites Added = Yes

Vivid Picks App:
ID: JK11-45331000
Source = Referral
Push Token = Yes
Ownership Challenge = No

Loyalty & LTV:
Loyalty Opted-In = Yes
Last Engagement = 7 Days
Last Transaction = 1 Month
LTV = $$$

LAX / SFO
Last Region
Home Region

Implicit Favorites

Explicit Favorites

Profile & Preferences

Sports Repeater

Distance Traveler

Last Minute Buyer

Vivid Seats Propensities

Key Sport

Frequent Athlete

5
Friends In Network

Vivid Picks Propensities

OPPTY
Last Minute Wknd Tickets

OPPTY
DFS Play New League

OPPTY
DFS Become Referrer

Next Best Action/LTV Drivers

Financial Updates

Lawrence Fey, Chief Financial Officer

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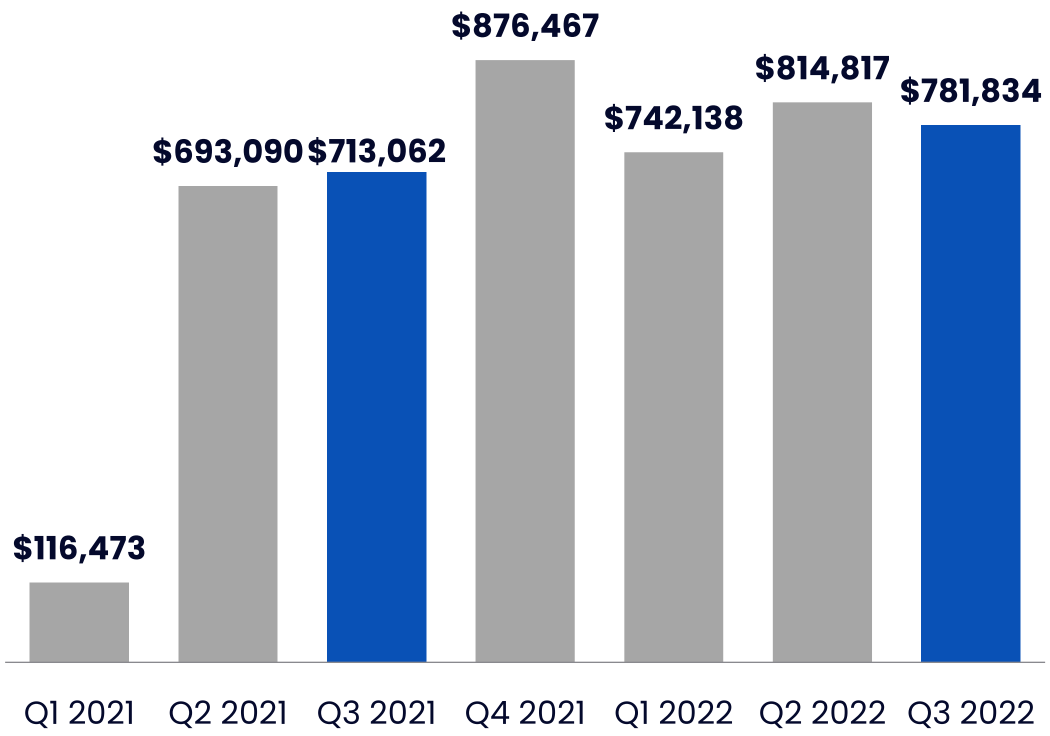
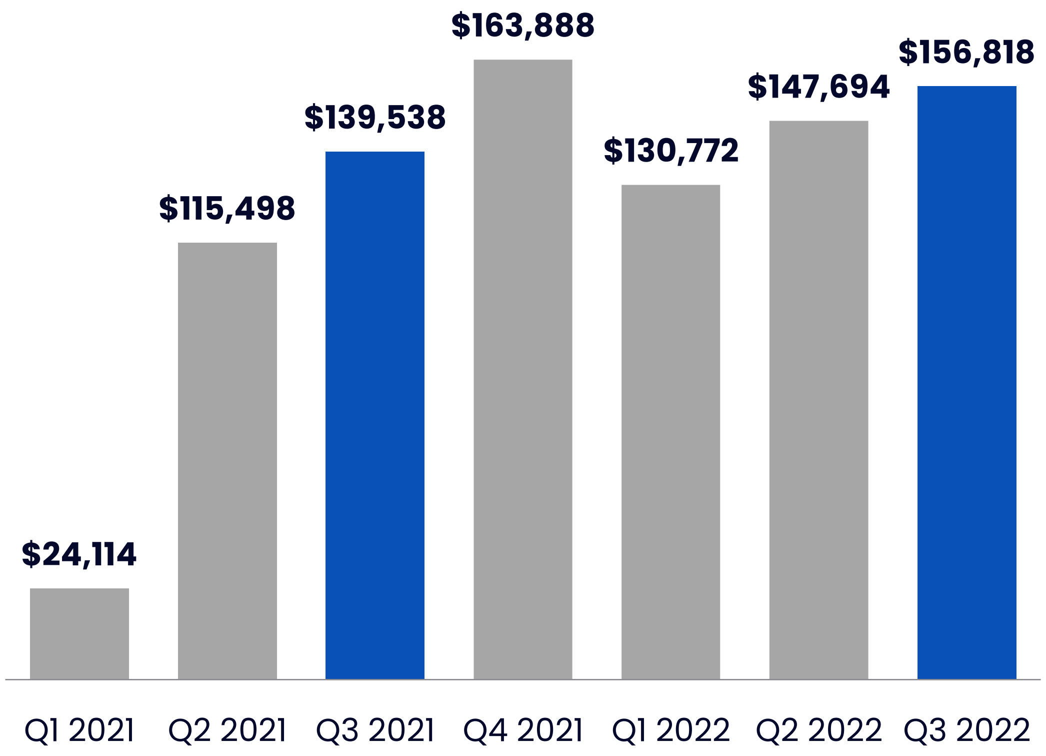
Marketplace GOV and Revenues

(in thousands)

Marketplace GOV[1]



Revenues

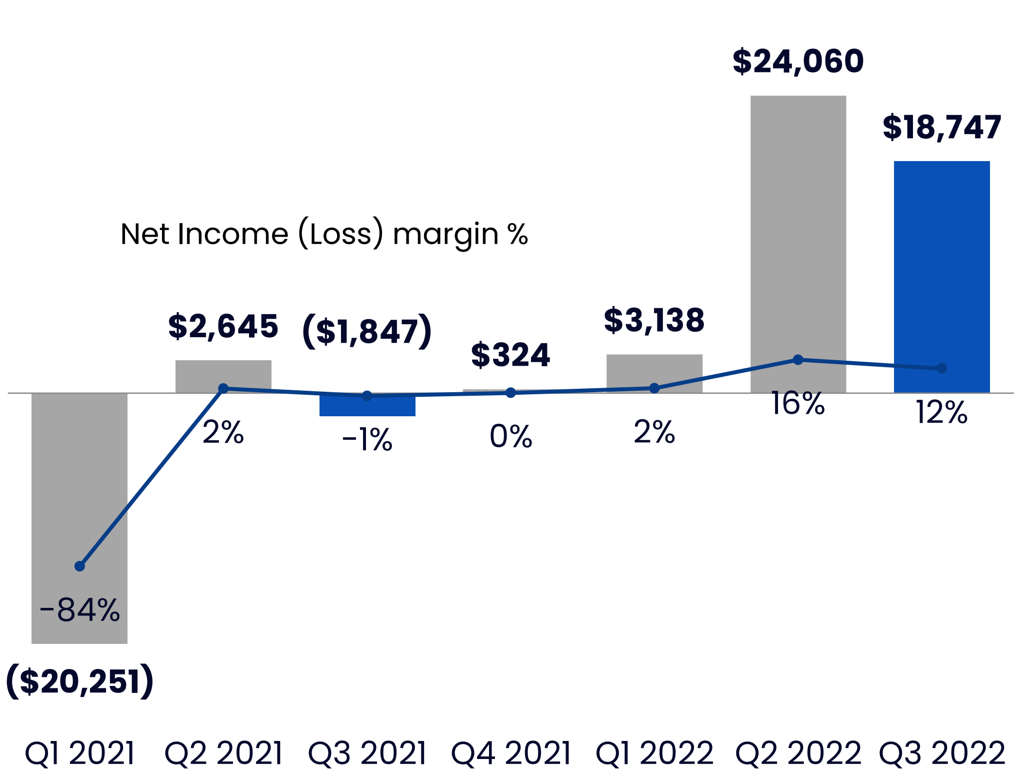


(1) Marketplace GOV represents the total transactional amount of Marketplace segment orders placed on our platform in a period, inclusive of fees, exclusive of taxes, and net of event cancellations that occurred during that period.

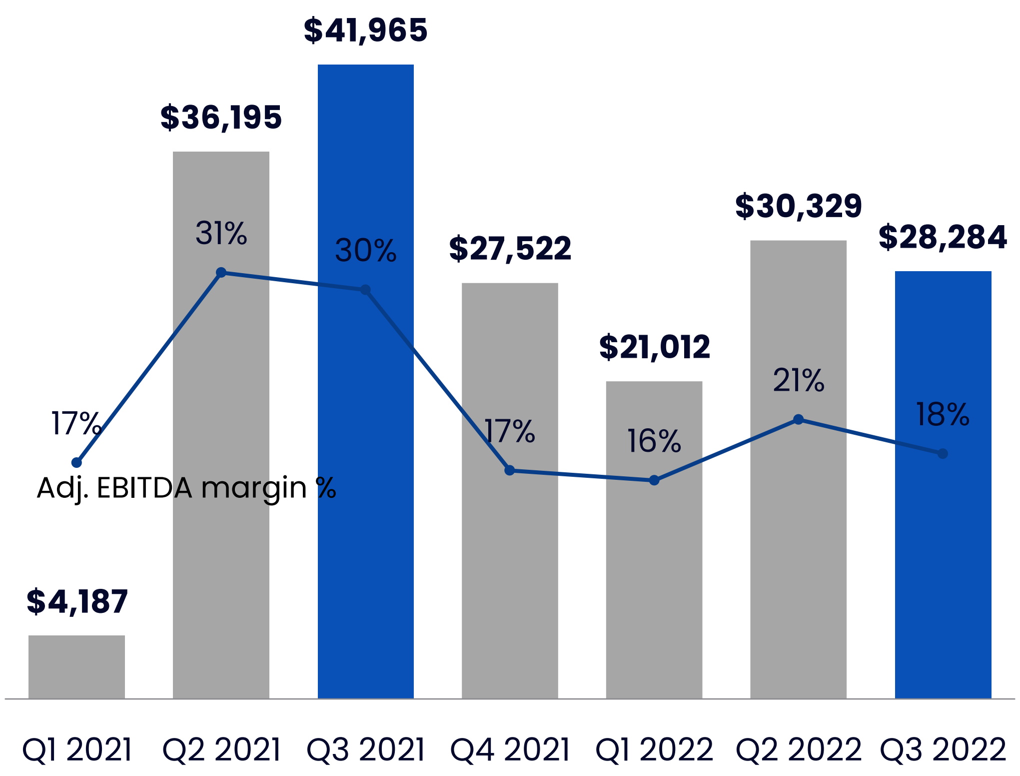
Net Income/(Loss) and Adjusted EBITDA

(in thousands)

GAAP Net Income (Loss) [1]



Adjusted EBITDA [2]



(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.

Net Debt and Cash Flow

Cash as of 9/30/22 $274M

Term Loan Principal outstanding as of 9/30/22 $274M

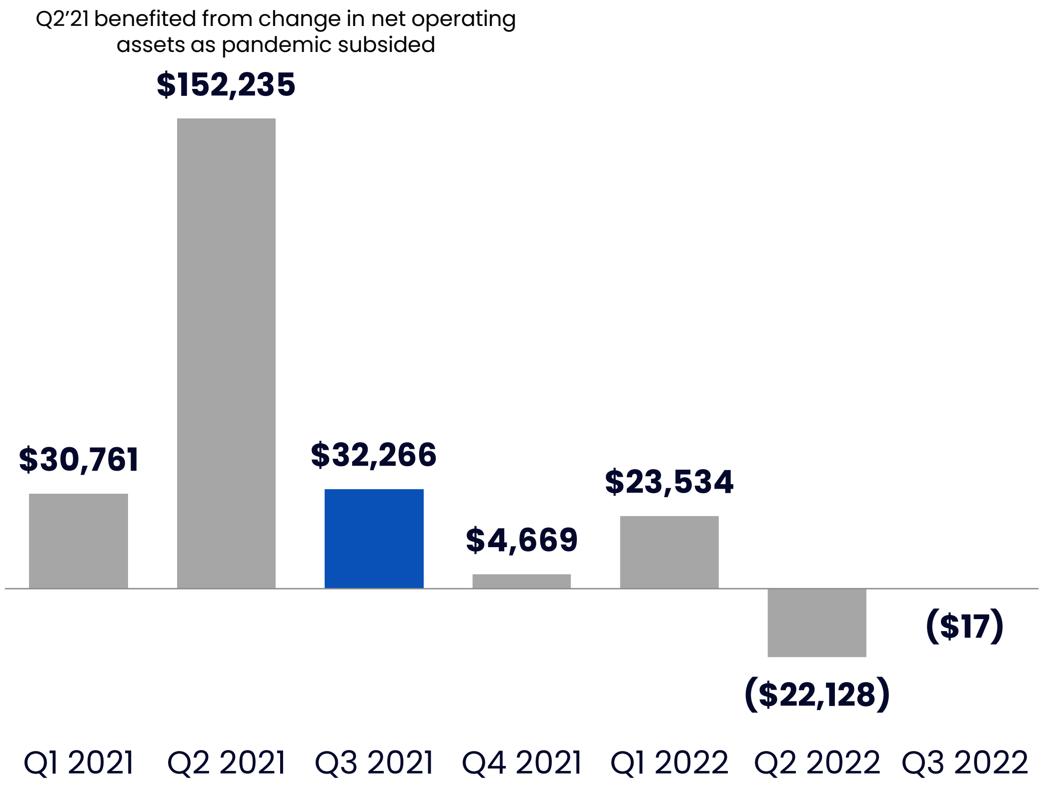
Compared to $288M as of 6/30/22

- Repurchased $3M of stock in Q3
- YTD cash flow burdened by non-recurring items:
  - Sales tax settlements
  - Pandemic store credits
  - Normalization of seller payables

Strong balance sheet, along with $100M undrawn credit facility

(in thousands)

Cash Flow from Operations



2022 Financial Guidance

Key Financial Metrics	3/10/22	5/10/22	Q1 Update	8/9/22	Q2 Update	11/8/22	Q3 Update
Marketplace GOV	$2.70B to $3.00B	$2.80B to $3.05B	↑	$2.95B to $3.15B	↑	$3.05B to $3.20B	↑
Revenues	$510M to $550M	$520M to $555M	↑	$540M to $570M	↑	$580M to $595M	↑
Adjusted EBITDA[1]	$110M to $115M	$110M to $115M	→	$110M to $117M	↑	$110M to $117M	→

(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

1 Capitalizing on industry strength

Live event demand remained robust and displayed resiliency to recessionary factors. Vivid Seats capitalized on industry strength and continued to set records for Marketplace GOV and Revenues.

2 Targeted brand investments and higher repeat rates

We are amplifying our right to win with targeted investments in our brand and differentiated offering. We are still early on our brand journey, but gaining traction with higher repeat rates across event categories.

3 Profitable and opportunistic

Vivid Seats is unhindered, due to its scale and strong balance sheet, and can afford to be both profitable and opportunistic in the competitive environment.

Q&A

Thank You

investors@vividseats.com

Supplementary Financial Data – Q3 2022

(in thousands)

Marketplace Revenues by Event Category

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Change	% Change
Revenues:				
Concerts	$ 63,802	$ 55,343	$ 8,459	15%
Sports	52,812	53,485	(673)	(1)%
Theater	13,526	11,131	2,395	22%
Other	402	506	(104)	(21)%
Total Marketplace revenues	**$ 130,542**	**$ 120,465**	**$ 10,077**	**8%**

Segment Contribution Margin

	Three Months Ended September 30, 2022		
	Marketplace	Resale	Consolidated
Revenues	$ 130,542	$ 26,276	$ 156,818
Cost of revenues	17,950	19,667	37,617
Marketing and selling	66,323	—	66,323
Contribution margin	**$ 46,269**	**$ 6,609**	**52,878**

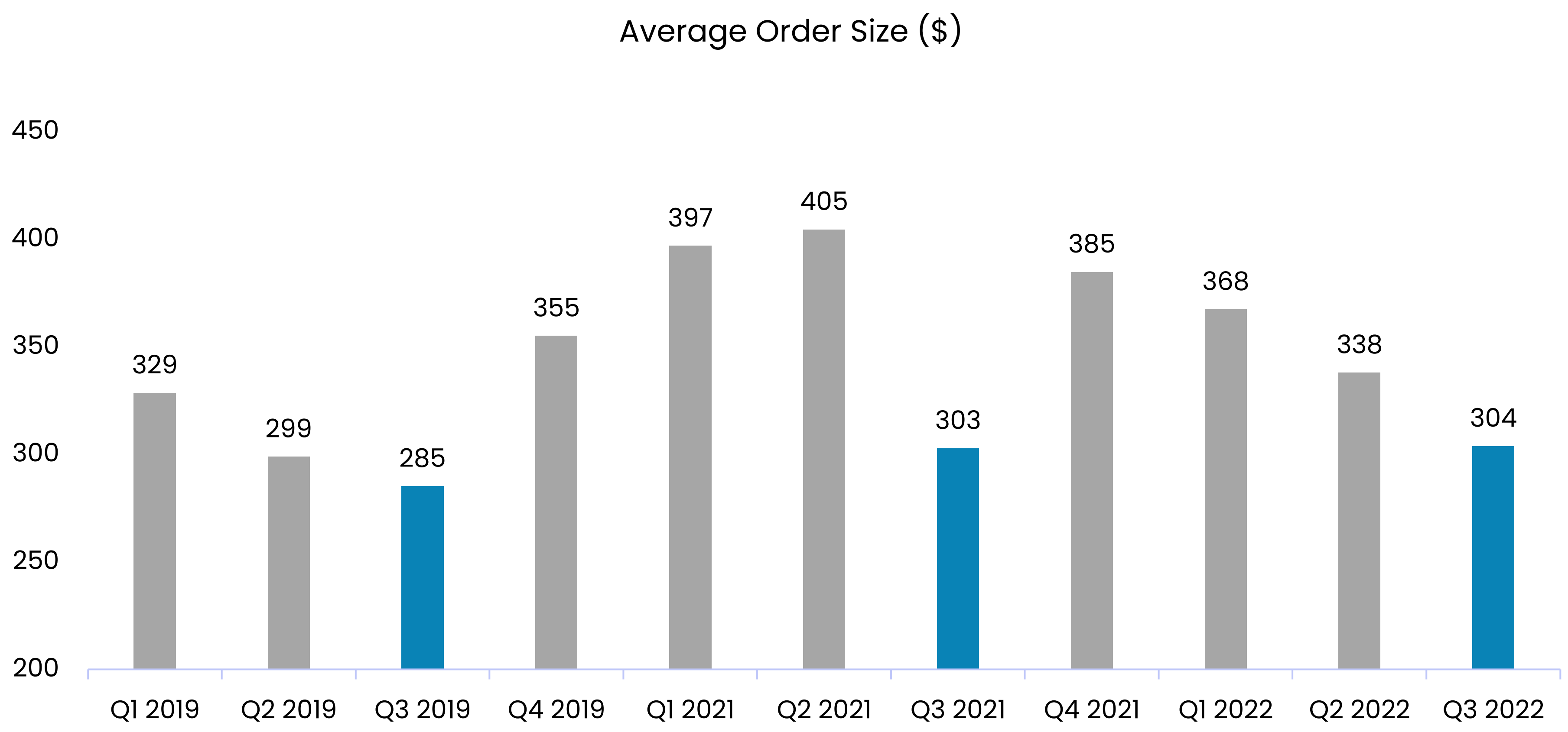
	Three Months Ended September 30, 2021		
	Marketplace	Resale	Consolidated
Revenues	$ 120,465	$ 19,073	$ 139,538
Cost of revenues	15,694	14,781	30,475
Marketing and selling	50,371	—	50,371
Contribution margin	**$ 54,400**	**$ 4,292**	**58,692**

EPS[1]

	Three Months Ended September 30, 2022
Numerator—basic:	
Net income	$ 18,747
Less: Income attributable to redeemable noncontrolling interests	11,084
Net income attributable to Class A Common Stockholders—basic	7,663
Denominator—basic:	
Weighted average Class A common stock outstanding—basic	81,996,447
Net income per Class A common stock—basic	**$ 0.09**
Numerator—diluted:	
Net income attributable to Class A Common Stockholders—basic	$ 7,663
Net income effect of dilutive securities:	
Effect of RSUs	1
Net income attributable to Class A Common Stockholders—diluted	7,664
Denominator—diluted:	
Weighted average Class A common stock outstanding—basic	81,996,447
Weighted average effect of dilutive securities:	
Effect of RSUs	27,016
Weighted average Class A common stock outstanding—diluted	82,023,463
Net income per Class A common stock—diluted	**$ 0.09**

(1) There were no shares of Class A Common Stock outstanding prior to October 18, 2021. Therefore, no income (loss) per share information has been presented for any period prior to that date.

Supplementary Financial Data – Historical AOS[1]



(1) Average Order Size ("AOS") is calculated by dividing Marketplace GOV by Total Marketplace orders.

Non-GAAP Reconciliations

(in thousands except for percentages)	2021				2022			2021				2022		
	Q1 2021	**Q2 2021**	**Q3 2021**	**Q4 2021**	**Q1 2022**	**Q2 2022**	**Q3 2022**	**Q1 2021**	**Q2 2021**	**Q3 2021**	**Q4 2021**	**Q1 2022**	**Q2 2022**	**Q3 2022**
Net income (loss) / Net income (loss) margin	-$20,251	$2,645	-$1,847	$324	$3,138	$24,060	$18,747	-84.0%	2.3%	-1.3%	0.2%	2.4%	16.3%	12.0%
Income tax expense	-	-	-	$304	$76	-	$118	—	—	—	0.2%	0.1%	—	0.1%
Interest expense - net	$16,319	$16,839	$17,319	$7,702	$3,942	$2,699	$2,901	67.7%	14.6%	12.4%	4.7%	3.0%	1.8%	1.8%
Depreciation and amortization	$295	$500	$711	$816	$1,385	$1,726	$2,158	1.2%	0.4%	0.5%	0.5%	1.1%	1.2%	1.4%
Sales tax liability[1]	$2,261	$10,726	$21,574	-$25,605	$922	$2,010	-$118	9.4%	9.3%	15.5%	-15.6%	0.7%	1.4%	-0.1%
Transaction costs[2]	$3,546	$3,863	$1,428	$4,015	$1,402	$2,345	$538	14.7%	3.3%	1.0%	2.4%	1.1%	1.6%	0.3%
Equity-based compensation[3]	$1,090	$1,184	$1,197	$2,576	$3,597	$5,312	$5,073	4.5%	1.0%	0.9%	1.6%	2.8%	3.6%	3.2%
Loss on extinguishment of debt[4]	-	-	-	$35,828	$4,285	-	-	—	—	—	21.9%	3.3%	—	—
Litigation, settlements and related costs[5]	$641	$438	$1,583	$173	-$14	$1,009	$89	2.7%	0.4%	1.1%	0.1%	-0.0%	0.7%	0.1%
Severance related to COVID-19[6]	$286	-	-	-	-	-	-	1.2%	—	—	—	—	—	—
Change in fair value of warrants[7]	-	-	-	$1,389	$2,279	-$8,832	-$65	—	—	—	0.8%	1.7%	-6.0%	-0.0%
Change in fair value of contingent consideration[8]	-	-	-	-	-	-	-$1,220	—	—	—	—	—	—	-0.8%
Loss on asset disposals[9]	-	-	-	-	-	-	$63	—	—	—	—	—	—	0.0%
Adjusted EBITDA / Adjusted EBITDA margin	**$4,187**	**$36,195**	**$41,965**	**$27,522**	**$21,012**	**$30,329**	**$28,284**	**17.4%**	**31.3%**	**30.1%**	**16.8%**	**16.1%**	**20.5%**	**18.0%**

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 the required jurisdictions. The sales tax liability presented herein represents the tax liability 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. The aforementioned liability was fully paid in October 2022.
(2) Transaction costs consist of legal; accounting; tax and other professional fees; personnel-related costs, which consist 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. ("Betcha" rebranded as "Vivid Picks"), refinancing of the remaining June 2017 First Lien Loan with a new February 2022 First Lien Loan and our offering to the holders of our outstanding public warrants to receive shares of Class A Common Stock in exchange for each outstanding public warrant tendered by the holder. 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) This relates to the revaluation of Hoya Intermediate Warrants following the Merger Transaction.
(8) This relates to the revaluation of Vivid Picks cash earnouts.
(9) This relates to asset disposals, which are not considered indicative of our core operating performance.

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").