

# vividseats

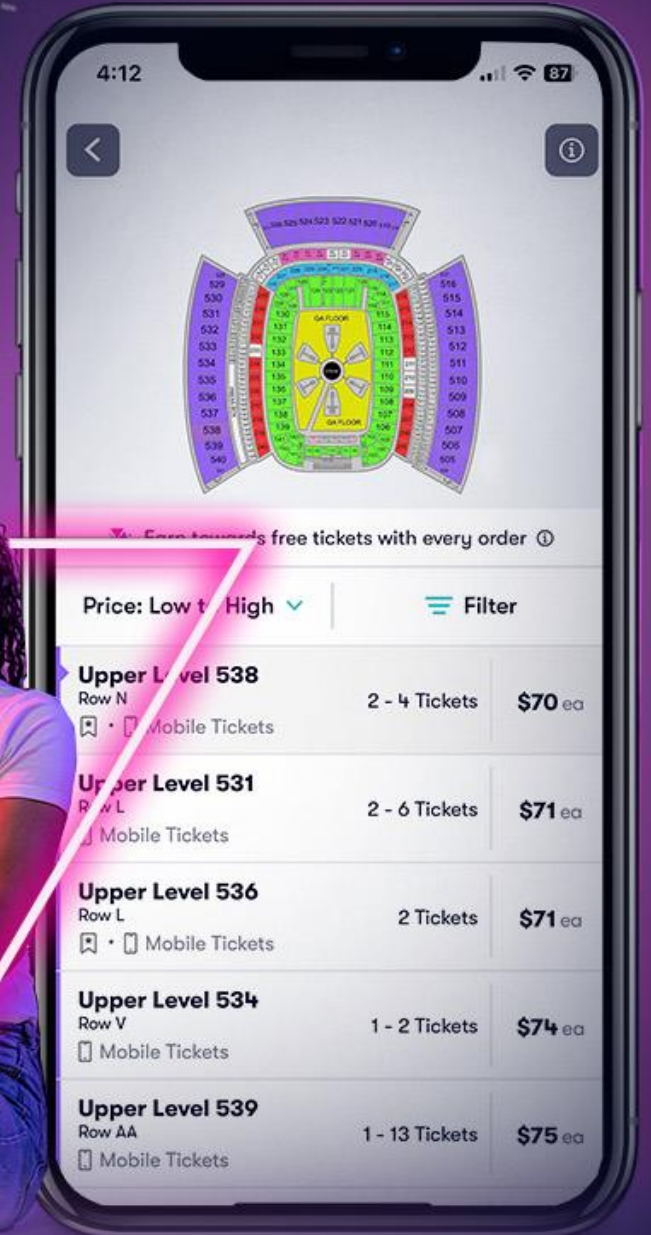
Investor Presentation  
June 2023  
(Nasdaq: SEAT)

# Disclaimer

## 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, Adjusted EBITDA margins, G&A, customer acquisition costs, cash conversion 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 supply and demand 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 integration of Vivid Picks, the effects of any recession and inflation, ongoing and future effects of pandemics, 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.
- This presentation also contains forecasts and estimates regarding our industry that relate to or are based on third party sources. This data involves a number of assumptions and limitations, and there can be no assurance these forecasts and estimates will prove accurate in whole or in part. Projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors. Except as provided in the definitive documentation, no representation or warranty, express or implied, is or will be given by us or our affiliates, directors, officers, partners, employees, agents or advisers, or any other person, as to the accuracy, completeness, reasonableness or fairness of any information contained in this presentation and no responsibility or liability whatsoever is accepted for the accuracy or sufficiency thereof or for any errors, omissions or misstatements, negligent or otherwise, relating thereto, and any such liability is expressly disclaimed. In all cases, interested parties should conduct their own investigation and analysis of the Company and the information contained herein and will solely be responsible for their own assessment of the market and our market position and for forming their own view of the potential future performance of our business.
- 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.

Vivid Seats is a data-driven **online secondary ticket marketplace** for live events including sports, concerts and theater



# Scaled, Growing and Highly Profitable

**125M+**

Cumulative Tickets Sold<sup>1</sup>

**18M+**

Customers<sup>1</sup>

**250K+**

Unique Events Sold (2022)

**\$3.2B**

FY 2022  
Marketplace GOV<sup>2</sup>

**\$600M**

FY 2022  
Revenue

**\$113M**

FY 2022  
Adjusted EBITDA<sup>3</sup>

**\$856M**

Q1 2023  
Marketplace GOV<sup>2</sup>

**\$161M**

Q1 2023  
Revenue

**\$42M**

Q1 2023  
Adjusted EBITDA<sup>3</sup>

(1) Through Q1 2023

(2) 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

(3) Adjusted EBITDA is not a measure defined under GAAP. See the appendix for a reconciliation of Adjusted EBITDA to net income (loss)



# Investment Highlights

**Our Mission:** *To empower and enable fans to Experience It Live*

**Two-Sided  
Marketplace**

**Two-Sided  
Marketplace with  
Unique Technology  
Platform & Data**

**Large and  
Growing TAM**

**Large TAM with  
Sustained Secular  
Growth**

**Profitable  
Growth**

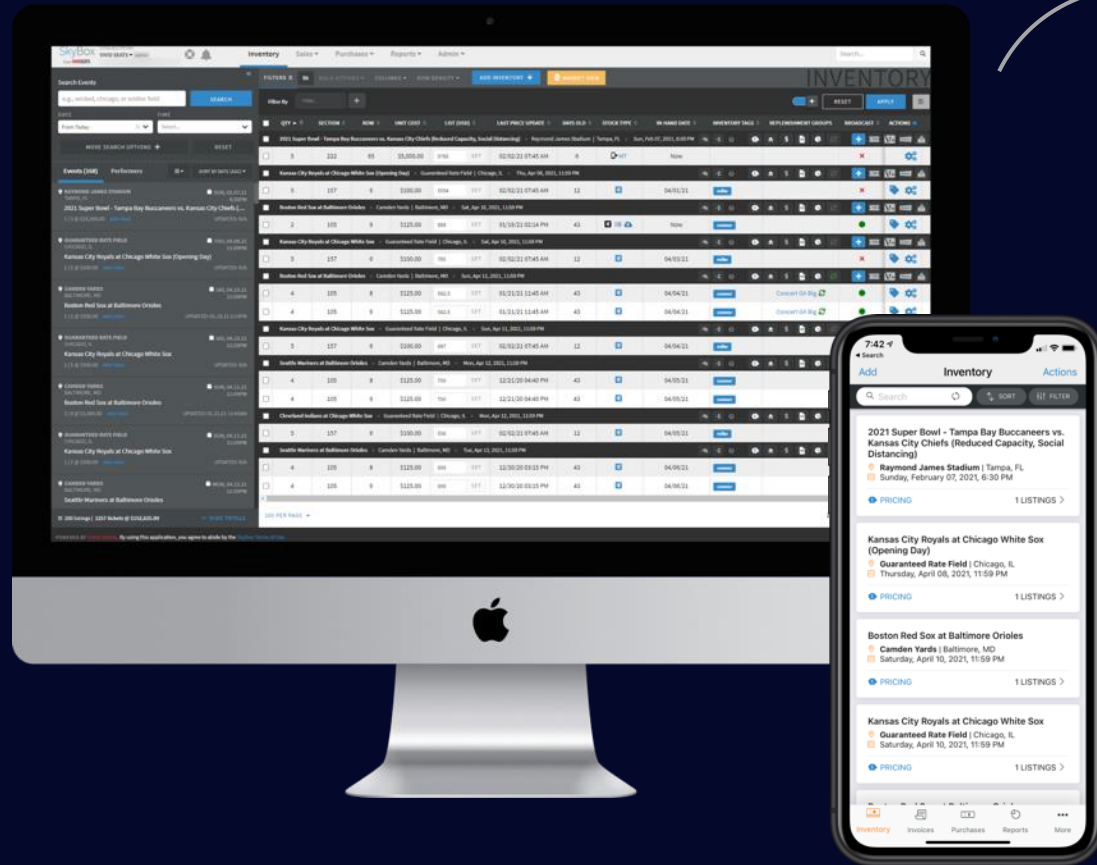
**Fueled by  
Proprietary  
Customer  
Acquisition and  
Engagement  
Capabilities**

# Marketplace Tech Platform Serving Holistic Ecosystem



# Leading Seller Technology Through Skybox

SkyBox



Desktop plus app experience

The Go-To Solution for Professional Sellers

50%+<sup>1</sup>

- ✓ Cloud-based ERP solution adopted by large share of seller base
- ✓ Rich feature set across key seller activities
- ✓ Native integrations & listing toolsets provided to all sellers
- ✓ 3<sup>rd</sup> party automation tools built around Skybox enhance platform value
- ✓ Seller revenue optimization with SkyBox Drive

Note: SkyBox is currently provided to sellers as a free-to-use solution

(1) Represents 2022 metrics

# Differentiated Buyer Experience

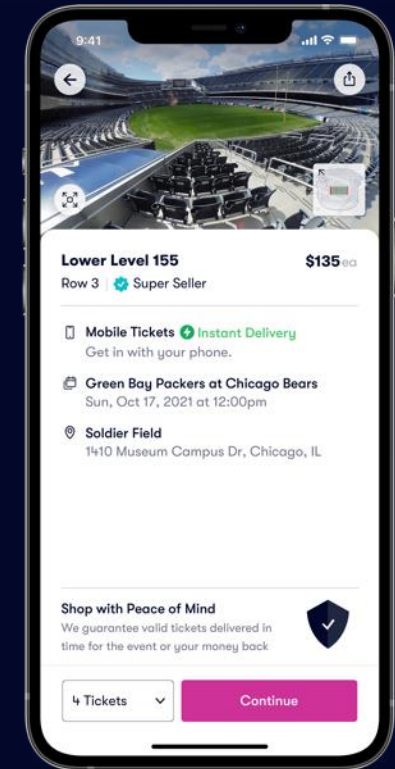
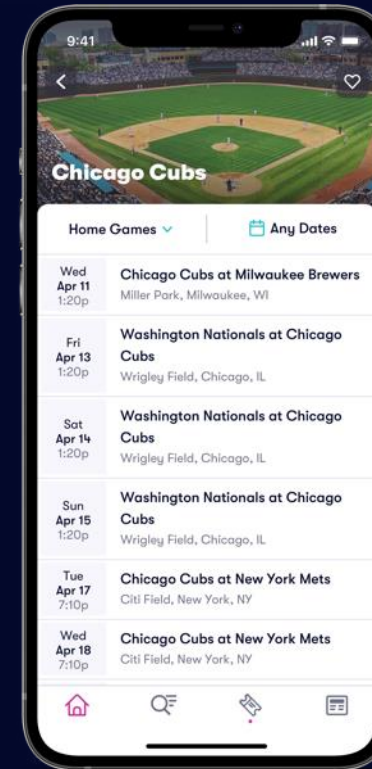
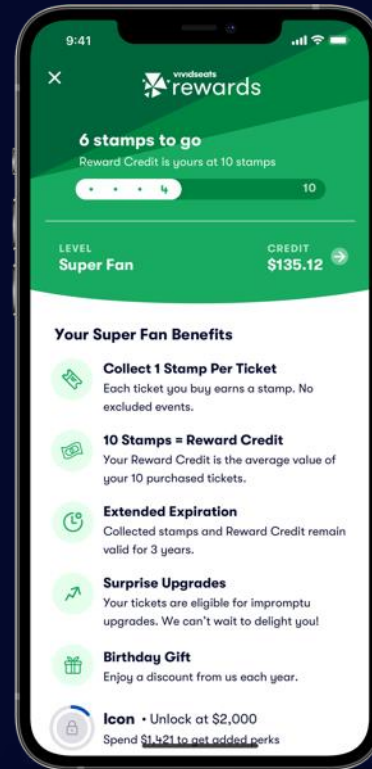
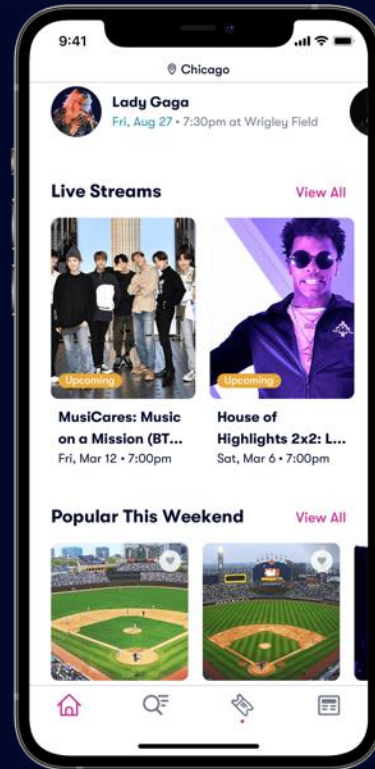
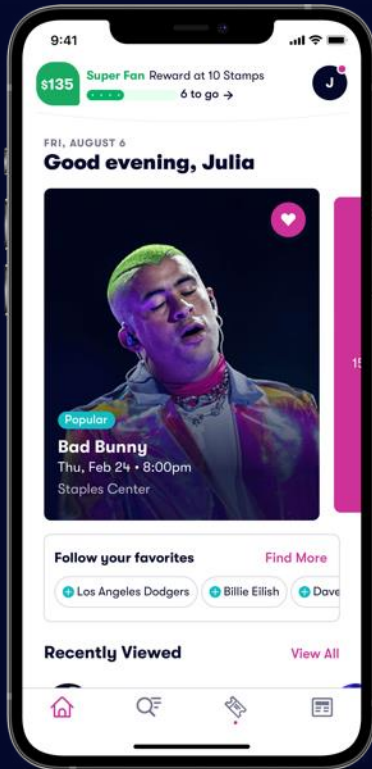
Personalized Discovery

Diverse Choices

Compelling Value

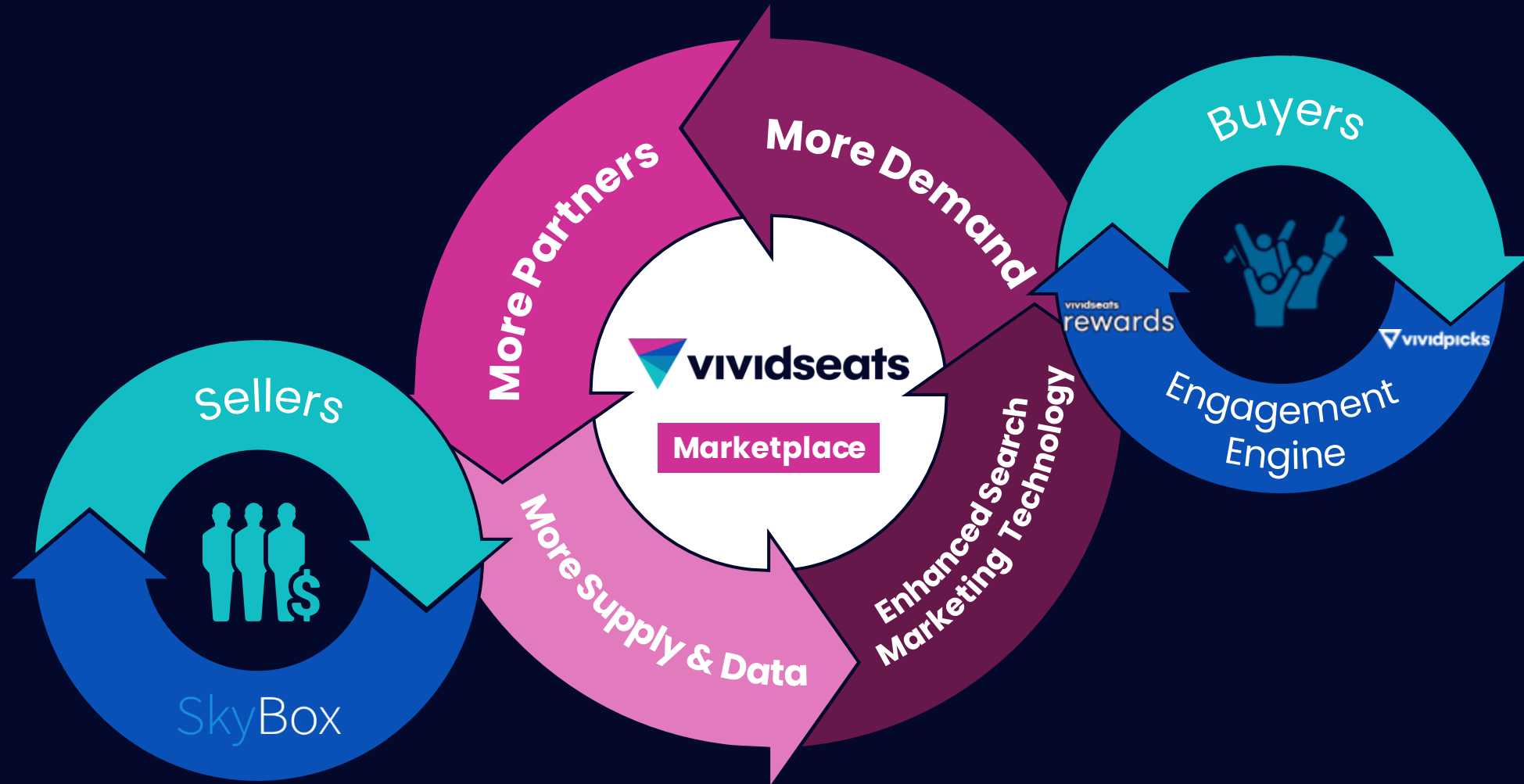
Reliable Offerings

Easy Purchase





# Flywheel Creates Network Effects



# Unique Engagement Engine

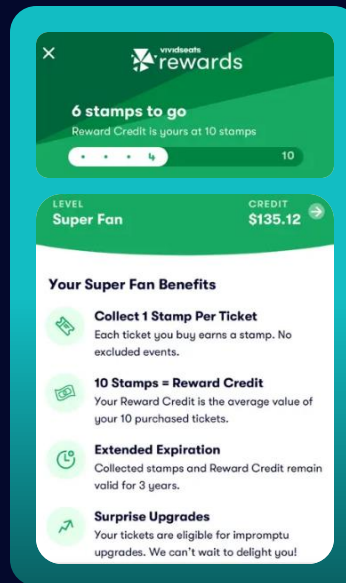
## Loyalty Program



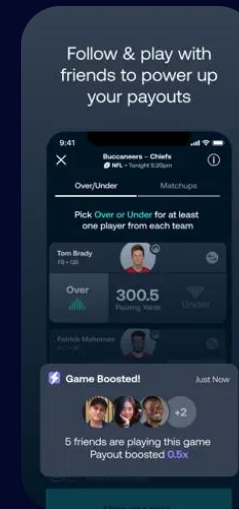
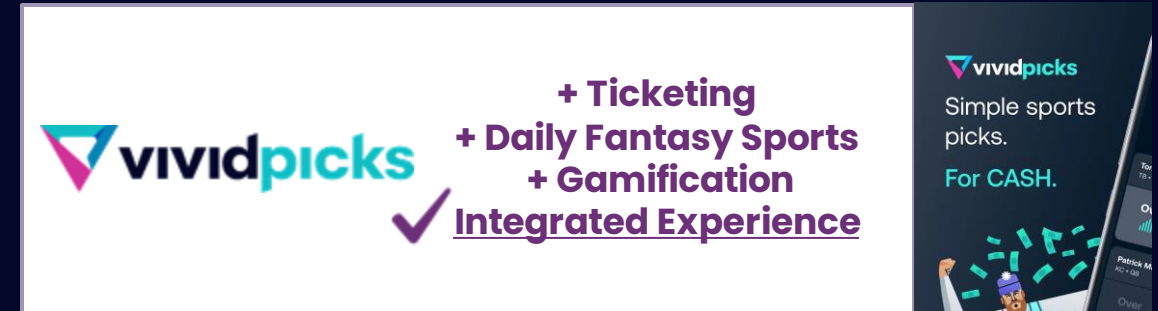
**1 Collect** 'stamps' on every purchase  
*Get rewarded after receiving 10 stamps*

**2 Redeem** reward credit  
*After earning reward credit, use it on Vivid app*

**3 Repeat** purchases to earn more rewards  
*And get increased perks with more spending*



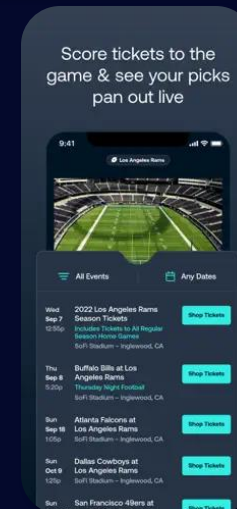
## Gamified Engagement



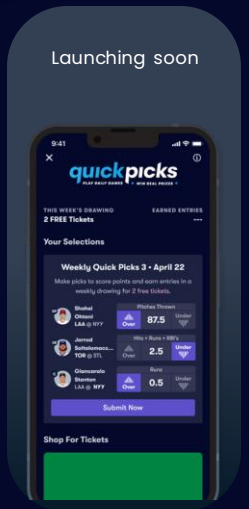
Simple & Fun



Social & Gamified



Tix & Picks



Free-To-Play

# Attracting and Retaining Buyers

**Attract** sports & entertainment enthusiasts across targeted touchpoints

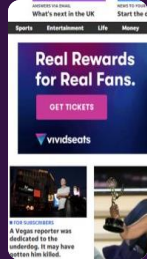
**Social**



**Events**



**Web**



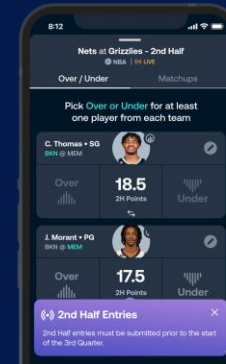
**ATTRACT**

**ENGAGE**

**RETAIN**

**CONNECT**

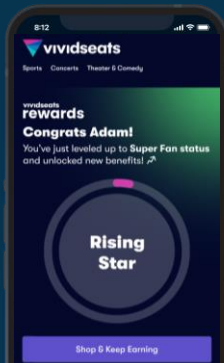
**Engage** users across our ecosystem



**Game Boosts**

Enjoy the following boosts for this game  
**Birthday Boost** Boosted 0.1x  
Celebrate your birthday with a 0.1x boost on all entries made for a week.

**Retain** fans with industry-leading loyalty program rewarding passion



**Congrats Adam!**

You've reached 10 tickets. You know what that means? Your 11th is on us.\*

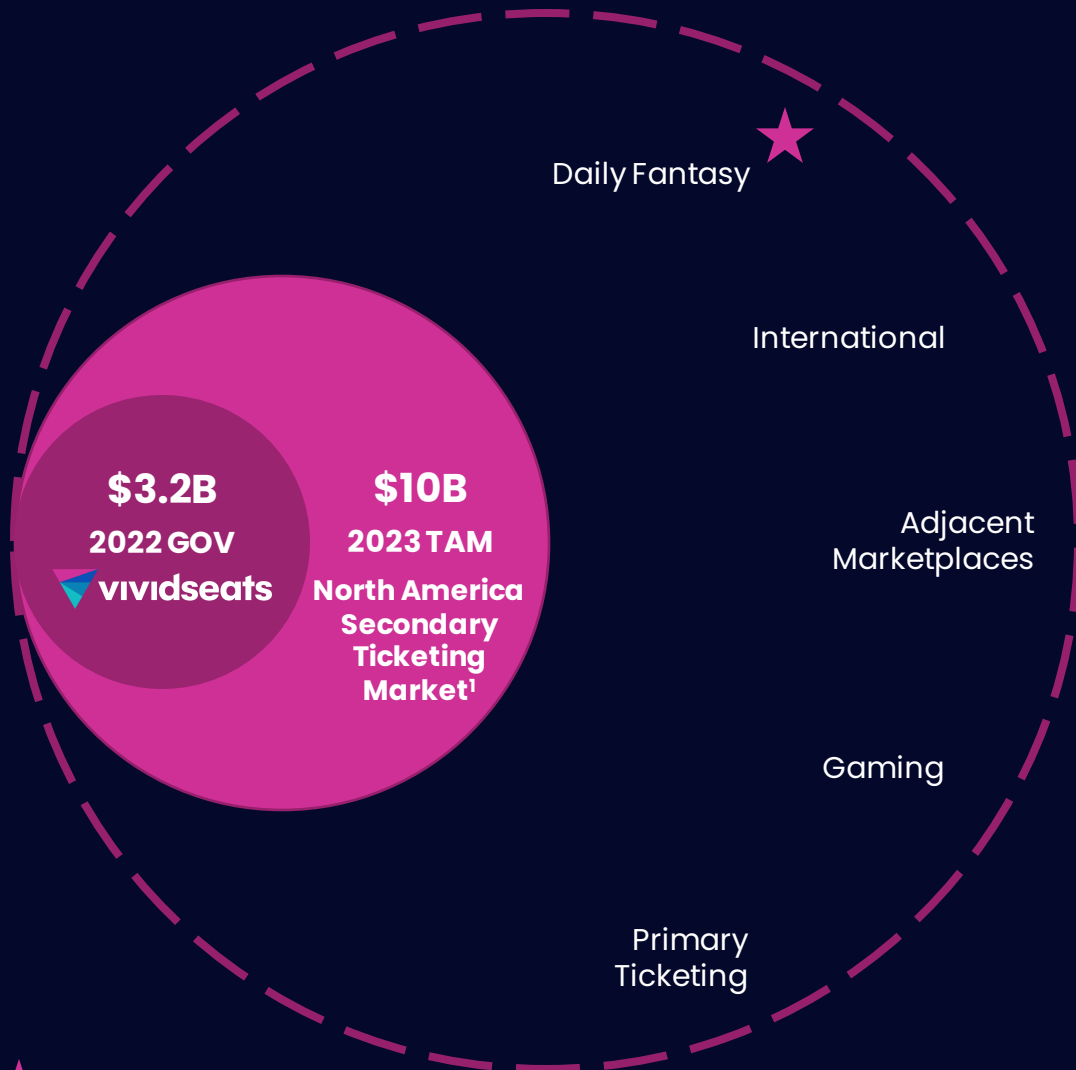
**CREDIT EARNED: \$46.00**  
Exp 12/4/22

Head to the app because we've just added \$46.00 in reward credit to your account.

**Connect** and personalize their journey to the next event

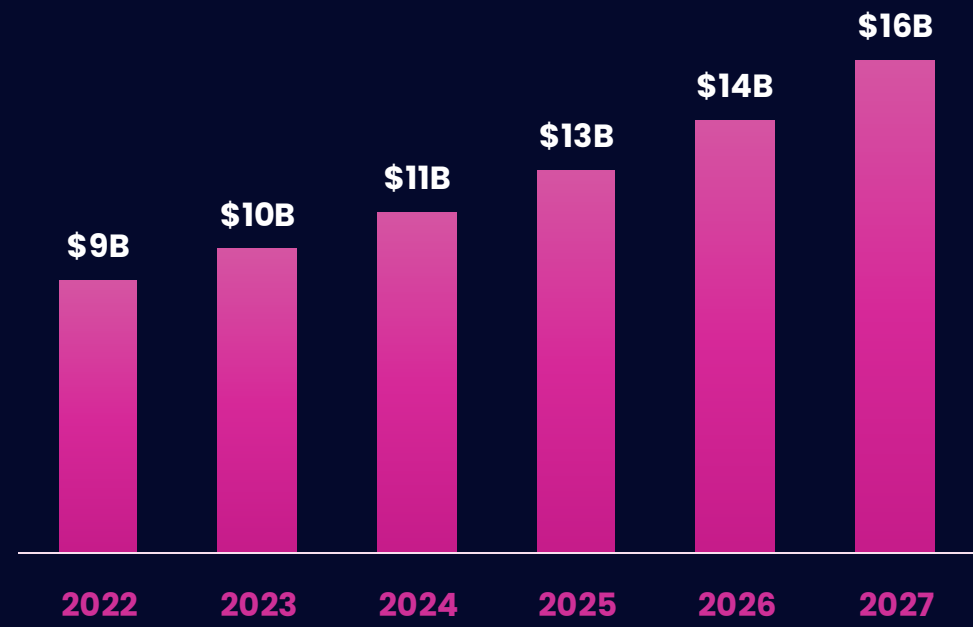


# Key Player in Large and Growing Secondary Ticketing Market



## North America Secondary Ticketing TAM<sup>1</sup>

**12.5%**  
2022 – 2027  
TAM CAGR



★ Current Offerings

(1) Infiniti Research (Technavio) Secondary Tickets Market in North America 2023-2027 (March 2023), excluding sales related to Movies



# Broad and Evergreen Portfolio of Events

## Concerts

(49% of 2022 Marketplace Revenues)



## Sports

(38% of 2022 Marketplace Revenues)



## Theater

(12% of 2022 Marketplace Revenues)



**250,000+** Unique Events Sold<sup>1</sup>

**125 million+** Cumulative Tickets Sold<sup>2</sup>

(1) Represents 2022 metrics

(2) Through Q1 2023

# Vivid Seats Financial Highlights

## Growth at Scale

### Connecting millions of buyers with thousands of sellers

- \$3.2B of 2022 Marketplace GOV (up 33% YoY)
- \$856M of Q1 2023 Marketplace GOV (up 15% YoY)
- \$161M of Q1 2023 Revenue (up 23% YoY)

## Profitability

### Established history of generating significant profitability

- \$113M of 2022 Adjusted EBITDA (19% Adjusted EBITDA margin)<sup>2</sup>
- \$42M of Q1 2023 Adjusted EBITDA (26% Adjusted EBITDA margin)<sup>2</sup>

## Cash Flow

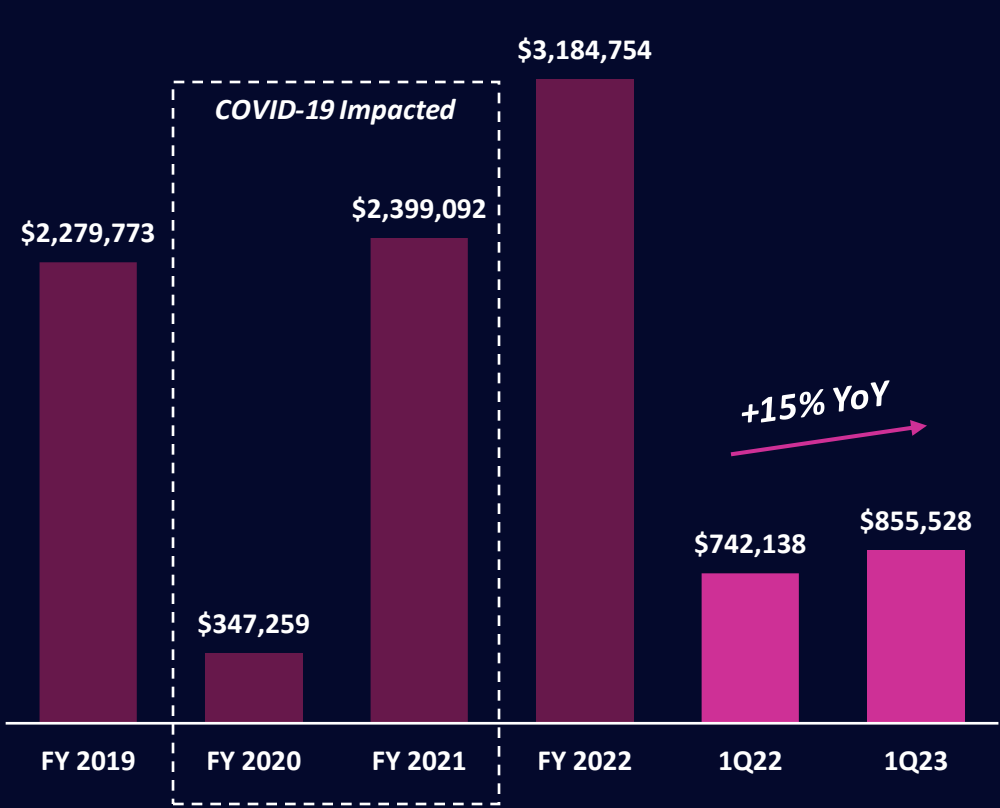
### Robust cash flow conversion

- Generated \$65M cash from operations in Q1 with 2023 cash conversion normalizing towards historical levels
- Cash balance exceeding debt balance<sup>1</sup> by \$31M

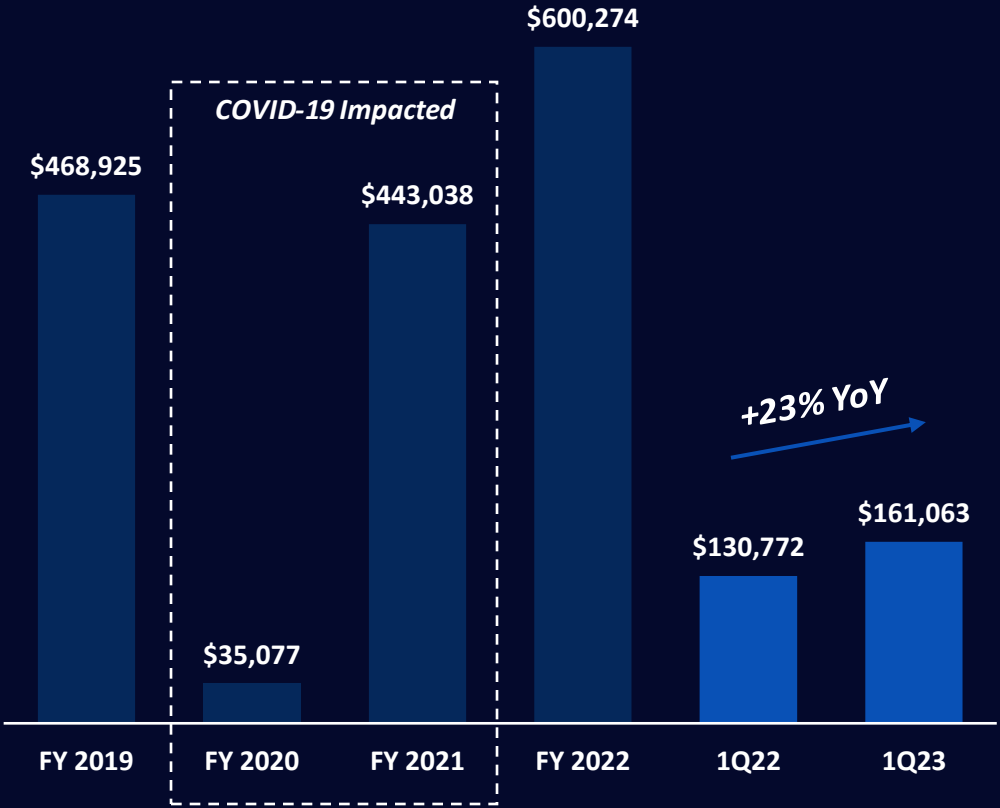
# Robust GOV and Revenue Growth

(in thousands)

## Marketplace GOV<sup>1</sup>

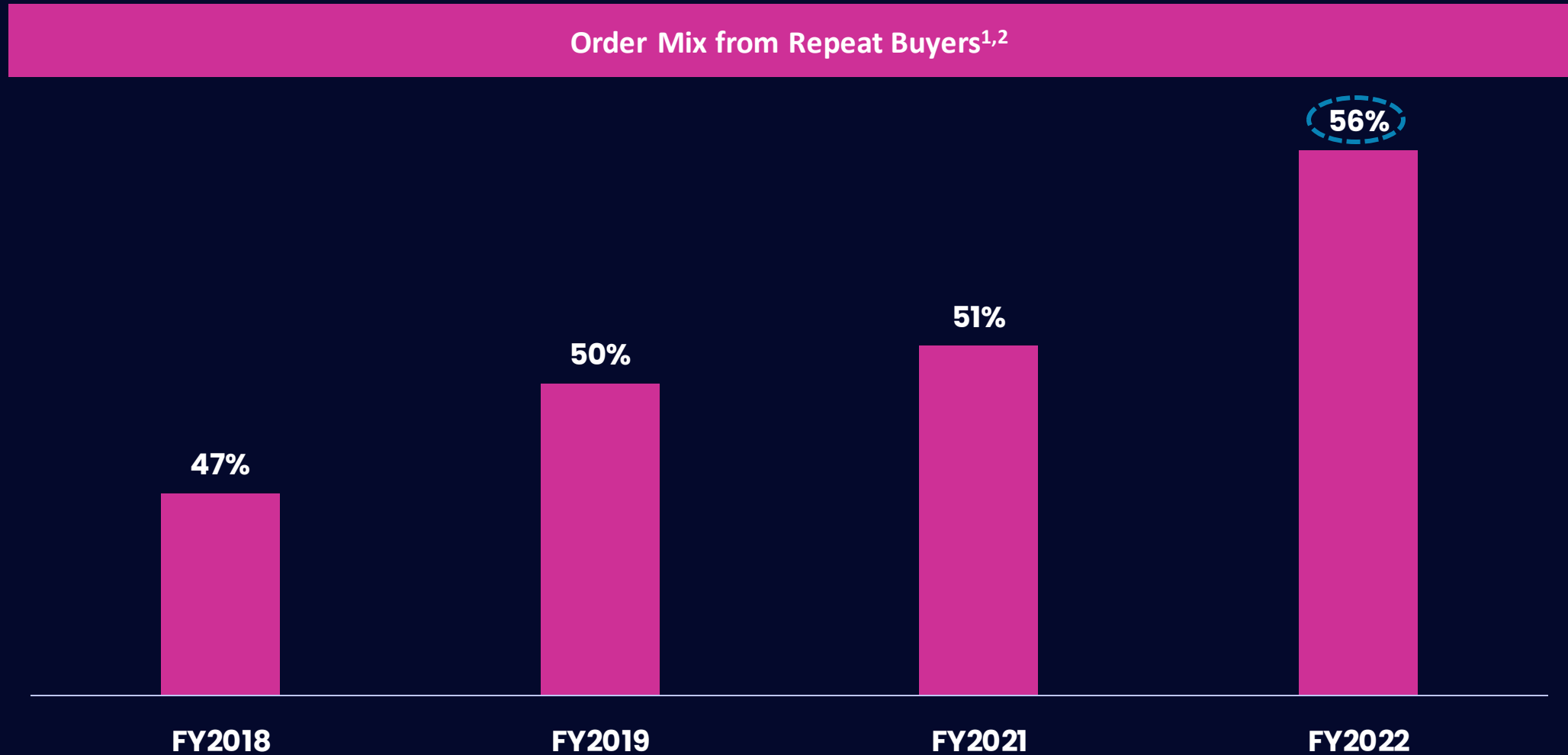


## Revenue



(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.

# Engagement Engine Investment Delivering Powerful Results



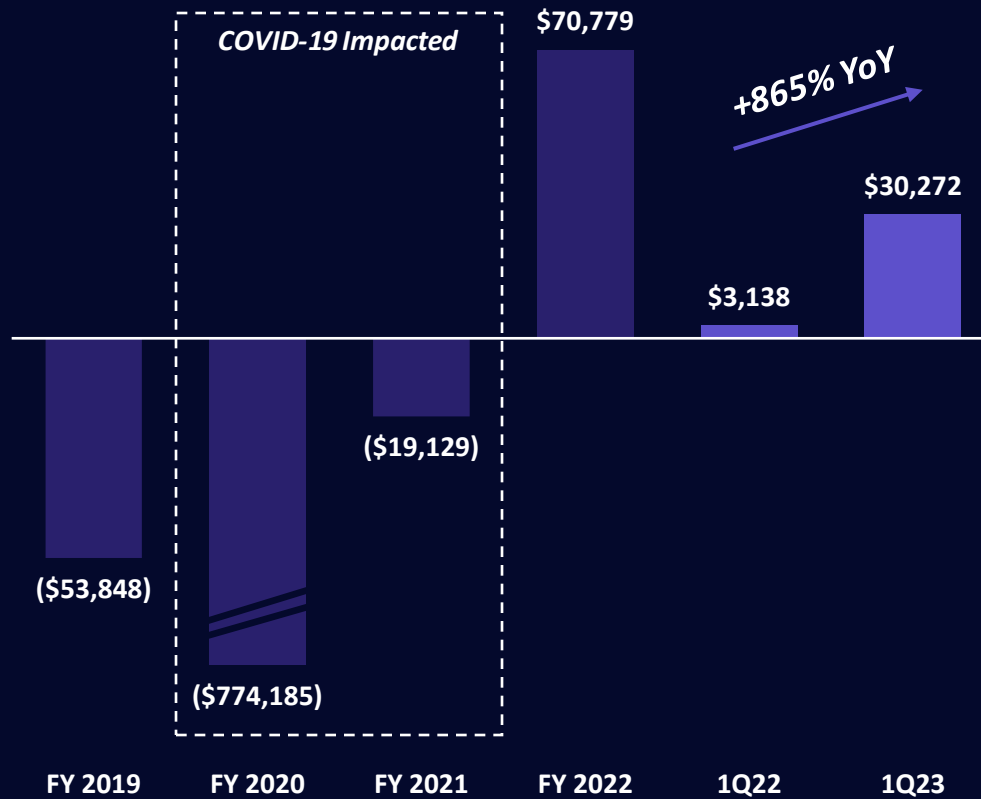
(1) Represents orders from repeat buyers versus total orders (from both repeat and new buyers) placed on VividSeats website or our mobile apps  
(2) 2020 omitted due to distortion from COVID-19 pandemic



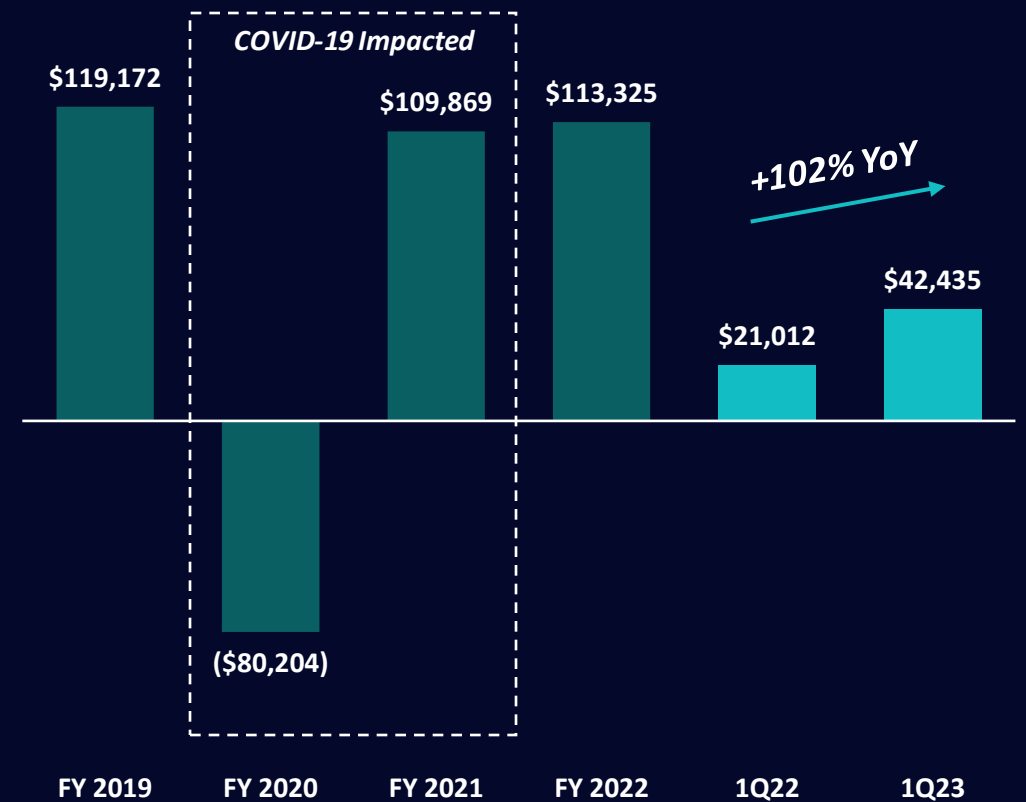
# Significant Profitability and Cash Flow Generation

(in thousands)

## GAAP Net Income (Loss)<sup>1</sup>



## Adjusted EBITDA<sup>2</sup>



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

(2) Adjusted EBITDA is not a measure defined under GAAP. See the appendix for a reconciliation of Adjusted EBITDA to net income (loss)

# Relentless Focus on Profitable Growth

- Grow user base
- Drive accretive repeat rates
- Add partnerships

Increase Volume

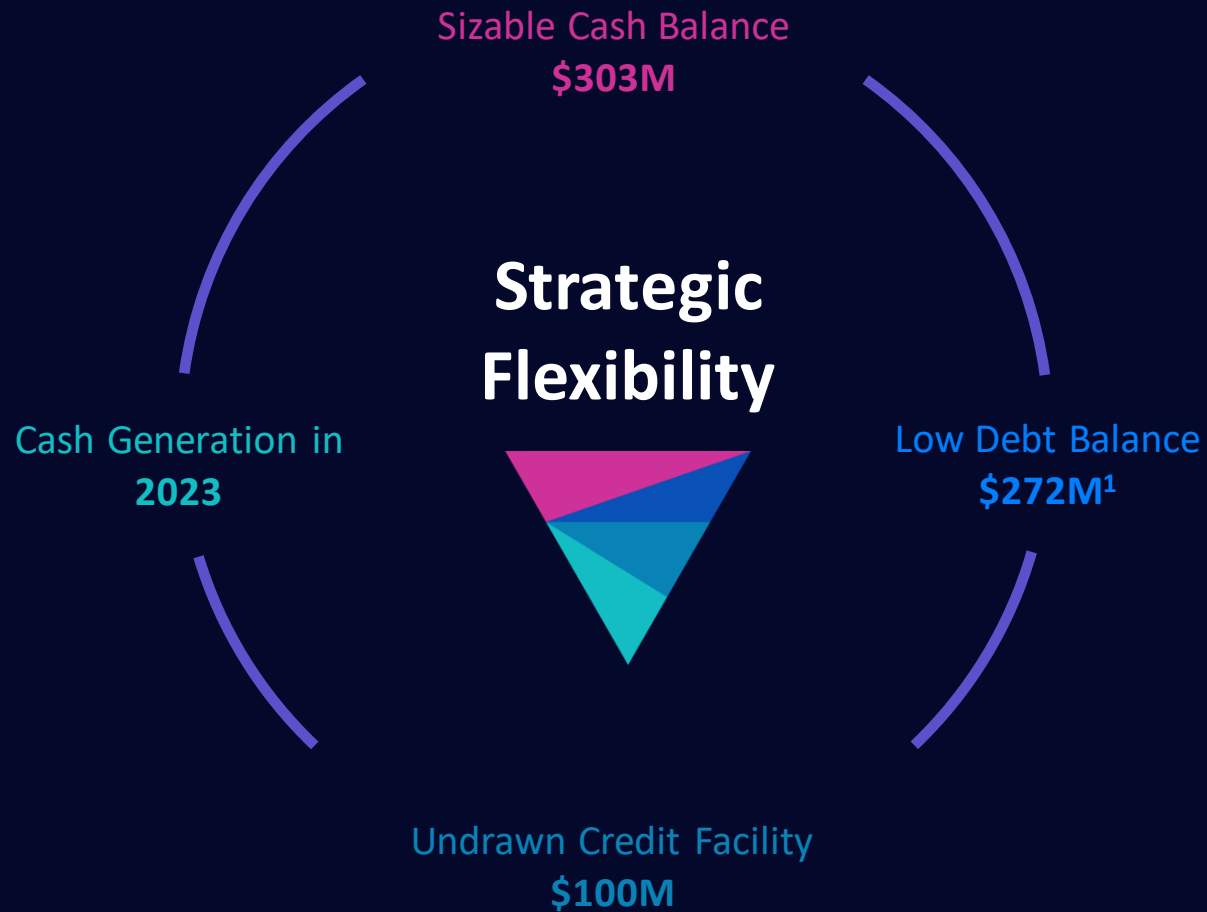
Deepen Engagement

- Enhance event discovery
- Increase frequency and nature of user interactions
- Accelerate loyalty flywheel

- Additional SkyBox capabilities
- Free-to-Play games for buyers
- International and adjacent TAM expansion

Expand Platform

# Efficient Capital Structure Providing Strategic Flexibility<sup>1</sup>



- Generated \$65M cash from operations in Q1 with 2023 cash conversion normalizing towards historical levels
- Cash balance exceeding debt balance<sup>2</sup> by \$31M
- Repurchased \$8M of shares in Q1
- Evaluating opportunities to augment growth and to optimize our capital structure
- Strategic flexibility building further as we accumulate cash

(1) As of March 31, 2023

(2) Represents Term Loan Principal outstanding

**Thank You**





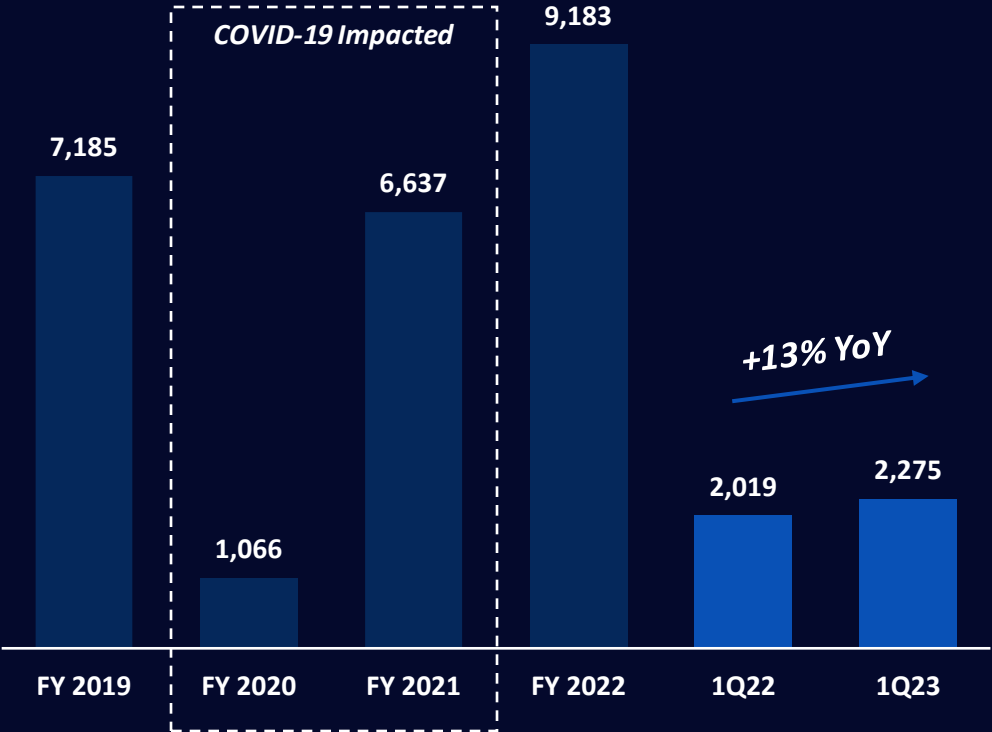
# Appendix

**vividseats**

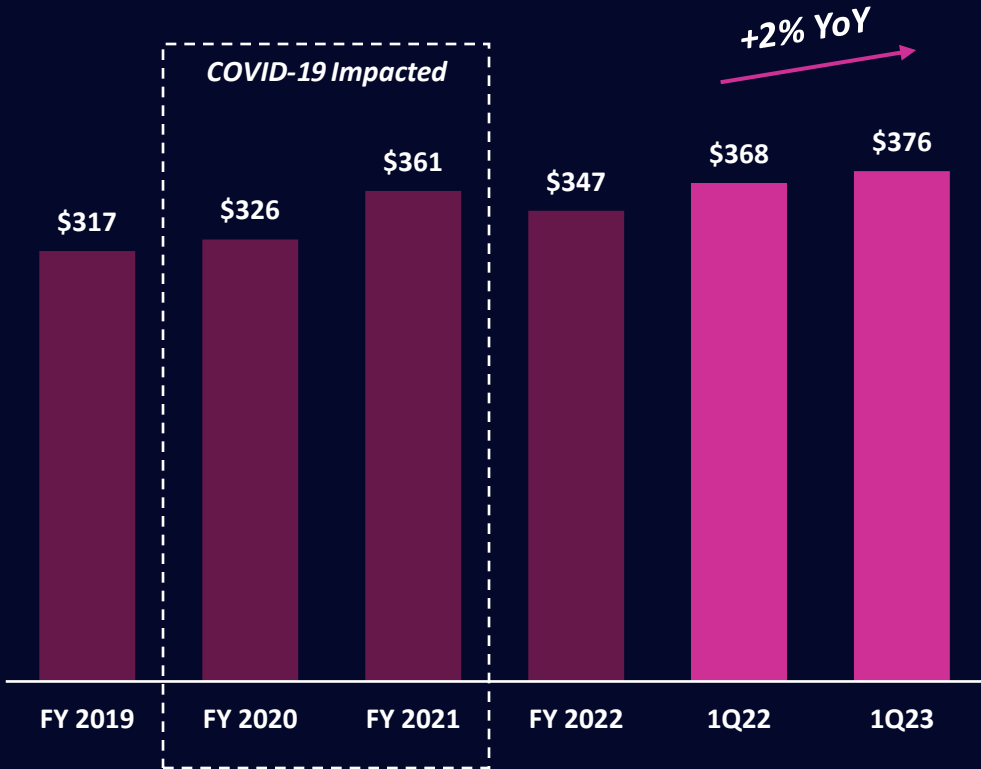
# Steady Growth in Orders and Average Order Size Post-Covid

(in thousands)

## Total Marketplace Orders



## Average Order Size<sup>1</sup>



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

# Non-GAAP Reconciliations

(in thousands except for percentages)

	FY 2019	FY 2020	FY 2021	FY 2022	Q1 2022	Q1 2023	FY 2022	Q1 2023
<b>Net income (loss) / Net income (loss) margin</b>	<b>-\$53,848</b>	<b>-\$774,185</b>	<b>-\$19,129</b>	<b>\$70,779</b>	<b>\$3,138</b>	<b>\$30,272</b>	<b>11.8%</b>	<b>18.8%</b>
Income tax expense (benefit)	-	-	\$304	-\$1,590	\$76	\$285	-0.3%	0.2%
Interest expense - net	\$41,497	\$57,482	\$58,179	\$12,858	\$3,942	\$3,280	2.1%	2.0%
Depreciation and amortization	\$93,078	\$48,247	\$2,322	\$7,732	\$1,385	\$2,598	1.3%	1.6%
Sales tax liability <sup>(1)</sup>	\$10,045	\$6,772	\$8,956	\$2,814	\$922	-	0.5%	-
Transaction costs <sup>(2)</sup>	\$8,857	\$359	\$12,852	\$4,840	\$1,402	\$456	0.8%	0.3%
Equity-based compensation <sup>(3)</sup>	\$5,174	\$4,287	\$6,047	\$19,053	\$3,597	\$5,530	3.2%	3.4%
Senior management transition costs <sup>(4)</sup>	\$2,706	-	-	-	-	-	-	-
Loss on extinguishment of debt <sup>(5)</sup>	\$2,414	\$685	\$35,828	\$4,285	\$4,285	-	0.7%	-
Litigation, settlements and related costs <sup>(6)</sup>	\$2,256	\$1,347	\$2,835	\$2,477	-\$14	\$300	0.4%	0.2%
Severance related to COVID-19 <sup>(7)</sup>	-	\$795	\$286	-	-	-	-	-
Change in fair value of warrants <sup>(8)</sup>	-	-	\$1,389	-\$8,227	\$2,279	-\$327	-1.4%	-0.2%
Change in fair value of contingent consideration <sup>(9)</sup>	-	-	-	-\$2,065	-	\$34	-0.3%	0.0%
Loss on asset disposals <sup>(10)</sup>	\$960	\$169	-	\$369	-	\$7	0.1%	0.0%
Impairment Charges <sup>(11)</sup>	-	\$573,838	-	-	-	-	-	-
Change to annual bonus program <sup>(12)</sup>	\$2,810	-	-	-	-	-	-	-
Change to Loyalty program stand-up costs <sup>(13)</sup>	\$3,223	-	-	-	-	-	-	-
<b>Adjusted EBITDA / Adjusted EBITDA margin</b>	<b>\$119,172</b>	<b>-\$80,204</b>	<b>\$109,869</b>	<b>\$113,325</b>	<b>\$21,012</b>	<b>\$42,435</b>	<b>18.9%</b>	<b>26.3%</b>

# 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 remaining historic sales tax liability payments were made during the year ended December 31, 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 2023 were primarily related to legal expenses and retention bonuses related to Betcha Sports, Inc. ("Betcha" rebranded as "Vivid Picks"). Transaction costs recognized in 2022 were related to the merger transaction with Horizon (as defined herein) (the "Merger Transaction"), the acquisition of Betcha, 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 and the refinancing of our 2017 \$525.0 million term loan with a new \$275.0 million term loan. Transaction costs recognized in 2021 were related to the Merger Transaction and the acquisition of Betcha. Transaction costs recognized in 2020 were related to the acquisition of Fanxchange Ltd. in 2019. Transaction costs recognized in 2019 were related to the acquisition of Fanxchange Ltd. and an attempted acquisition that was ultimately abandoned. These transaction-related costs are not representative of normal, recurring, cash operating expenses.
- (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) In 2019, we incurred costs associated with the transition to our current senior management team, including our Chief Executive Officer. These costs include recruiting costs and costs to compensate our Chief Executive Officer for benefits forfeited at his previous employer.
- (5) Loss on extinguishment of debt incurred in 2022 resulted from the extinguishment of the June 2017 First Lien Loan in February 2022. Loss on extinguishment of debt incurred in 2021 resulted from the retirement of the May 2020 First Lien Loan and fees paid related to the early payment of a portion of the principal of the June 2017 First Lien Loan. Loss on extinguishment of debt incurred in 2020 resulted from the retirement of the revolving credit facility. Loss on extinguishment of debt incurred in 2019 resulted from the partial repayment of the June 2017 second lien term loan.
- (6) These amounts relate to external legal costs, settlement costs and related insurance recoveries, which were unrelated to our core business operations.
- (7) These charges relate to severance costs resulting from significant reductions in employee headcount due to the effects of the COVID-19 pandemic.
- (8) This relates to the modification of the terms of the Class A Public Warrants in connection with the Merger Transaction and revaluation of warrants to purchase common units of Hoya Intermediate held by Hoya Topco following the Merger Transaction.
- (9) This relates to the revaluation of Vivid Picks cash earnouts.
- (10) This relates to asset disposals, which are not considered indicative of our core operating performance.
- (11) We incurred impairment charges triggered by the effects of the COVID-19 pandemic during the year ended December 31, 2020. 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.
- (12) We restructured our employee incentive compensation plan during 2019.
- (13) During August 2019, we initiated the Vivid Seats Rewards customer loyalty program. We incurred \$3.2 million of initial stand-up costs related to the commencement of the program. These stand-up costs consist primarily of customer incentives and marketing costs, which are not expected to reoccur.

## 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 price of \$15.00 per share (collectively, the "Hoya Intermediate Warrants").
- We calculate Adjusted EBITDA as earnings before interest, taxes, depreciation and amortization further adjusted to add back the impact of certain non-recurring items such as transaction costs, impairment charges, and litigation costs.
- We calculate Adjusted EBITDA margin as adjusted EBITDA expressed as a percentage of revenue for the period presented.