Vivid Seats Q4 and Full Year 2021 Financial Results (Nasdaq: SEAT)

March 10, 2022

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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 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” 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.

Business Highlights & Updates

Stan Chia, Chief Executive Officer

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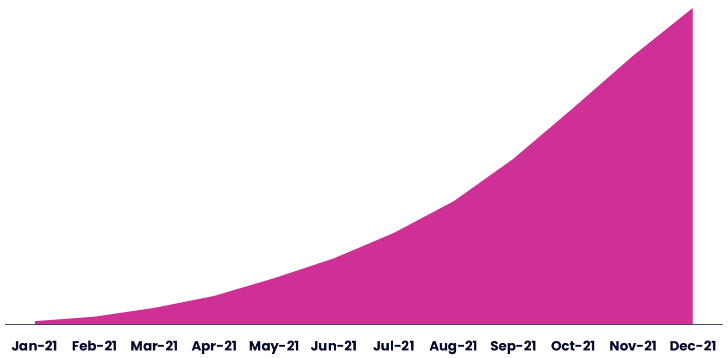
Rapid Return of Events in 2021

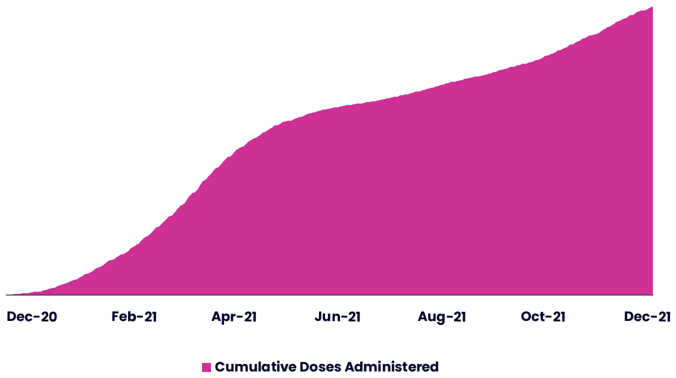
Meaningful Return Began in Q2…

of Cumulative Unique Events on our Platform [1]

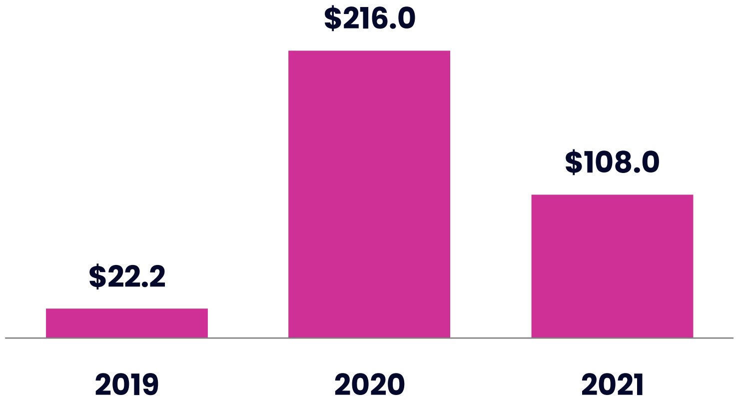


…As Vaccination Rates Increased

Cumulative COVID-19 Vaccine doses administered in the U.S. [2]



Cancellations Normalizing… [3]



Record setting milestones

- **Record annual** Marketplace GOV of **$2.4B**
- **Record quarterly** Marketplace GOV and Revenues in **Q3 and again in Q4**
- Reached **100 millionth ticket sold** milestone in early Jan '22

(1) *Represents cumulative unique productions that occurred in 2021 where we had at least one order on our platform*
(2) *Sourced from cdc.gov website*
(3) *Represents event cancellations that are netted against Marketplace GOV*

Full Year 2021 Financial Highlights

Marketplace GOV[1]
$2.4B

Revenues
$443M

Adjusted EBITDA[2]
$110M

- **Up from $347M in FY'20**
  - Exceeded 2019 Marketplace GOV of $2.3B despite limited Q1 volume

- **Up from $35M in FY'20**
  - Significant recovery starting in Q2

- **Adjusted EBITDA up from ($80M) in FY'20**
  - ~25% Adj. EBITDA margin

(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. FY'21 net loss was $19.1M and net loss margin was -4%. FY'20 net loss was $774.2M.

Q4 2021 Financial Highlights

Marketplace GOV[1]
$876M

- **Up from $38M in Q4'20**
  - Record Marketplace GOV despite Omicron impact

Revenues
$164M

- **Up from $1M in Q4'20**
  - Record Revenues despite Omicron impact

Adjusted EBITDA[2]
$28M

- **Adjusted EBITDA up from ($14M) in Q4'20**
  - ~17% Adj. EBITDA margin reflects meaningful brand investment

(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. Q4'21 net income was $0.3M and net income margin was 0.2%. Q4'20 net loss was $33.4M.

2021: Brand Refresh and Product Enhancements

Out with the old…

VIVIDSEATS®

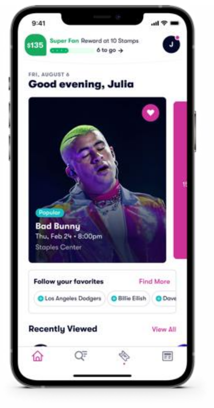
In with the new…

vividseats

And fueled by a clear mission

Shaped by the belief that nothing beats the thrill of live and driven by the promise to put you in the middle of the action—more easily and more often.

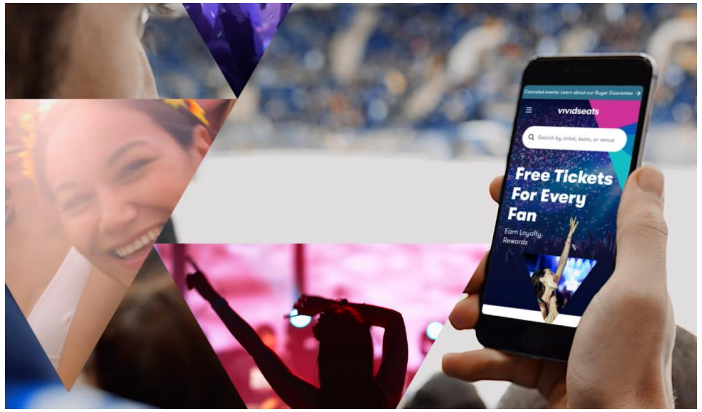
Updated App



Revamped Loyalty

vividseats rewards

Refreshed Messaging

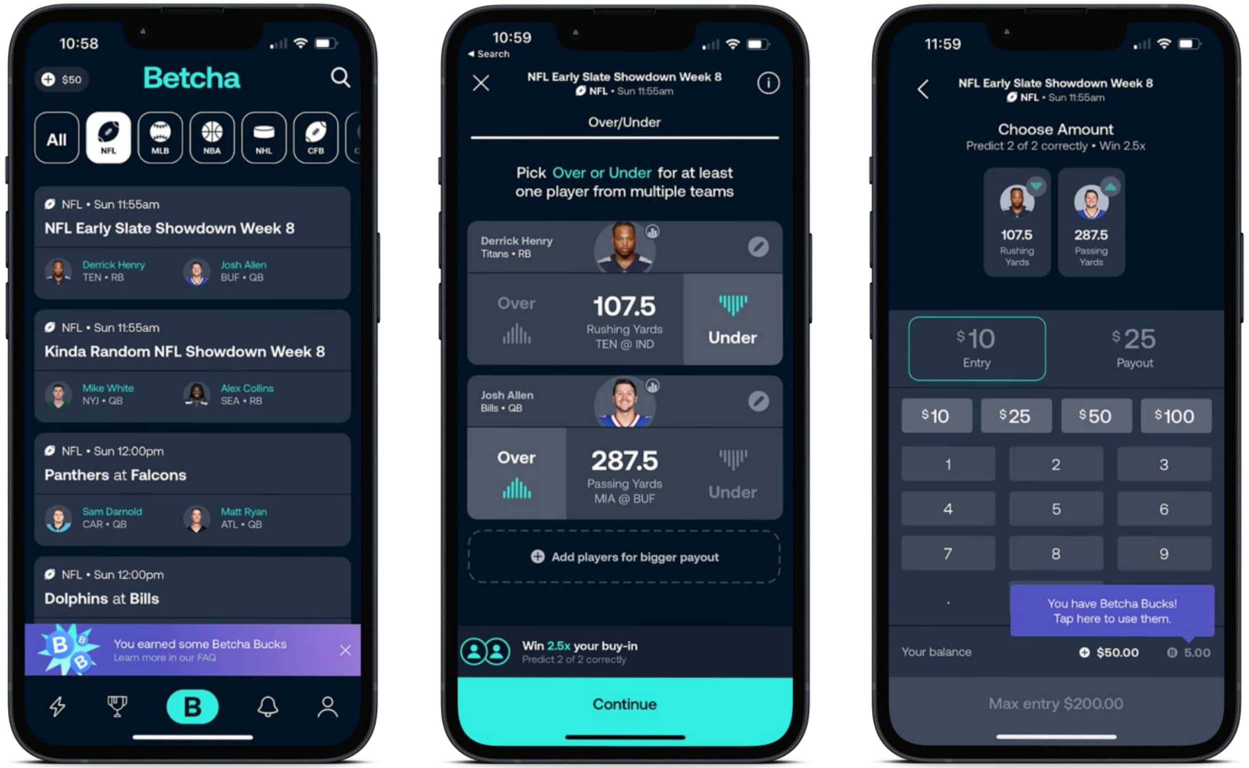


2021: Betcha Sports, Inc. Acquisition

Betcha Sports, Inc. acquisition completed in December

- Real money daily fantasy sports app with social and gamification features
- Adjacent opportunity for millions of Vivid Seats ticket buyers to participate in daily fantasy sports gaming in a new way

Betcha
Powered by vividseats



Financial Results

Lawrence Fey, Chief Financial Officer

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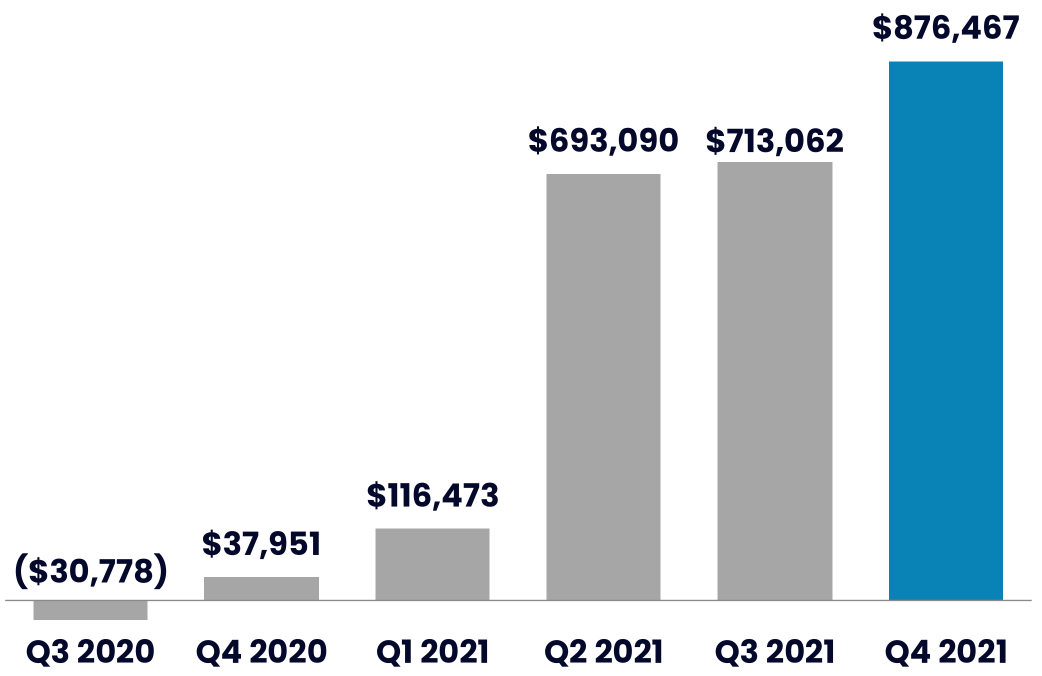
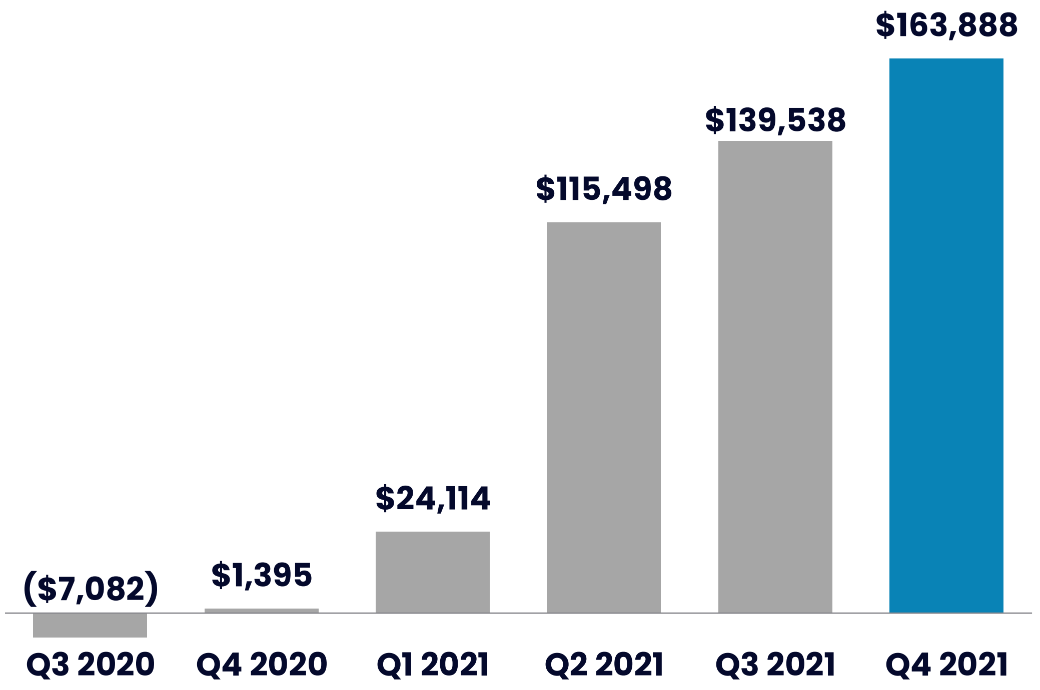
Marketplace GOV and Revenues

(in thousands)

Marketplace GOV[1]



Revenues

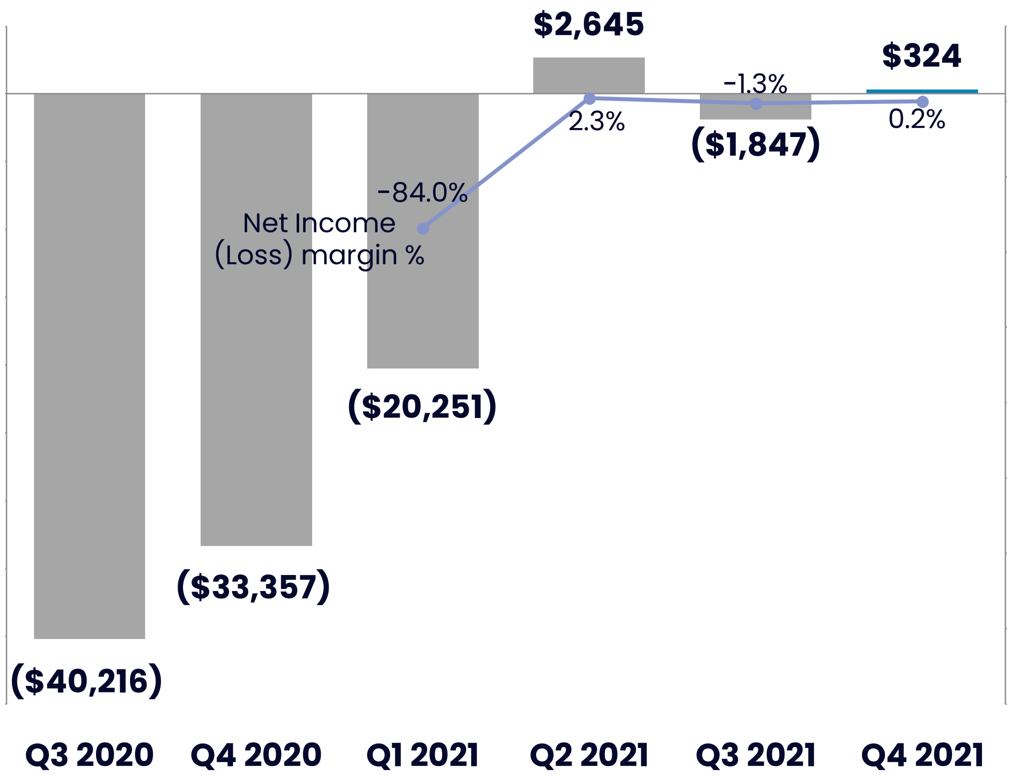


(1) Marketplace GOV represents the total transactional amount of Marketplace segment orders placed on our platform in a period, inclusive of fees, exclusive of taxes, and net of event cancellations that occurred during that period.

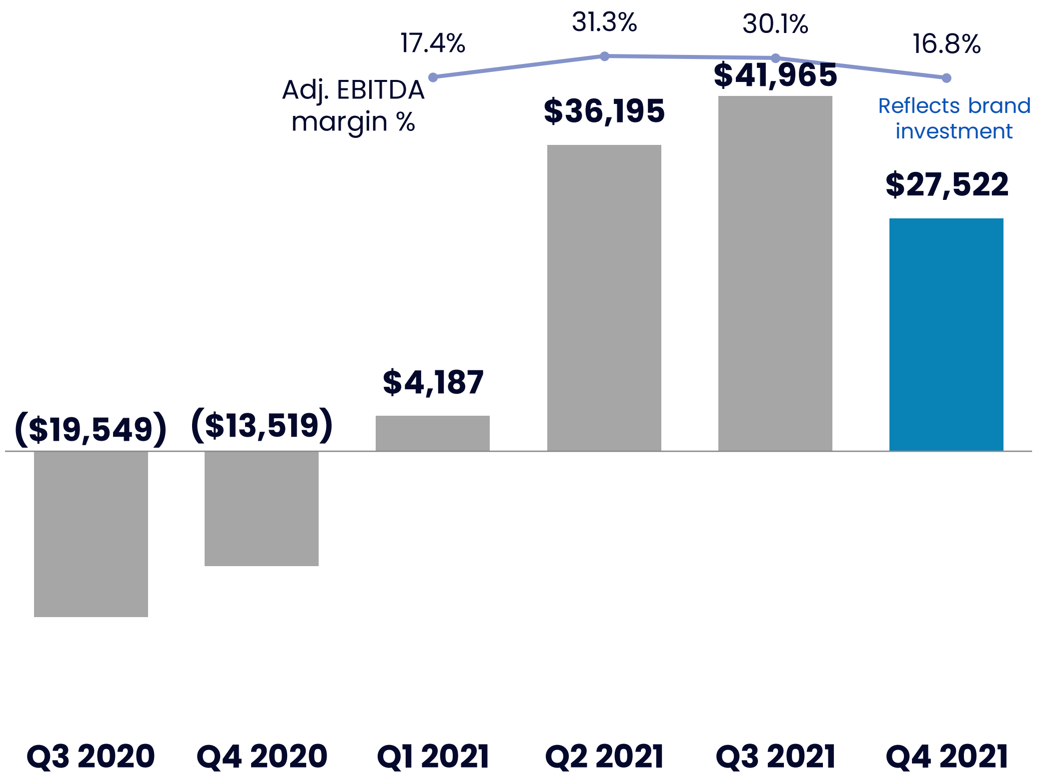
Net Income/(Loss) and Adjusted EBITDA

(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 12/31/21
$490M

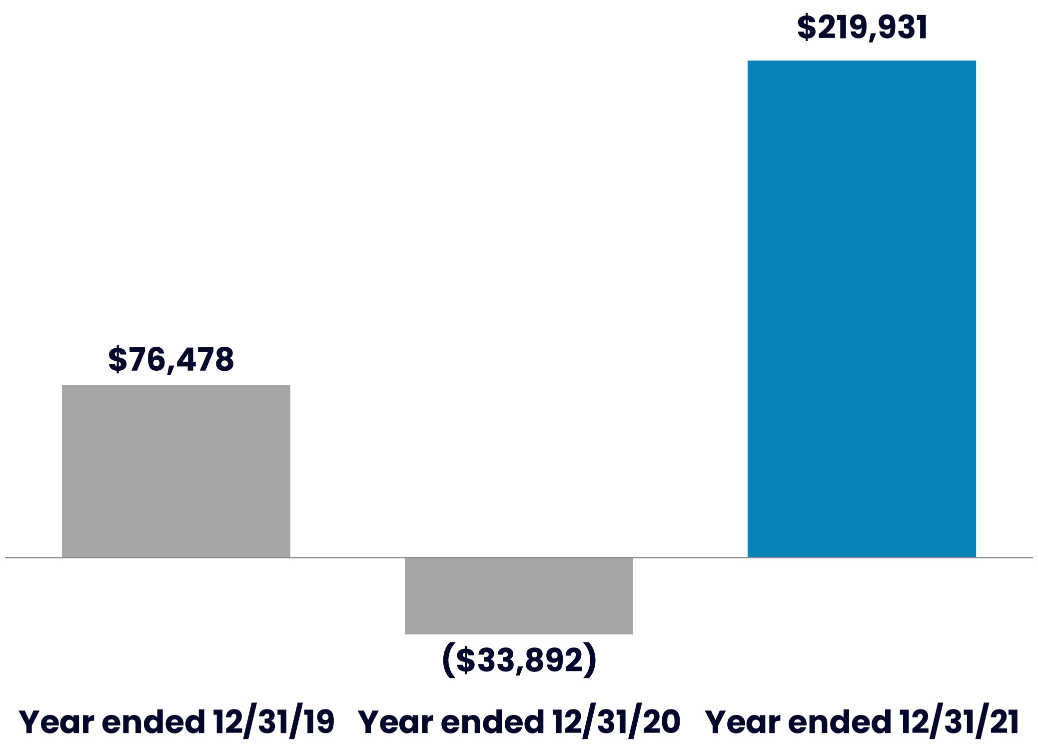
As compared to
$285M as of 12/31/20

Term Loan outstanding principal as of 12/31/21
$466M

With debt refinancing completed on February 3rd, Term Loan balance reduced to $275M with a new $100M First Lien Revolving Credit Facility (undrawn)

(in thousands)

Cash Flow from Operations

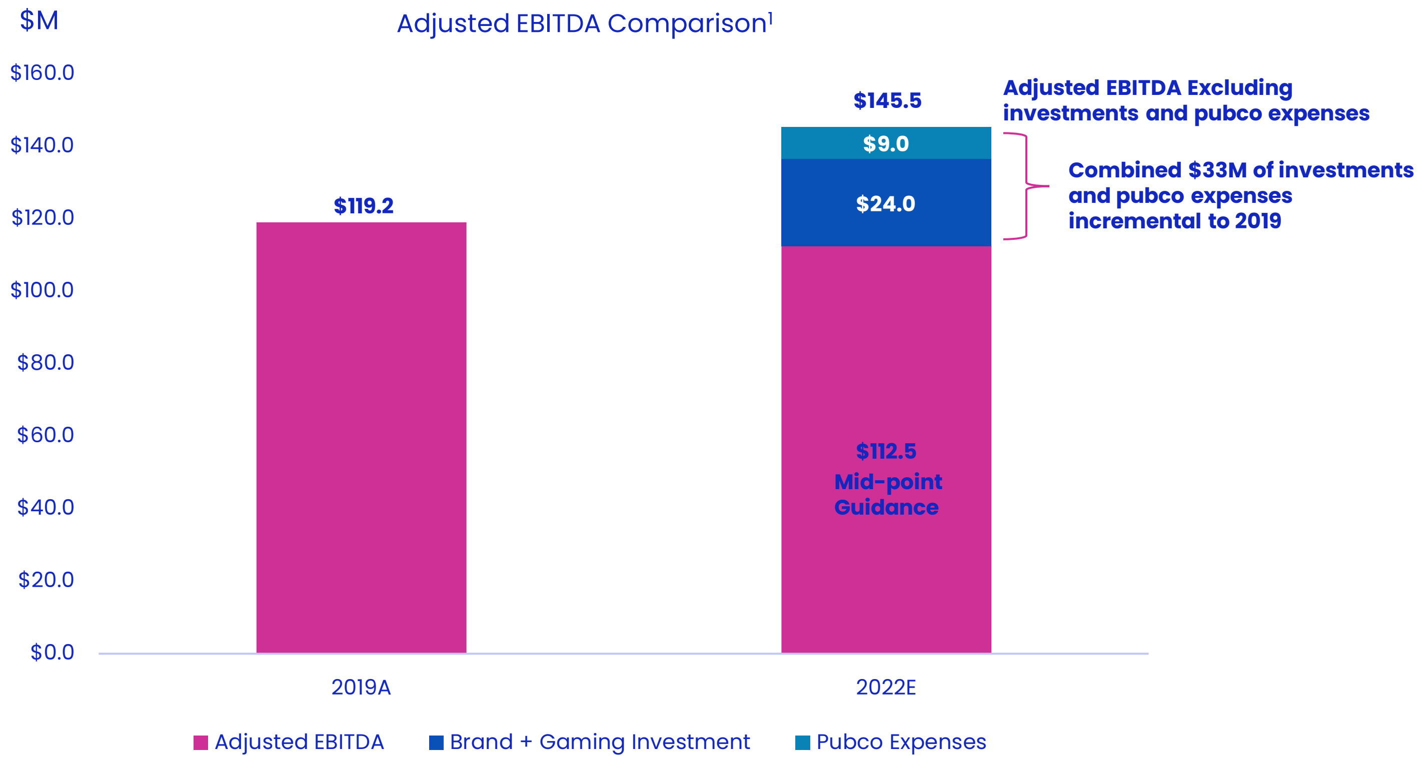


2022 Financial Guidance

Key Financial Metrics	2022 Guidance
Marketplace GOV	$2.7B to $3.0B
Revenues	$510M to $550M
Adjusted EBITDA[1]	$110M 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.

Adjusted EBITDA Comparison



(1) Net loss in 2019 was $53.8M. Adjusted EBITDA is not a measure defined under GAAP. See the appendix for a reconciliation of net income (loss) to Adjusted EBITDA for 2019. 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

Return of Live Events in 2021 + Enhanced Customer Experience	**Live events returned starting in Q2 2021; volume acceleration coupled with brand refresh and product enhancements**
Improving Industry Landscape	**Continuing improvement in COVID trends sets the stage for record setting year of supply and demand across categories**
Continuing Momentum at Vivid Seats	**Building on 2021 momentum with enhanced and expanded product offering with continued strong growth, profitability and cash flow**

Q&A

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Thank You!

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Non-GAAP Reconciliations

(in thousands)	2020				2021				Full Year		
	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2019	2020	2021
Net income (loss)	$(38,503)	$(662,109)	$ (40,216)	$ (33,357)	$(20,251)	$ 2,645	$ (1,847)	$ 324	$ (53,848)	$ (774,185)	$ (19,129)
Income tax expense	—	—	—	—	—	—	—	304	—	—	304
Interest expense - net	9,293	13,473	18,310	16,406	16,319	16,839	17,319	7,702	41,497	57,482	58,179
Depreciation and amortization	23,897	24,080	80	190	295	500	711	816	93,078	48,247	2,322
Sales tax liability[1]	4,913	(442)	488	1,813	2,261	10,726	21,574	(25,605)	10,045	6,772	8,956
Transaction costs[2]	359	—	—	—	3,546	3,863	1,428	4,015	8,857	359	12,852
Equity-based compensation[3]	1,186	1,190	1,099	812	1,090	1,184	1,197	2,576	5,174	4,287	6,047
Senior management transition costs[4]	—	—	—	—	—	—	—	—	2,706	—	—
Loss on extinguishment of debt[5]	—	685	—	—	—	—	—	35,828	2,414	685	35,828
Litigation, settlements and related costs[6]	34	311	492	510	641	438	1,583	173	2,256	1,347	2,835
One-time change to annual bonus program[7]	—	—	—	—	—	—	—	—	2,810	—	—
Customer loyalty program stand-up costs[8]	—	—	—	—	—	—	—	—	3,223	—	—
Impairment charges[9]	—	573,838	—	—	—	—	—	—	—	573,838	—
Loss on asset disposals[10]	—	169	—	—	—	—	—	—	960	169	—
Severance related to COVID-19[11]	—	490	198	107	286	—	—	—	—	795	286
Change in value of warrants[12]	—	—	—	—	—	—	—	1,389	—	—	1,389
Adjusted EBITDA	**$ 1,179**	**$ (48,315)**	**$(19,549)**	**$ (13,519)**	**$ 4,187**	**$36,195**	**$41,965**	**$ 27,522**	**$ 119,172**	**$(80,204)**	**$109,869**

Non-GAAP Reconciliations

	2021				Full Year	
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2020	2021
Net income (loss) margin	-84.0%	2.3%	-1.3%	0.2%	-2207.1%	-4.3%
Income tax expense	—	—	—	0.2%	—	0.1%
Interest expense - net	67.7%	14.6%	12.4%	4.7%	163.9%	13.1%
Depreciation and amortization	1.2%	0.4%	0.5%	0.5%	137.5%	0.5%
Sales tax liability(1)	9.4%	9.3%	15.5%	-15.6%	19.3%	2.0%
Transaction costs(2)	14.7%	3.3%	1.0%	2.4%	1.0%	2.9%
Equity-based compensation(3)	4.5%	1.0%	0.9%	1.6%	12.2%	1.4%
Senior management transition costs(4)	—	—	—	—	—	—
Loss on extinguishment of debt(5)	—	—	—	21.9%	2.0%	8.1%
Litigation, settlements and related costs(6)	2.7%	0.4%	1.1%	0.1%	3.8%	0.6%
One-time change to annual bonus program(7)	—	—	—	—	—	—
Customer loyalty program stand-up costs(8)	—	—	—	—	—	—
Impairment charges(9)	—	—	—	—	1635.9%	—
Loss on asset disposals(10)	—	—	—	—	0.5%	—
Severance related to COVID-19(11)	1.2%	—	—	—	2.3%	0.1%
Change in value of warrants(12)	—	—	—	0.8%	—	0.3%
Adjusted EBITDA margin	**17.4%**	**31.3%**	**30.1%**	**16.8%**	**-228.7%**	**24.8%**

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.
(2) Transaction costs consist of legal; accounting; tax and other professional fees; as well as personnel-related costs, which consist of severance and retention bonuses; and integration costs. Transaction costs recognized in 2021 were related to the Merger Transaction (as defined below), to the extent they were not eligible for capitalization, and the acquisition of Betcha Sports, Inc. Transaction costs recognized in 2020 were related to the acquisition of Fanxchange Ltd. in 2019. In 2019, we completed the acquisition of Fanxchange Ltd. and attempted to pursue an acquisition that was ultimately abandoned. These acquisition-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) Losses incurred resulted from the retirement of the May 2020 First Lien Loan (as defined below) and fees paid related to the early payment of a portion of the principal of the June 2017 First Lien Loan (as defined below) in October 2021, the retirement of the revolving credit facility in May 2020, and the repayment of the $40.0 million second lien term loan in 2019.
(6) These expenses relate to external legal costs and settlement costs, which were unrelated to our core business operations.
(7) We restructured our employee incentive compensation plan during 2019.
(8) 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.
(9) 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.
(10) We incur losses on asset disposals, which are not considered indicative of our core operating performance.
(11) These charges relate to severance costs resulting from significant reductions in employee headcount due to the effects of the COVID-19 pandemic during the years ended December 31, 2021 and 2020.
(12) These expenses relate to the modification of the terms of the Class A Public Warrants in connection with the Merger Transaction and revaluation of Hoya Intermediate Warrants (as defined below) 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").*