

# Analyst Day Presentation: Vivid Seats (Nasdaq: SEAT)

September 8, 2021

**vividseats**

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# Disclaimer (continued)

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This presentation includes certain non-GAAP financial measures (including on a forward-looking basis) such as EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Contribution Margin. These non-GAAP measures are in addition, and not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with GAAP. Vivid Seats believes that these non-GAAP measures of financial results (including on a forward-looking basis) provide useful supplemental information to investors about Vivid Seats. Vivid Seats' management uses forward-looking non-GAAP measures to evaluate Vivid Seats' projected financials and operating performance. However, there are a number of limitations related to the use of these non-GAAP measures and their nearest GAAP equivalents, including that they exclude significant expenses that are required by GAAP to be recorded in Vivid Seats' financial measures. In addition, other companies may calculate non-GAAP measures differently, or may use other measures to calculate their financial performance, and therefore, Vivid Seats' non-GAAP measures may not be directly comparable to similarly titled measures of other companies. Additionally, to the extent that forward-looking non-GAAP financial measures are provided, they are presented on a non-GAAP basis without reconciliations of such forward-looking non-GAAP measures due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations.

## Use of Projections

This presentation also contains certain financial forecasts, including projected revenue, projected marketplace GOV and projected Adjusted EBITDA. Neither Horizon's nor Vivid Seats' independent auditors have studied, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this presentation, and accordingly, neither of them expressed an opinion or provided any other form of assurance with respect thereto for the purpose of this presentation. These projections are for illustrative purposes only and should not be relied upon as being necessarily indicative of future results. In this presentation, certain of the above-mentioned projected information has been provided for purposes of providing comparisons with historical data. The assumptions and estimates underlying the prospective financial information are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. Projections are inherently uncertain due to a number of factors outside of Horizon's or Vivid Seats' control. While all financial projections, estimates and targets are necessarily speculative, Horizon and Vivid Seats believe that the preparation of prospective financial information involves increasingly higher levels of uncertainty the further out the projection, estimate or target extends from the date of preparation. Accordingly, there can be no assurance that the prospective results are indicative of future performance of the combined company after the Transaction or that actual results will not differ materially from those presented in the prospective financial information. Inclusion of the prospective financial information in this presentation should not be regarded as a representation by any person that the results contained in the prospective financial information will be achieved.

## Additional Information about the Business Combination and Where to Find It

In connection with the proposed business combination, Horizon will merge with and into Vivid Seats Inc., which will be the surviving entity and the going-forward public company and has filed a registration statement on Form S-4 (the "Registration Statement") with the SEC, which includes a proxy statement/prospectus, and certain other related documents, to be used at the meeting of stockholders to approve the proposed business combination. INVESTORS AND SECURITY HOLDERS OF HORIZON ACQUISITION CORPORATION ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS, ANY AMENDMENTS THERETO AND OTHER RELEVANT DOCUMENTS THAT WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT VIVID SEATS, HORIZON AND THE BUSINESS COMBINATION. The proxy statement/prospectus will be mailed to shareholders of Horizon as of a record date to be established for voting on the proposed business combination. Investors and security holders will also be able to obtain copies of the Registration Statement and other documents containing important information about each of the companies once such documents are filed with the SEC, without charge, at the SEC's web site at [www.sec.gov](http://www.sec.gov).

## Participants in Solicitation

Horizon and its directors and executive officers may be deemed participants in the solicitation of proxies from Horizon's members with respect to the proposed business combination. A list of the names of those directors and executive officers and a description of their interests in Horizon is contained in Horizon's filings with the SEC, including Horizon's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, which was filed with the SEC on March 31, 2021 and amended on May 10, 2021, and is available free of charge at the SEC's web site at [www.sec.gov](http://www.sec.gov), or by directing a request to Horizon Acquisition Corporation, 600 Steamboat Road, Suite 200, Greenwich, CT 06830. Additional information regarding the interests of such participants will be set forth in the Registration Statement for the proposed business combination when available. Vivid Seats and its directors and executive officers may also be deemed to be participants in the solicitation of proxies from the shareholders of Horizon in connection with the proposed business combination. A list of the names of such directors and executive officers and information regarding their interests in the business combination will be contained in the Registration Statement for the proposed business combination when available.

- 01 Transaction & Sponsor Summary
- 02 Company Overview
- 03 Product & Technology Review
- 04 Brand & Marketing Overview
- 05 Financials
- 06 Q&A

# Sponsor & Transaction Summary

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# Horizon Acquisition Corporation Investment Highlights



## Todd L. Boehly

CEO, CFO and Director  
- Horizon Acquisition Corp.

- Co-Founder, Chairman and CEO of Eldridge
  - Eldridge has over \$40 billion<sup>(1)</sup> in assets across multiple sectors, including media and entertainment and consumer-oriented businesses
- Former President of Guggenheim Partners and founded credit business at Guggenheim
- Track record of building, operating and investing in private and public businesses in a variety of market sectors, including strategic focus on sports and media

### Select Investments



(1) As of December 2020

### Key Investment Highlights for Horizon

Rule of 40: Growth & Profitability

Strong Market Share Momentum

Unique Competitive Advantages

Significant Industry Rebound

Strategic M&A & Partnership Opportunities

Talented Management Team

Aligned Shareholders & Strong Balance Sheet

# Transaction Summary

## Opportunity

- Vivid Seats is a **scaled, growing and highly profitable** secondary ticketing marketplace
- \$39 billion growing ticketing industry<sup>(1)</sup> serving the sports and entertainment markets
- Well-positioned for **both** significant immediate growth in post-pandemic recovery and above-market long term growth
- Strategic Sponsor and **aligned shareholders** with strong pro forma balance sheet

## Capital Structure

- Vivid Seats shareholders rolling 100% of their equity
- All net proceeds used to optimize capital structure; significantly deleveraged pro forma balance sheet post business combination
- \$544 million of cash in trust (including \$155 million committed by Sponsor and full redemption backstop) plus \$225mm PIPE (including Sponsor commitment)
- Sponsor promote taken in the form of warrants with \$10 and \$15 strike prices

## Valuation

- Enterprise value of ~\$2.0 billion
  - Implied EV / 2019A Adjusted EBITDA of 16.4x
  - Implied EV / 2022E Adjusted EBITDA of 17.7x
- Attractive valuation versus other digital marketplaces and ticketing peers

(1) Based on a 2017 report prepared for us by a third-party consulting firm, internal estimates derived from figures disclosed to us under confidentiality agreements, and publicly available information

## Leadership



**Stan Chia**  
CEO  
Vivid Seats



**Lawrence Fey**  
CFO  
Vivid Seats



**Todd L. Boehly**  
CEO, CFO, Director  
Horizon

# Investment Highlights

**1 Two-Sided Marketplace With Powerful Network Efficiencies**

**12+ Million Cumulative VS Customers  
3,400+ Sellers (2019)**

**2 Leading Player In Large Market Poised For Significant Recovery**

**\$39bn TAM (2019)**

**3 Outpacing Market Growth with Efficient Customer Acquisition Model**

**2.5 Million New Customers in 2019  
2,500+ SkyBox Sellers**

**4 Strong Profitability and Cash Flow with Lean Cost Structure**

**25% Adjusted EBITDA Margin (2019)  
Low capex and negative working capital**

# Illustrative Transaction Overview

(\$million)

## Sources & Uses

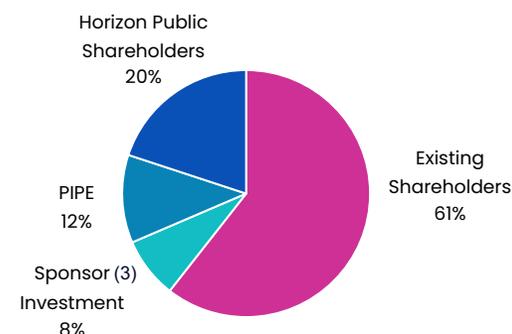
Sources	Amount	%
SPAC Cash <sup>(1)</sup> (\$155m Held by Sponsor)	\$544	28%
PIPE (incl. Sponsor Co-investment)	225	12%
Equity Rollover	1,182	61%
<b>Total Sources</b>	<b>\$1,951</b>	<b>100%</b>

Uses	Amount	%
Cash to Seller	\$ -	0%
Cash to Pay Down Debt	675	35%
Equity Rollover	1,182	61%
First Lien Breakage Costs	33	2%
Transaction Fees & Expenses	61	3%
<b>Total Uses</b>	<b>\$1,951</b>	<b>100%</b>

## Pro Forma Valuation

PF Shares Outstanding <sup>(2)</sup>	195.1
Share Price	\$10.00
<b>PF Equity Value</b>	<b>\$1,951</b>
(+) PF Net Debt / (Cash)	(0)
<b>PF Enterprise Value</b>	<b>\$1,951</b>
<b>PF EV / 2022E Revenue</b>	<b>4.3x</b>
<b>PF EV / 2022E EBITDA</b>	<b>17.7x</b>
<b>PF Net Debt / 2022E EBITDA</b>	<b>0.0x</b>

## Pro Forma Ownership Split



Founder shares (13.6 million) converted into warrants | 17.0 million struck at \$10.00 and 17.0 million struck at \$15.00; with an additional 6.0 million issued to selling shareholders at same ratio<sup>(4)</sup>

Note: Assumes no redemptions from SPAC investors; all potential redemptions backstopped via an affiliate of the Sponsor. Excludes impact of 13.0m warrants held by public and 11.7m warrants held by the Sponsor (includes 5.2m pursuant to IPO investment) struck at \$11.50. Also excludes two tranches of 17.0m warrants each held by the Sponsor struck at \$10.00 and \$15.00 with a ten year term, respectively, and 6.0m warrants issued to the selling shareholders, which will be struck ratably at \$10.00 and \$15.00, respectively

(1) Excludes interest earned in the trust. SPAC cash amount subject to change depending on the actual interest earned in the trust

(2) Includes 118.2m Vivid Seats rollover shares, 22.5m PIPE shares (including Sponsor co-investment), 15.6m Sponsor Shares (15.5m shares held by Sponsor in Horizon Acquisition Corp. and 50k shares issued to Sponsor pursuant to the warrant exchange), and 38.9m SPAC shares (excluding 15.6m held by Sponsor)

(3) Includes 15.5m shares held by Sponsor in Horizon Acquisition Corp. and 50k shares issued to Sponsor pursuant to the warrant exchange

(4) All founder shares will be exchanged into new warrants and a nominal number of shares in order to ensure a tax-free exchange. Existing shareholders will be issued 6.0m warrants in Hoya Intermediate, LLC (the operating company), which will be struck ratably at \$10.00 and \$15.00, respectively

# SPAC Timing Update



# Company Overview

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# Experienced Management Team Poised to Drive Continued Growth

## Today's Presenters



**Stan Chia**

CEO

**GRUBHUB** amazon



**Lawrence Fey**

CFO

GTCR Morgan Stanley



**Jon Wagner**

CTO

zoomer eMoney



**Riva Bakal**

SVP, Strategy & Product

**GRUBHUB** Craftsy

## Senior Leadership Team



**Sarah Doll**

Chief People Officer

snapsheet. enova.



**Geoff Lester**

Chief Commercial Officer

**FOX** StubHub



**David Morris**

General Counsel

Tripadvisor



**Dan Timm**

Chief Operating Officer

extenet SYSTEMS CHATHAM



**Tyra Neal**

Chief Marketing Officer

Walmart+ ESTÉE LAUDER SHINOLA DETROIT

# Vivid Seats: Scaled, Growth and Profitable

Optimally positioned for the return of live events

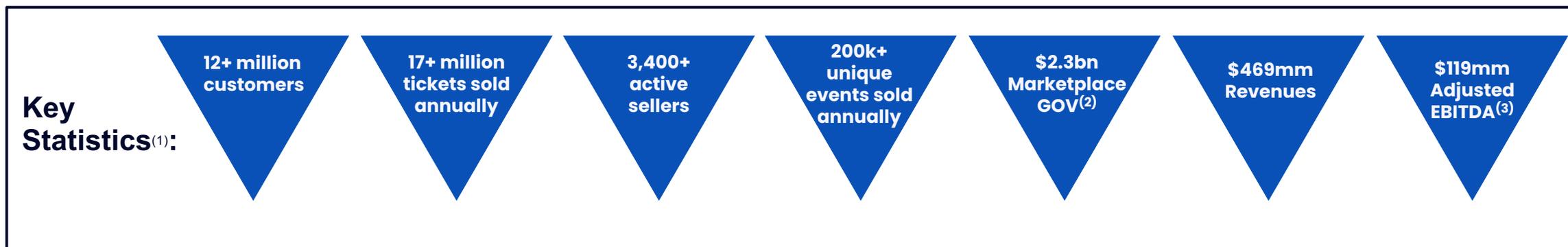
## Our Mission:

To be the market-leading ticketing marketplace and technology partner that powers the ticketing ecosystem

## Our Business:

We are a scaled, growing, and highly profitable secondary ticketing marketplace serving the concert, sports & theater markets

- Full-service provider handling all transaction elements and acting as a single point of contact for buyers and sellers
- State-of-the-art technology platform serving buyers and a leading ERP system for the seller community
- Compelling financial profile with consistent Gross Order Value and EBITDA growth
- Significant upside potential from multiple growth levers
- Demonstrated return to scale and profitability upon resumption of live events with Q2 2021 Adjusted EBITDA of \$36 million



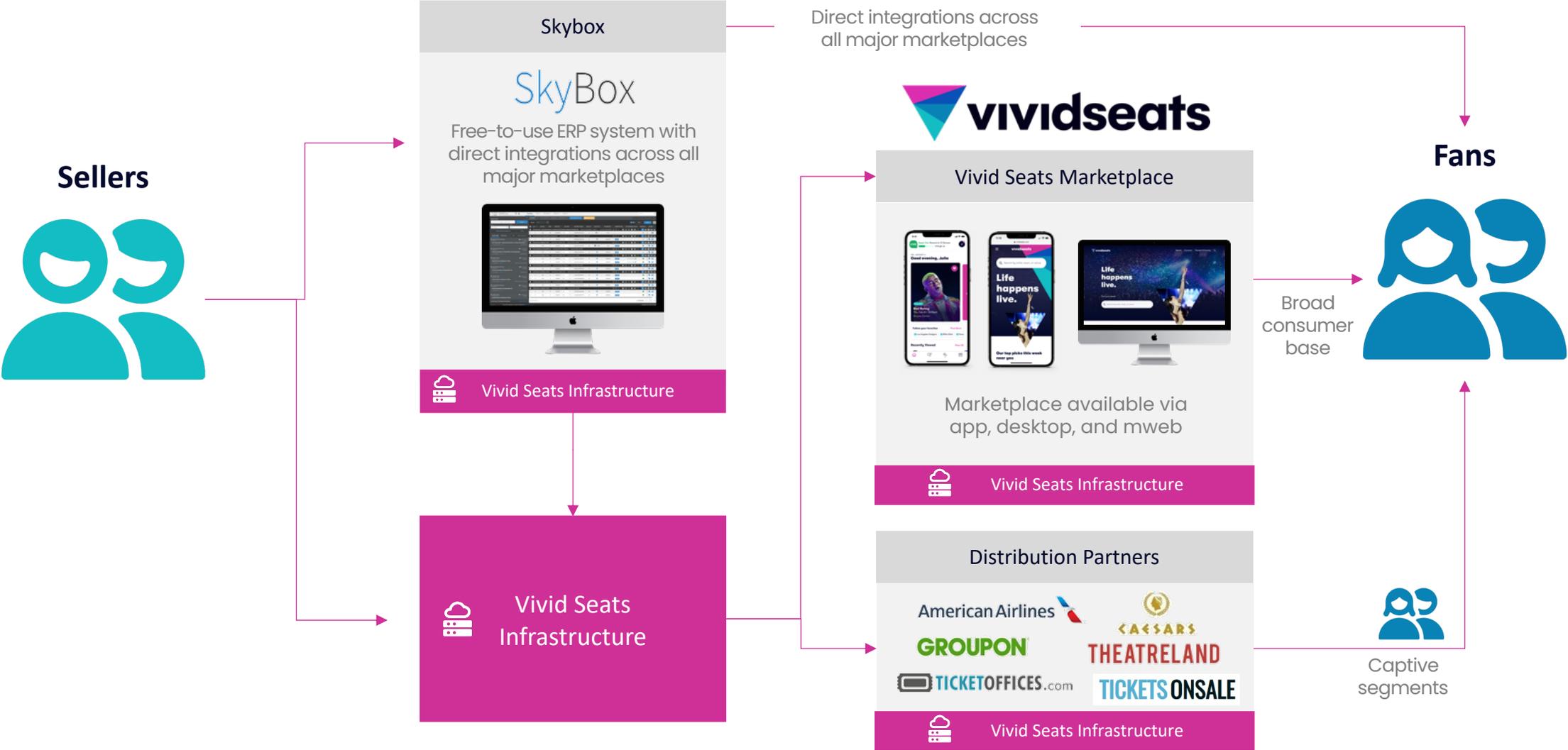
<sup>(1)</sup> Represent 2019 metrics

<sup>(2)</sup> 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.

<sup>(3)</sup> 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

Full spectrum of ticket choices from 50-yard line seats at the Super Bowl to standing room only tickets at small concerts

**Concerts**  
(46% of 2019 Marketplace GOV)



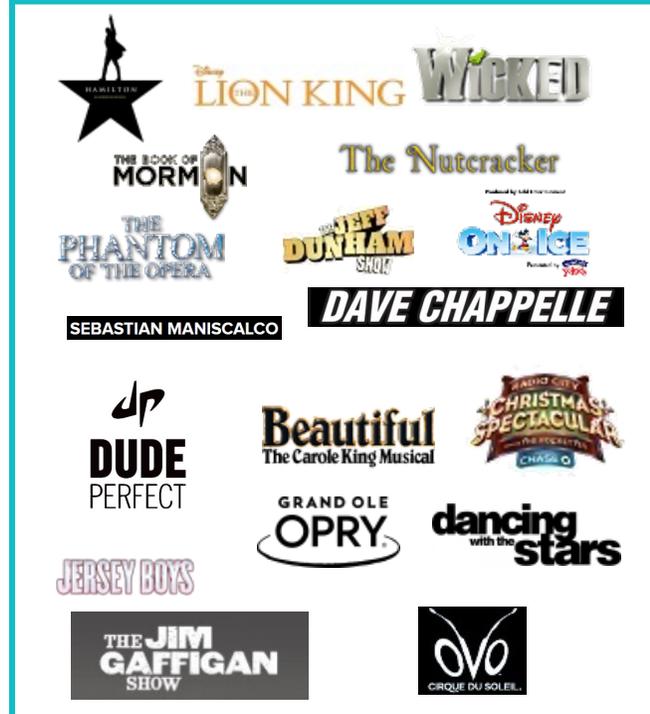
Logos for concert acts: BILLIE EILISH, GRUPO FIRME, MAROON 5, LUKE BRYAN, JUSTIN BIEBER, MACHINE GUN KELLY, THE WEEKND, BRUNO MARS, BILLY JOEL, ELTON JOHN, kanYeWest, KENNY CHESNEY, LUKE GOMBS, ASTROWORLD, and others.

**Sports**  
(42% of 2019 Marketplace GOV)



Logos for sports teams and events: CHICAGO CUBS, DALLAS COWBOYS, LOS ANGELES DODGERS, UFC, GOLDEN STATE WARRIORS, CLEVELAND CAVALIERS, SAN FRANCISCO GIANTS, MONSTER JAM, LOS ANGELES LAKERS, SUPER BOWL, NEW YORK RANGERS, TEXAS RANGERS, NEW YORK METS, PATRIOTS, BIG, VIKINGS, UTAH BRUIERS, ASU, G, and others.

**Theater**  
(12% of 2019 Marketplace GOV)



Logos for theater productions: HAMILTON, THE LION KING, WICKED, THE NUTCRACKER, THE BOOK OF MORMON, THE PHANTOM OF THE OPERA, SEBASTIAN MANISCALCO, DAVE CHAPPELLE, DUDE PERFECT, BEAUTIFUL: THE CAROLE KING MUSICAL, CHRISTMAS SPECTACULAR, GRAND OLE OPRY, dancing stars, JERSEY BOYS, THE JIM GAFFIGAN SHOW, and others.

200,000+ Unique Events Sold<sup>(1)</sup>

17 million+ Tickets Sold

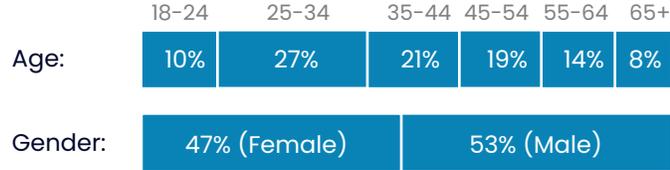
(1) Both metrics are based on 2019 data

# Our Multi-Sided Network: Fans and Sellers



### Fan Breakout:

Diverse age range with millennials representing the largest segment; no notable gender skew



### Audience Segments:

- Concert-Goers
- Sports Fans
- Theater Enthusiasts

**Audience is ripe for broad brand messaging**

### Sellers

### Seller Breakout:

Broad range from the casual opportunist who owns 10+ season tickets to large sophisticated brokers managing > \$100 MM ticket value with huge positions

Seller Composition: Fragmented and diversified across: Size, Categories, and Geographies.

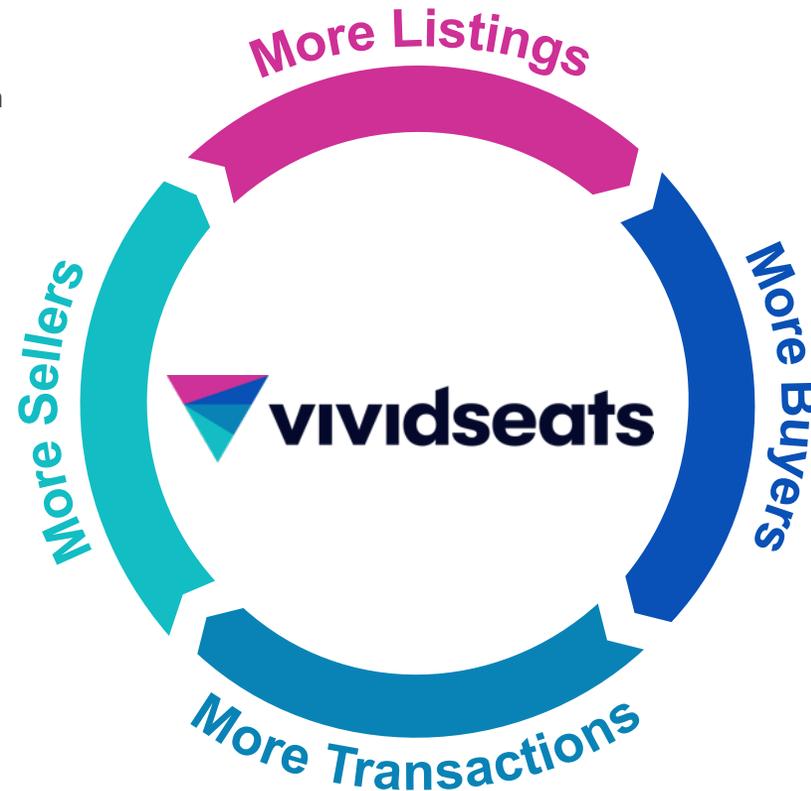
### Key Motivators:

- Increase inventory turns/sell through
- Working capital cycle to fuel increased ROI positive investments
- Tools to simplify and allow seller to focus on trading

# Two-Sided Value Proposition Drives Powerful Network Efficiencies

## Benefits to Sellers

-  **Relationship Management**  
Dedicated seller account management with deep understanding of business needs
-  **Broad Distribution & Marketing**  
Drive sell through via numerous channels, including core and distribution platforms
-  **Fair Pricing and Terms**  
Volume drives competitiveness on pricing and payment terms
-  **Value-Added Technology**  
Power sellers' business with technology tools and automation
-  **Full-Service Support**  
Support for marketplace and tech needs plus back-office fulfillment offering

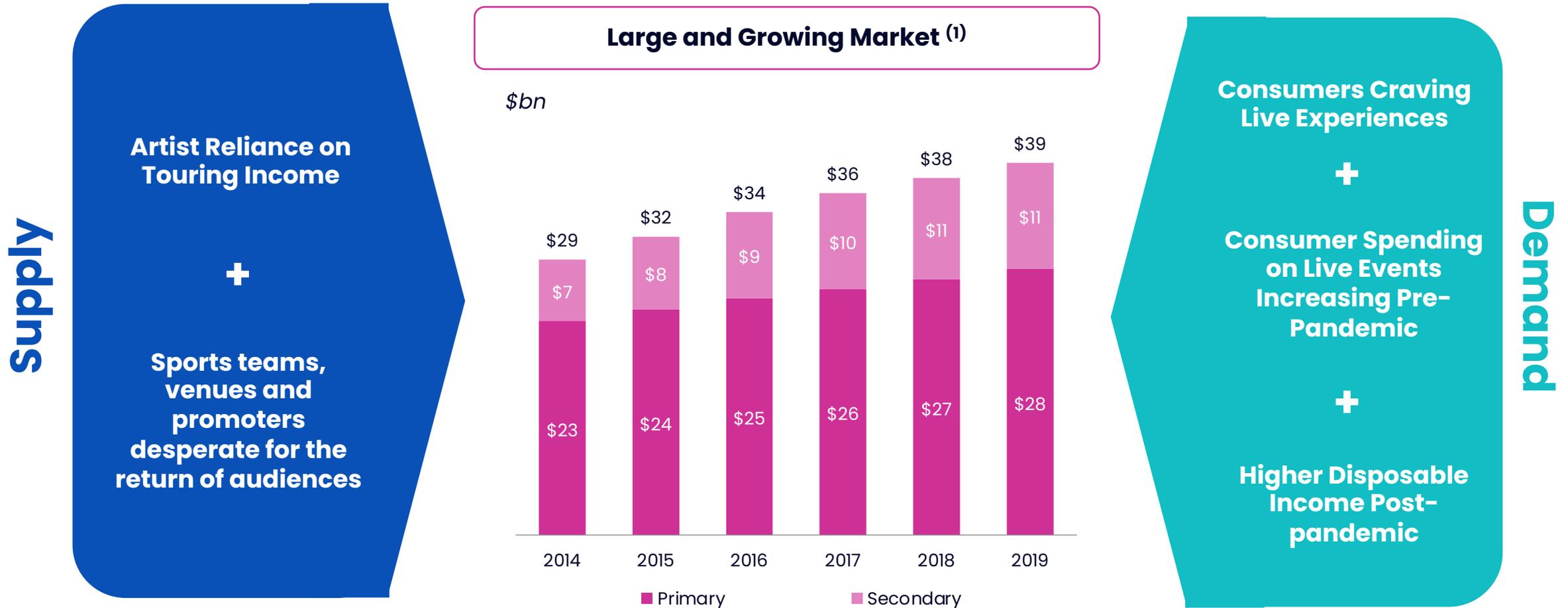


## Benefits to Buyers

-  **Efficiency**  
Marketplace provides economic value + a frictionless shopping experience
-  **Exceptional Value**  
Competitive pricing + loyalty program rewards provide unparalleled value for consumers
-  **Broad Inventory of Events**  
Wide selection of inventory across categories, geos, and genres creates a natural platform to transact
-  **Brand Trust & Confidence**  
100% Buyer Guarantee creates peace of mind for consumers
-  **Customer Service**  
Award winning customer service with support across phone, email and chat channels

**Full-service marketplace connecting buyers and sellers**

# Supply / Demand Dynamics Create Favorable Market Backdrop...



(1) Based on a 2017 report prepared for us by a third-party consulting firm, internal estimates derived from figures disclosed to us under confidentiality agreements, and publicly available information

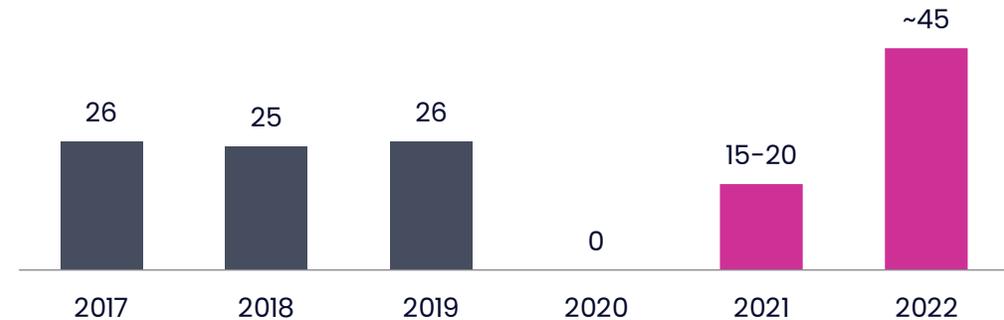
# ...With Significant Pent-up Demand for Live Experiences

**Elevated purchasing power after a period of record consumer savings**



**Performers Itching to Get Back on Tour**

**Planned Tours for Artists selling >500K Live Nation Tickets**



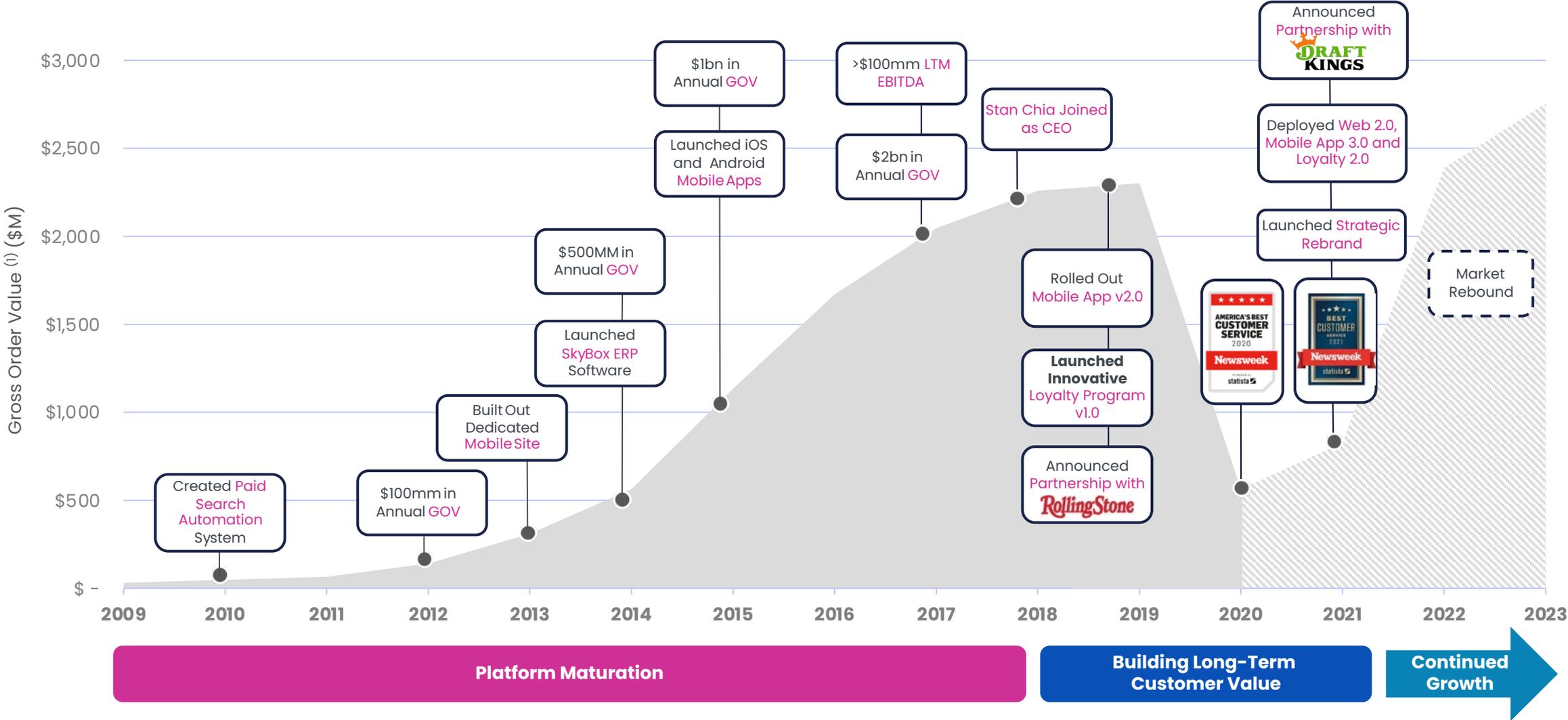
*“Many expect the concert industry will eventually return to its lucrative pre-Covid era – former WME music exec **Marc Geiger** said he predicts a **“Roaring Twenties”** when shows return ”*

*Whenever tours do come back in full force, the live music industry will face another trouble: **a glut of artists all eager to hit the road at the same time.** Competition has already been fierce for dates and venue holds as the industry has repeatedly re-adjusted over the past year. **(One booker says some people are already seeking holds for 2023.)***

**90% of US fans** likely to attend live music events post-COVID<sup>(1)</sup>

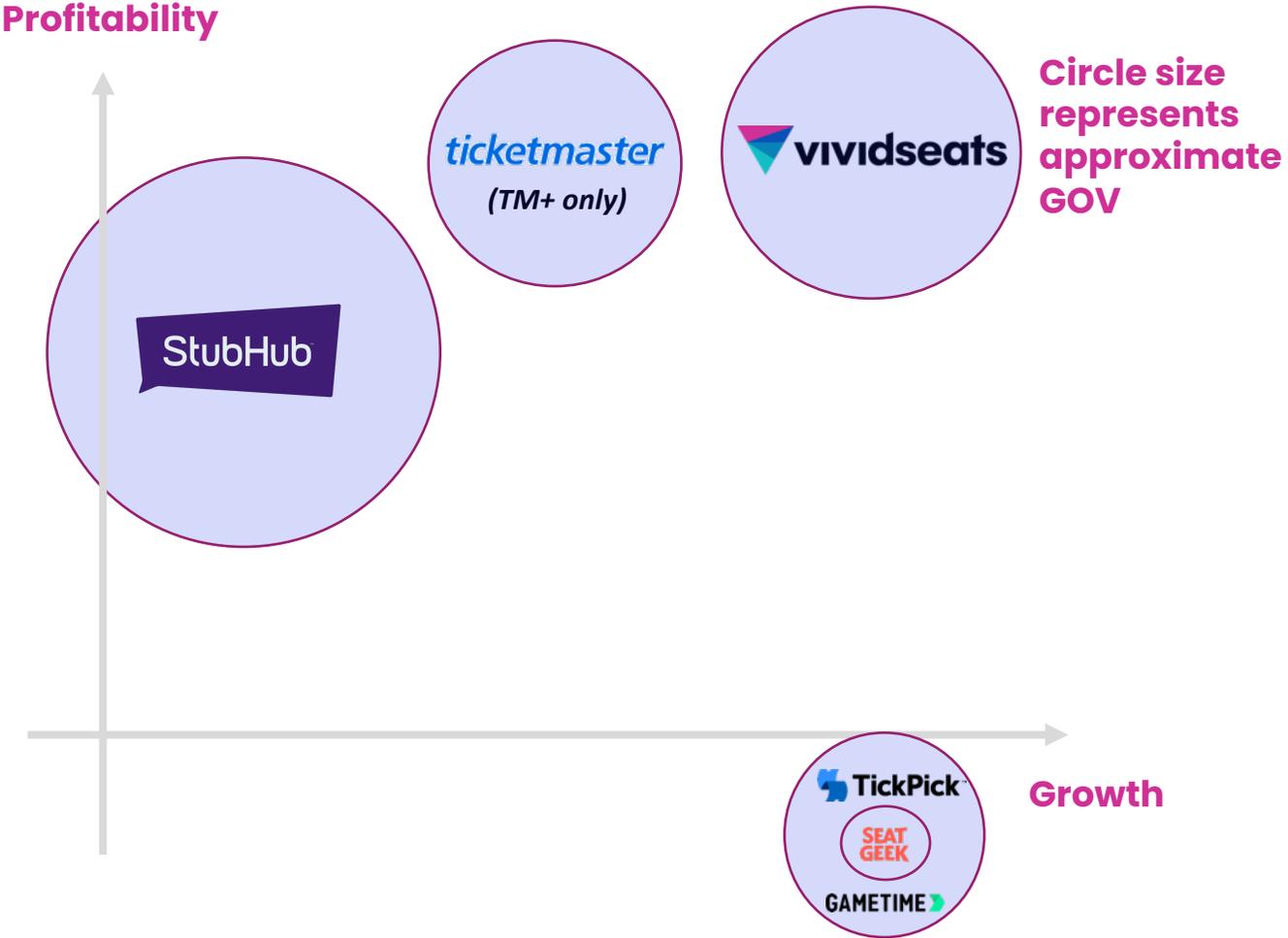
# Track Record of Growth Built on Innovation and Customer Service

*Founded in 2001, Vivid Seats scaled rapidly and is continuing to diversify its offering to drive sustained growth*



(i) Gross order value represents the total transactional amount of marketplace orders placed on our platform in a period

# Unique Value Proposition within Ticketing Ecosystem<sup>(1)</sup>



Unique combination of growth, profitability and cash flow

Well-positioned to exploit COVID-19 dislocation and competitor M&A integration

Freshly capitalized balance sheet and partnership with Horizon offers opportunity to accelerate momentum

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

# Positioned to Benefit Disproportionately from the Market Rebound

## Market Sentiment

### **Significant goodwill generated during pandemic amongst constituents**

- Provided customers option of cash refund or loyalty + charity upon event cancellations
- Introduced differentiated 'net payment' model with sellers in March
- First marketplace to normalize payment terms with pay on delivery +15 days rollout in November

## Leading Platform

### **Best in-class for both buyers and sellers**

- Proprietary paid search algorithms create unique engine for generating new customers
- Customer experience focused on event discovery and conversion
- A leading ERP for the seller community

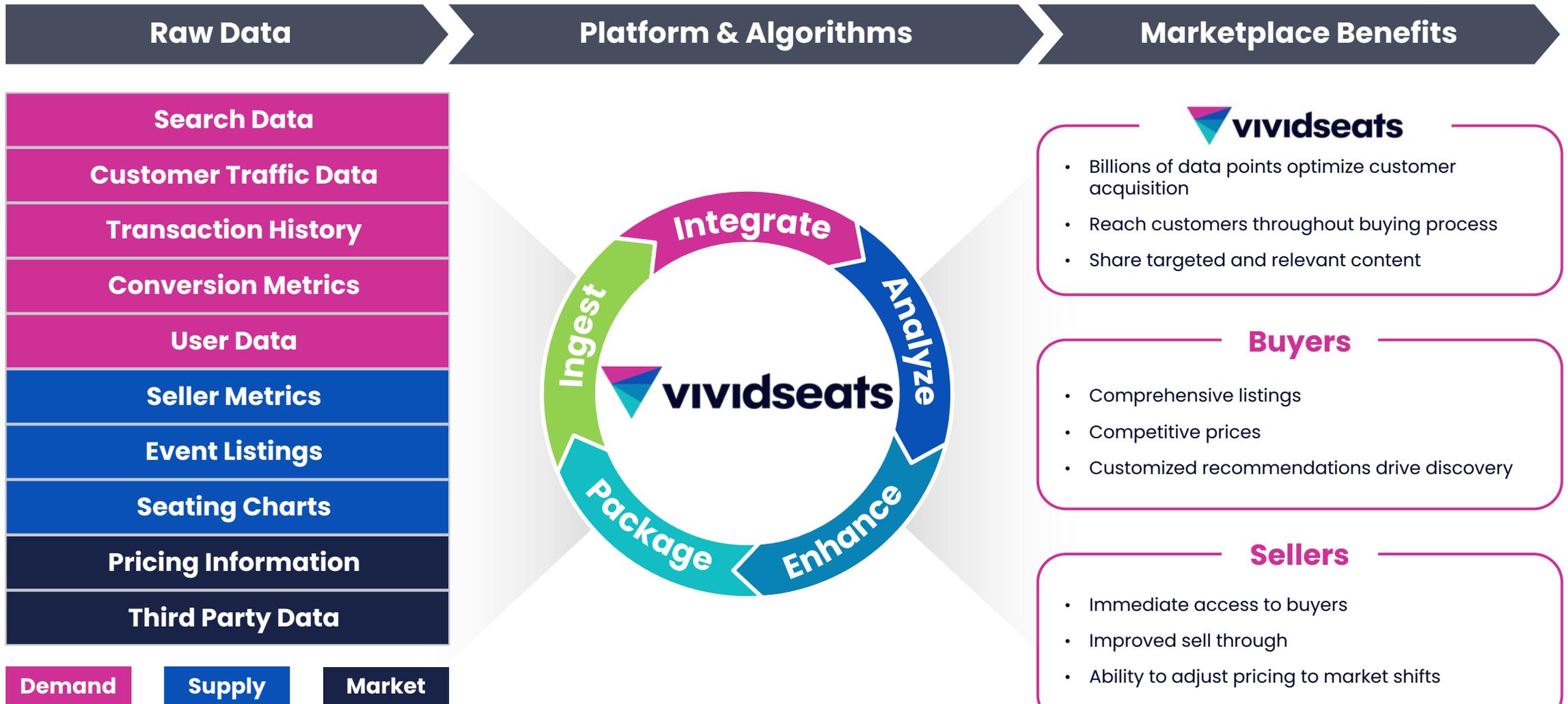
## Financial Flexibility

### **Ability to invest in brand and loyalty to drive sustained growth**

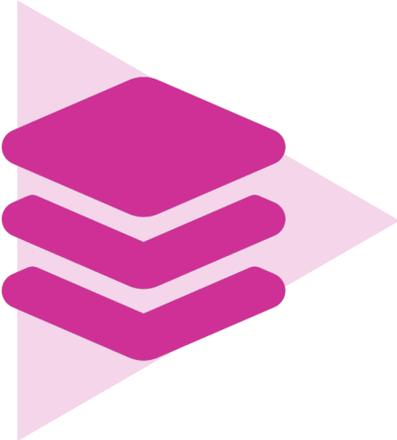
- Robust margins with flexible cost structure
- Favorable event mix (~60% concerts & theater) relative to competitors
- Flexibility to pursue opportunistic partnerships
- Compelling free cash flow profile with low capex and negative working capital

# Product and Technology Review

# Data, Platform and Proprietary Algorithms Create Unique Value



# Tech Stack Enables Rapid Scaling, Integration and Innovation



Modernized  
tech stack

Integration  
capabilities



Tech infrastructure:  
auto scaling

Public company  
readiness

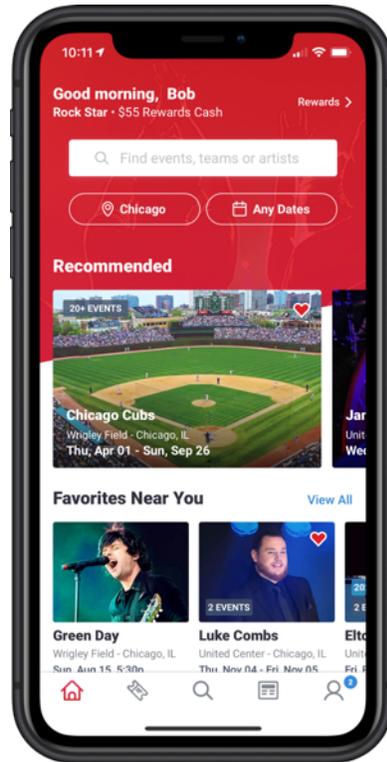


Accelerated  
innovation

Increased dev  
velocity

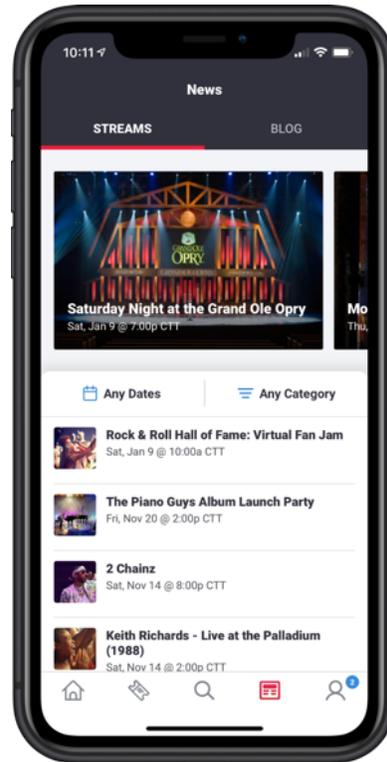
# App Provides a Holistic Engagement & Transactional Experience

*Native Apps on iOS and Android span all critical customer moments*



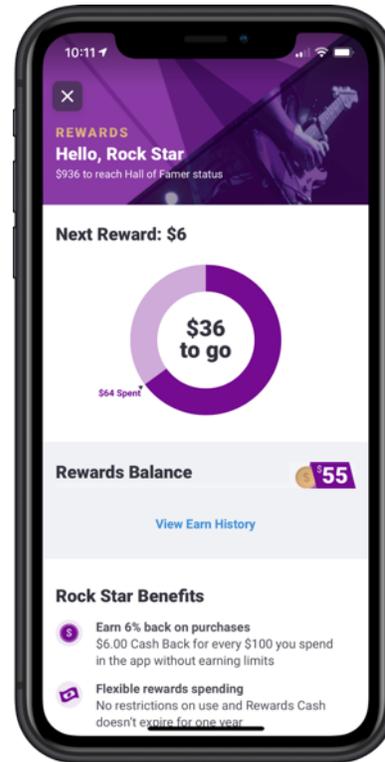
## Discovery

*Personalized recommendations & discovery experience*



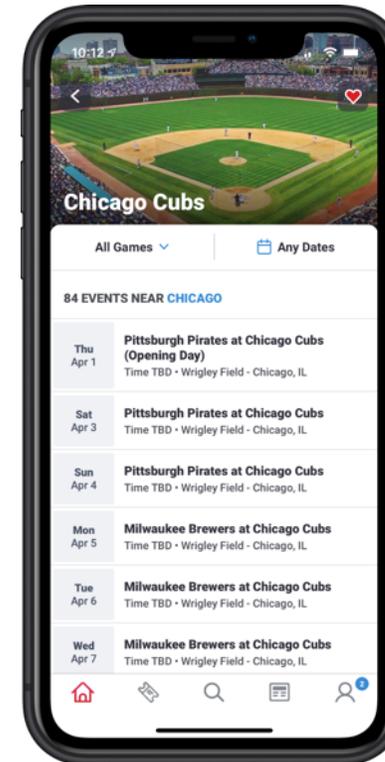
## Engagement

*Content across genres & categories to engage users*



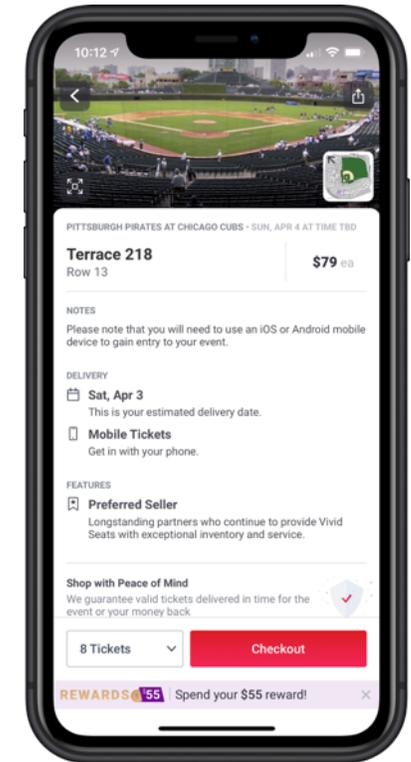
## Rewards Program

*The most generous loyalty program in ticketing drives repeat purchases*



## Transactional Path

*Streamlined shopping experience*



## Simplified Purchase

*Purchase and fulfillment in app*

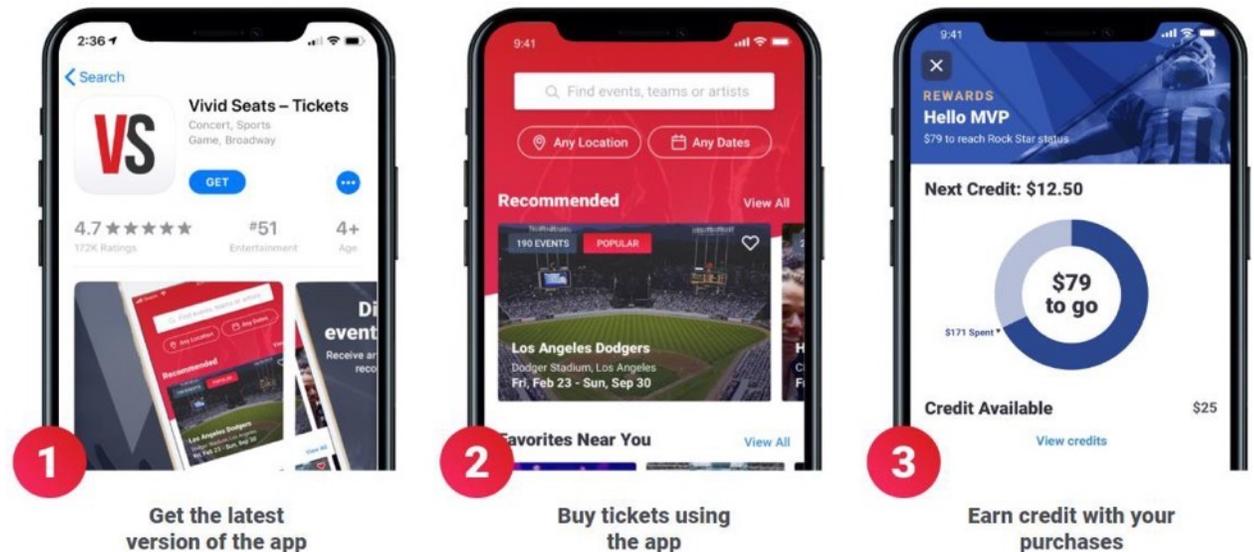
# App Experience and Loyalty Program Increase Retention

**App GOV has increased ~4x since 2017 and accounted for 40%+ of 2020 GOV (1)**

## Mobile App Transactions (000s)



- ✓ Tiered rewards system for every fan with in-app perks
- ✓ Auto-enrollment with app download
- ✓ Material increase in App traffic since v2.0 and loyalty launch
- ✓ App v3.0 launched in July 2021



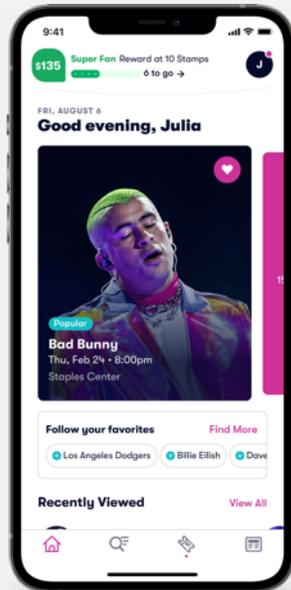
(1) Represents YTD GOV through February 2020 for owned properties

# Several Major Consumer Facing Launches in 2021

*Positioning our consumer experience + brand as demand returns*

1

## App 3.0



*iOS & Android*

2

## Web 2.0



*mWeb & Desktop*

3

## Loyalty 2.0

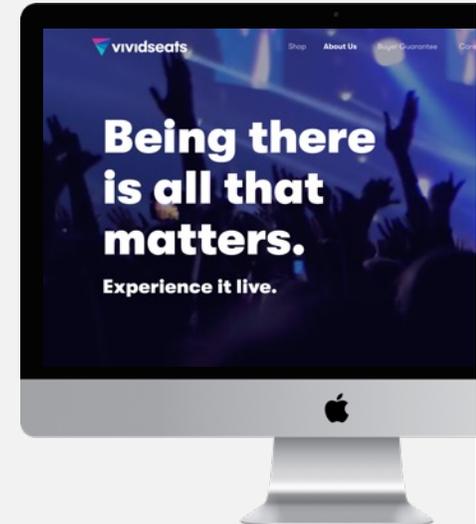


**Free tickets for every fan**

Buying tickets from Vivid Seats will get you to more events. All you have to do is collect stamps, redeem, and repeat!

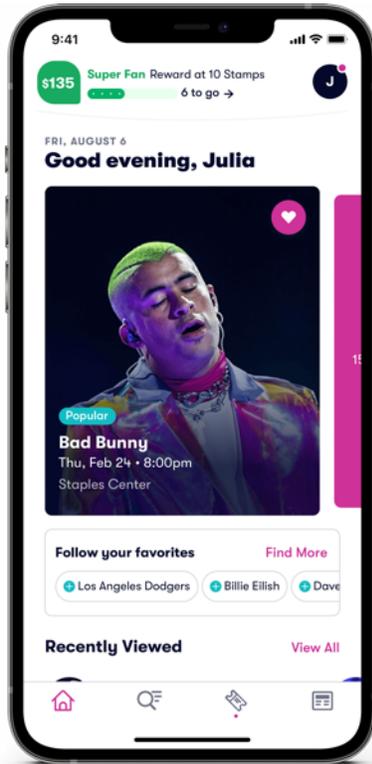
4

## Brand (re)Launch



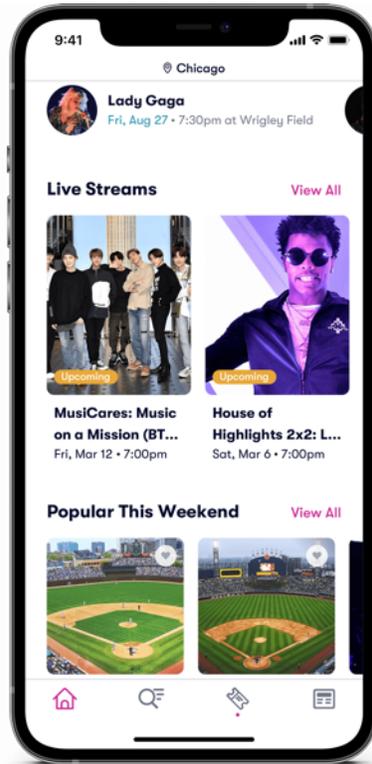
# New Launches Cascade Across Consumer Experience

*A new foundation to drive engagement through discovery, loyalty and content*



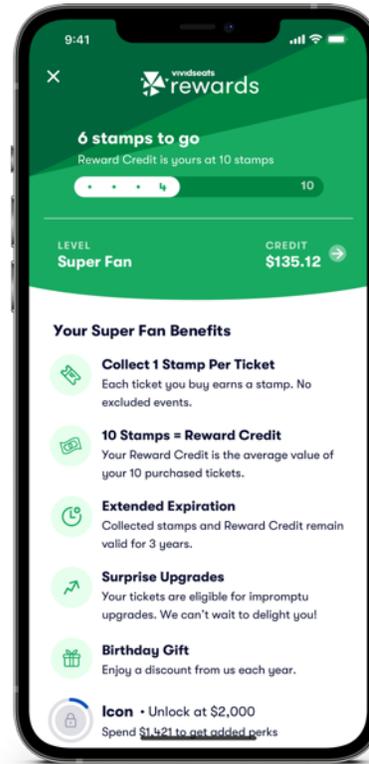
## Discovery

*Personalized recommendations & discovery experience*



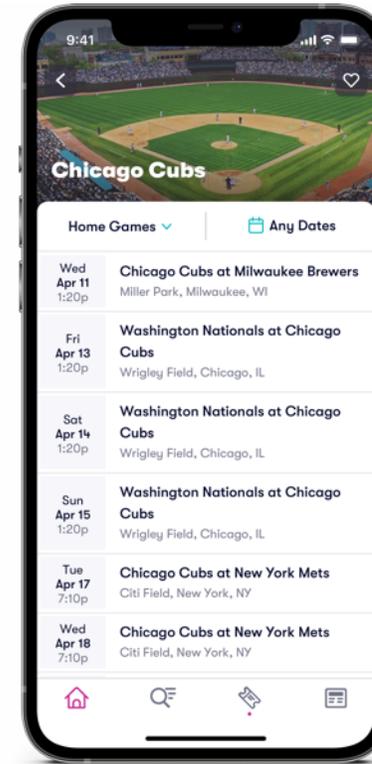
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*Content across genres & categories to engage users*



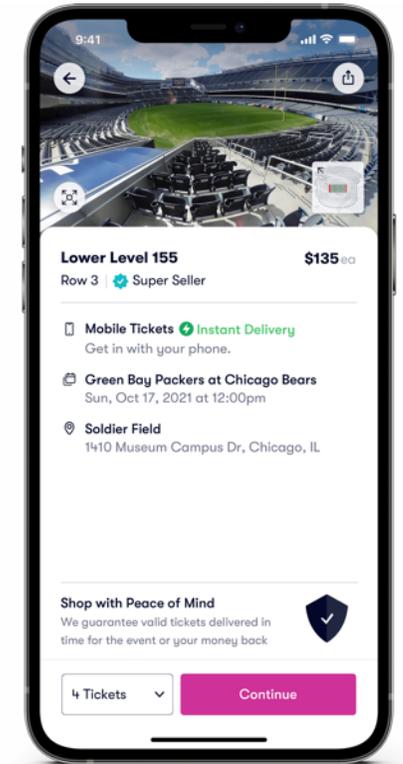
## Rewards Program

*The most generous loyalty program in ticketing drives repeat purchases*



## Transactional Path

*Streamlined shopping experience*



## Simplified Purchase

*Purchase and fulfillment in app*

# Best-in-class Seller Technology with Skybox Platform

*Relationships + business-enabling tech positions Vivid Seats as marketplace of choice*



- ✓ Cloud-based POS solution adopted by large share of seller base
- ✓ Rich feature set across key seller activities – inventory management, pricing, fulfillment, reporting and more
- ✓ Native integrations & listing toolsets provided to all sellers
- ✓ 3<sup>rd</sup> party automation tools built around Skybox enhance value of platform
- ✓ Desktop experience with complementary iOS app

## Recent innovation on Skybox:



Helping sellers grow their business with **Research dashboard**



Optimize ecosystem supply chain with **Instant Transfer**

# Brand & Marketing Overview

**vividseats**

# Foundation Brand Tenets

Experience It Live!	Trust	Value	Authoritative	Selection	Innovation	Community
<p>We believe everyone should experience it live. Our mission is singularly focused on connecting buyers and sellers to enable memorable experiences</p>	<p>100% Buyer Guarantee and winner of multiple awards for best customer service</p>	<p>Scale and structural efficiency allow for competitive prices and ticketing's most generous loyalty program</p>	<p>Our partnerships with category leaders span multiple domains (e.g. ESPN, Rolling Stone)</p>	<p>Industry leading seller technology and management leads to unparalleled selection</p>	<p>Native apps across all devices with best proprietary technology on search, personalization, and discovery</p>	<p>Community and charity programs rooted in bettering both the community and the industry</p>

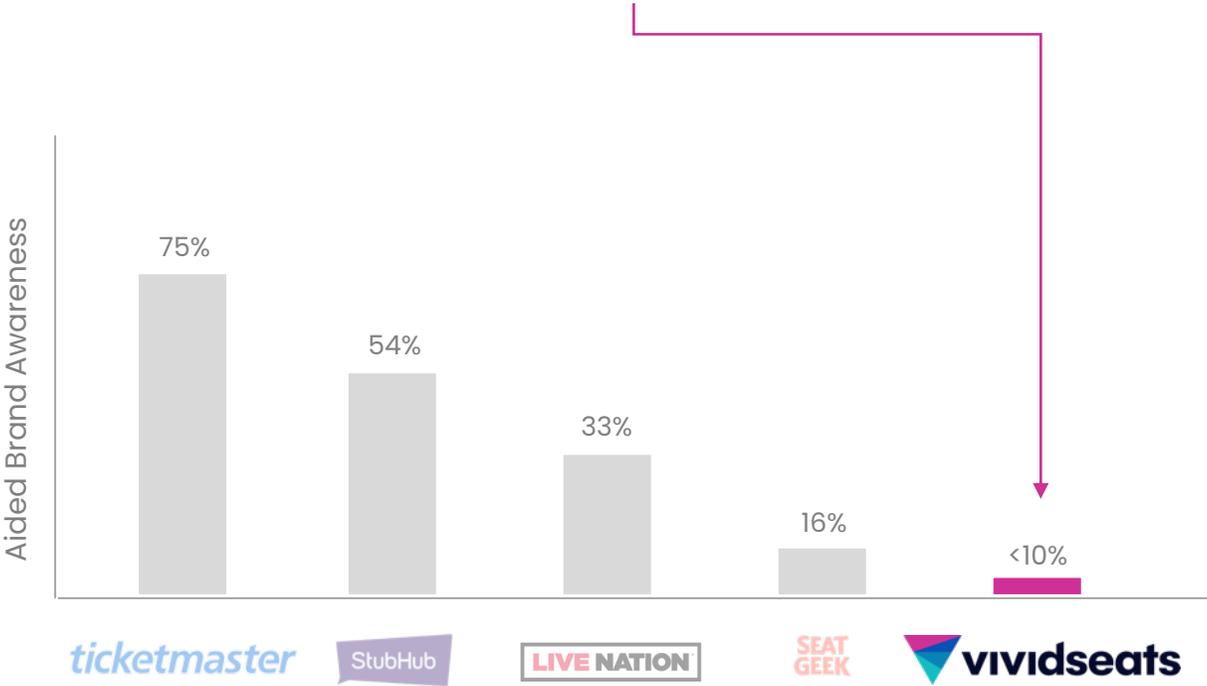
# Brand Opportunity

Aided brand awareness is low

Pre-Covid brand awareness metrics were also <10% (early 2020)

Opportunity to craft a brand narrative which resonates with consumers and builds mindshare

Aided Brand Awareness: <10% For Vivid Seats



Source: YouGov July 2021

# The new brand shines across all consumer touch points

*We are bringing the passion and energy we have for live events to all fans*

## Visual



## Voice & Tone

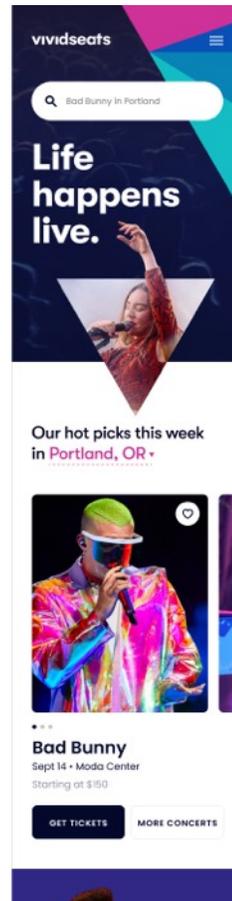
Speak to the fan in all of us

**Celebratory.**

**Relatable.**

**In-the-Know.**

### mWeb



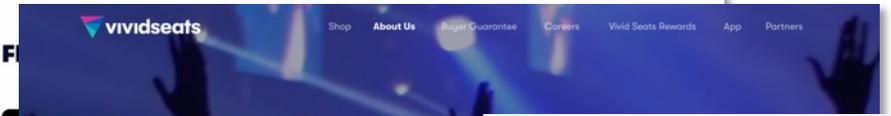
### Emails



OUR PICKS NEAR YOU

**Your town, your weekend. Save your spot.**

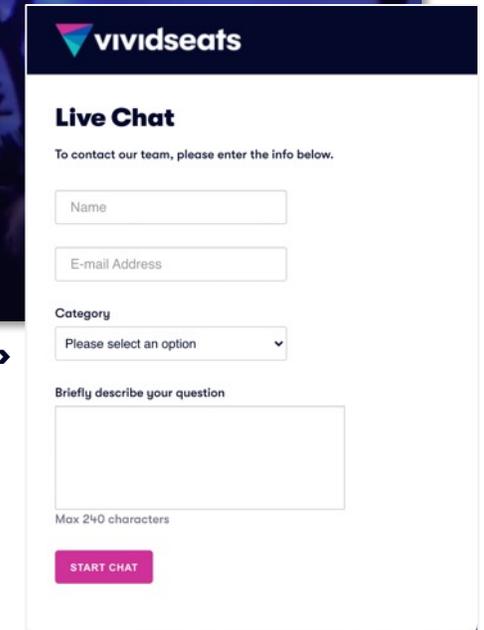
**Corp Site**



**Being there is all that matters.**

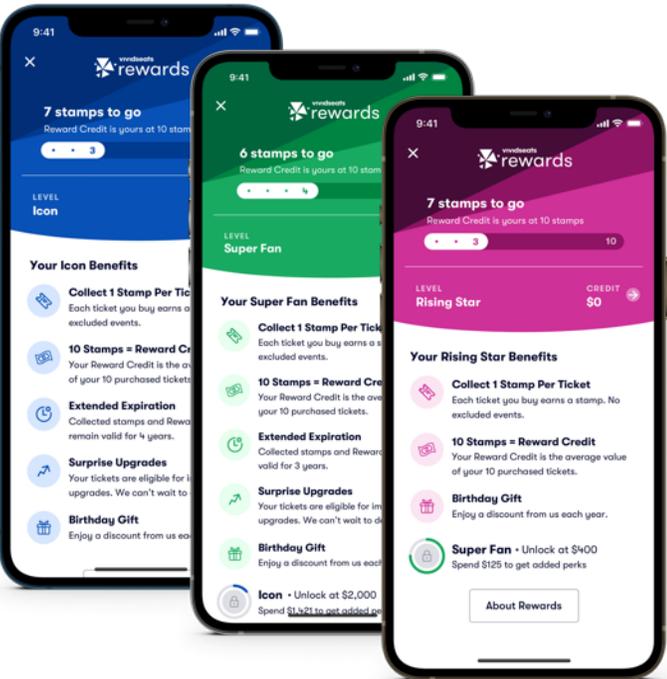
**Experience it live.**

**Chat >**



# Our revamped loyalty program delivers even more value

Launched in July 2021 with Partner Perks + Surprise Upgrade at Lollapalooza

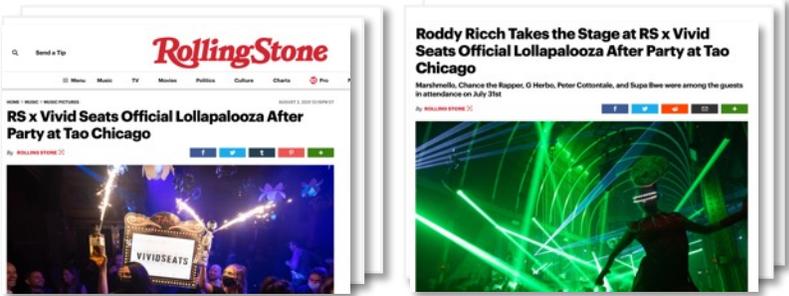


- **Free tickets** for every fan
- Every purchase counts: Collect 10 stamps, get Reward Credit to earn a free ticket
- Unlock perks as you progress from **Rising Star** to **Super Fan** to **Icon** -- including partner perks (e.g. DraftKings), surprise upgrades and more
- Birthday gifts for all levels

Buzz & media pick up from launch:



Surprise & Delight at Lollapalooza After Party for Icon members



Announced partner perk to offer DK Dollars to eligible reward members

# Ready to invest across channels in brand marketing

## Brand Identity

### **New brand visual + verbal identity in place**

- Capitalizes on the current desire for live events – passion, excitement and energy resonates with all fans
- Safety and trust threaded through the visual and verbal identity: “informed” and “in-the-know”

## Product Experience

### **Product Experience prepared for brand investment**

- Unified engagement + transactional consumer experience to drive stickiness
- Tech enabled for scaled volume

## Loyalty Program

### **Loyalty program is a clear economic differentiator**

- Revamped program is the only one across the ticketing industry
- Provides even more value: every purchase counts towards earning free tickets; and increased perks as fans progress through each of three levels

# Financials

**vividseats**

# Vivid Seats Financial Highlights

## Growth at Scale

### Connecting millions of buyers with thousands of sellers

- \$2.2 billion of 2019 Marketplace Gross Order Value ('Marketplace GOV')
- 17 million tickets sold by 3,000+ sellers across 200,000+ unique events in 2019

## Profitability

### Established history of generating significant profitability

- \$119mm of 2019 Adjusted EBITDA (25% Adjusted EBITDA margin); \$36mm of Q2 2021 Adjusted EBITDA (32% Adjusted EBITDA margin)
- Economic model supported by powerful two-sided network effects

## Cash Flow

### Robust cash flow conversion

- Low annual capex (<\$10mm) and negative working capital
- \$183mm of Cash Flow from Operating Activities for the six months ended 6/30/21

# Our P&L (2019 Figures)

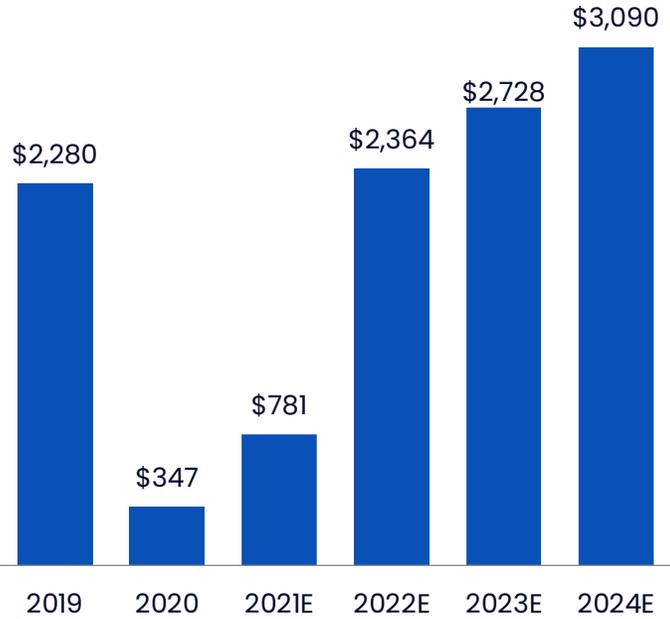
- Marketplace segment generates robust margins and accounts for significant majority of Net Contribution

Marketplace	\$mm	%	Resale	\$mm	%
Revenue	403.6	100%	Revenue	65.3	100%
Less: Cost of Revenues	(52.9)	(13%)	Less: Cost of Revenues	(53.1)	(81%)
Gross Profit	350.8	87%	Gross Profit	12.1	19%
Less: Selling & Marketing	(178.4)	(44%)	Less: Selling & Marketing	0.0	0%
Contribution Margin	172.3	43%	Contribution Margin	12.1	19%
	Less: G&A			(101.3)	(22%)
	Less: D&A			(93.1)	(20%)
	Income / (Loss) From Operations			(9.9)	(2%)
	Plus: D&A			93.1	20%
	Plus / (Minus): Adjustments			36.0	8%
	Adjusted EBITDA			119.2	25%

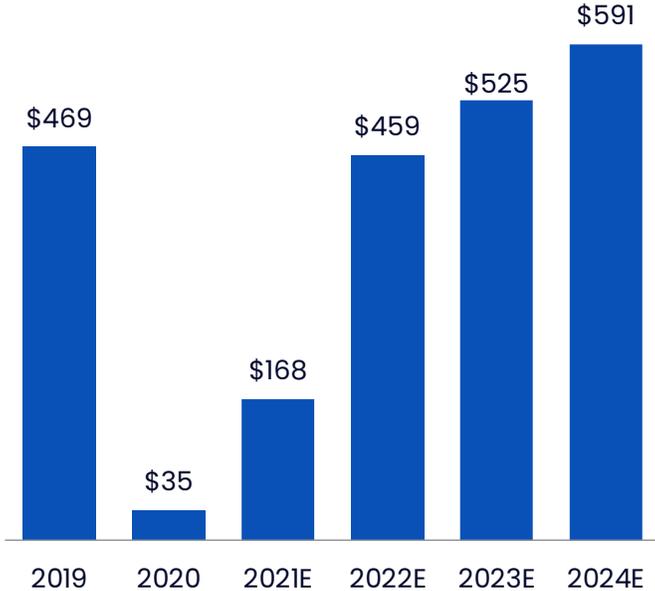
# Return to Pre-Pandemic GOV in 2022 & Steady Growth Thereafter

Projections prepared during early Q1 2021

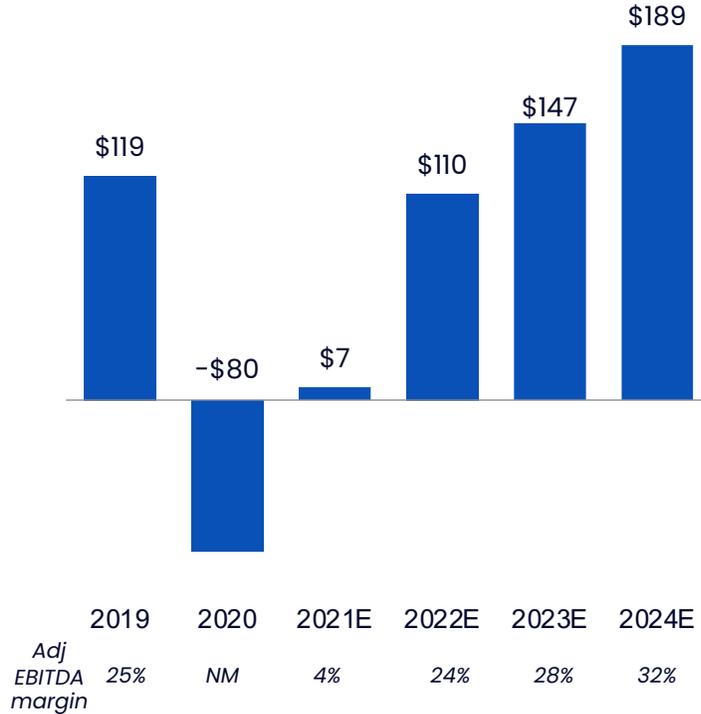
**Marketplace GOV (\$mm)<sup>(1)</sup>**



**Revenues (\$mm)**



**Adjusted EBITDA (\$mm)<sup>(2)</sup>**



(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. Please see the appendix for a reconciliation of Net Income to Adjusted EBITDA.

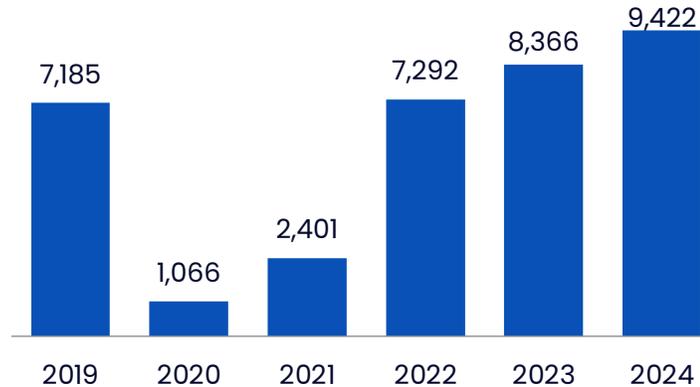
# Key Metrics Underpinning the Forecast

Projections prepared during early Q1 2021

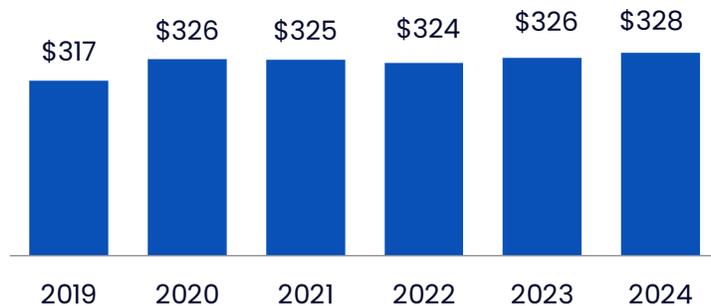
**Marketplace Gross Order Value (\$mm)<sup>(1)</sup>**



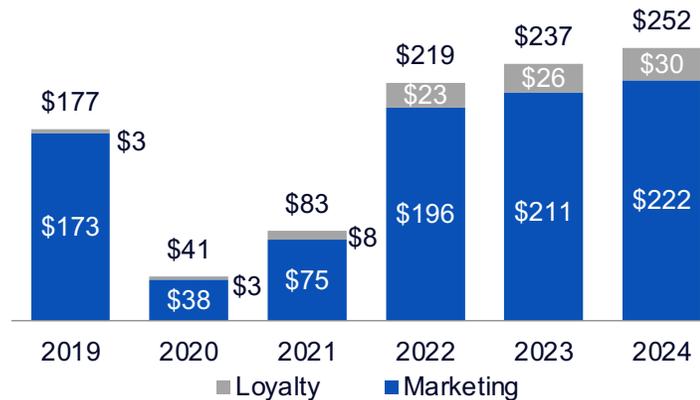
**Total Marketplace Orders (000s)<sup>(2)</sup>**



**Average Order Size (AOS)**



**Marketing & Loyalty Spend<sup>(3)</sup> (\$mm)**



- Marketplace GOV and Total Marketplace Orders return to 2019 levels in 2022 with long-term double-digit growth
- Model conservatively assumes AOS remains flat throughout the forecast
- Increased investment in Marketing and Loyalty drives sustainable growth in Marketplace GOV and Total Marketplace Orders

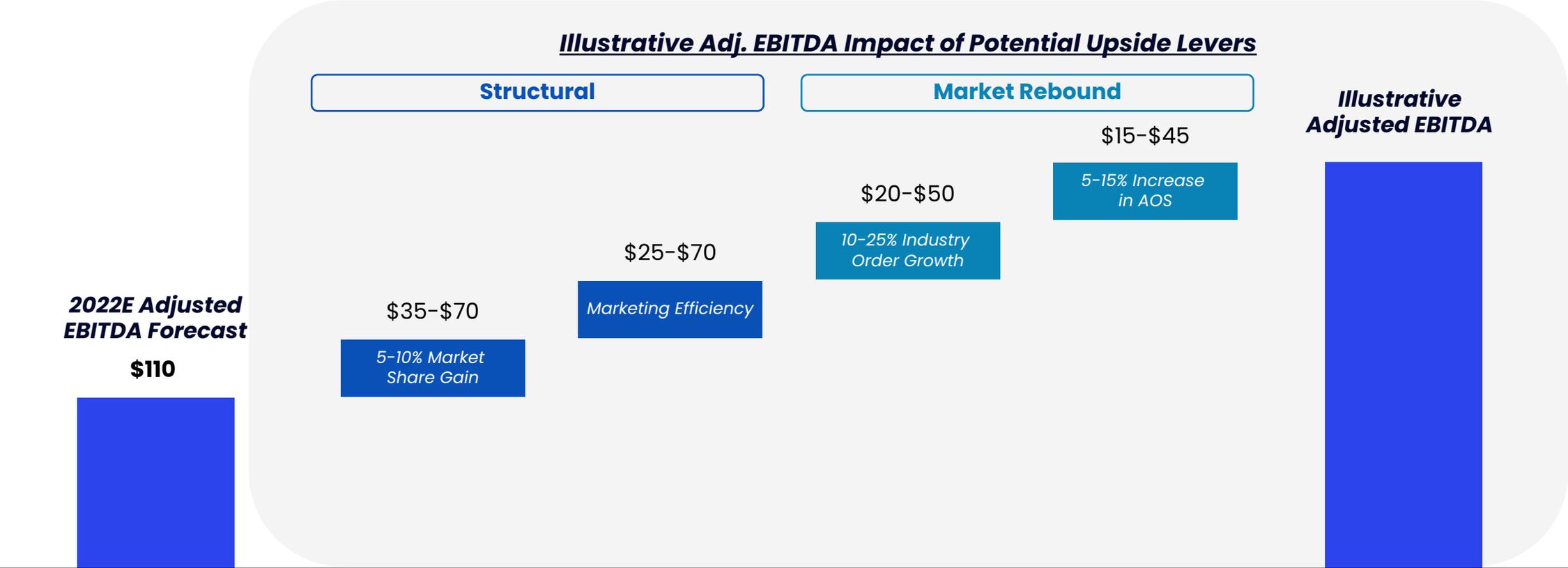
(1) Marketplace GOV represents the total transactional amount of Marketplace segment orders placed on the Vivid Seats platform in a period, inclusive of fees, exclusive of taxes, and net of event cancellations.

(2) Total Marketplace orders represents the volume of Marketplace segment order placed on the Vivid Seats platform during a period, net of event cancellations occurring during the period.

(3) Loyalty spend appears on the P&L as contra revenue

# Multiple Drivers of Potential Upside Beyond the Forecast

(\$million)



# 2021 Outperformance Relative to Projections

(\$million)



(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. Please see the appendix for a reconciliation of Net Income to Adjusted EBITDA.

# Q2 Financial Performance

## Marketplace GOV and Total Marketplace Orders

### **\$693mm of Marketplace GOV and 1.7mm Total Marketplace Orders**

- Meaningful ramp in Marketplace GOV and Total Marketplace Orders over the course of the quarter
- Average Order Size (“AOS”) of \$400+ driven by (1) pent-up demand and (2) onsales

## Adjusted EBITDA

### **\$36 million of Q2 Adjusted EBITDA**

- 1H 2021 Adjusted EBITDA of \$40mm versus 2021 full year Budget of \$7mm
- Investments in 2H21 to (1) rebuild teams and (2) launch brand efforts

## Cash Flow and Net Debt

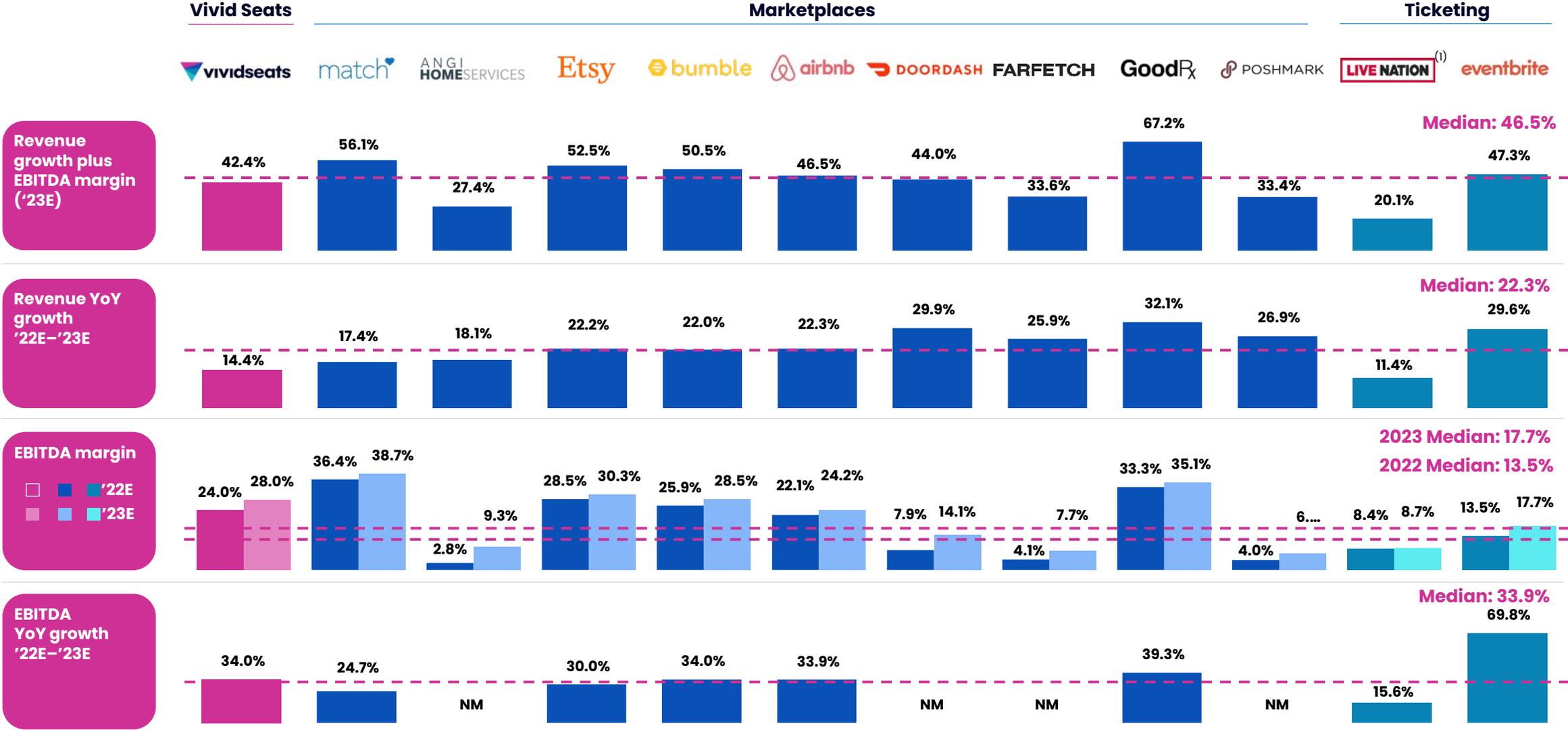
### **Strong cash flow resulting in zero net debt after combination**

- Significant rebuild of working capital float with rapid return of volume
- Balance sheet flexibility will support continued innovation and growth

# Balance Sheet and Cash Flow

- **Cash balance:** \$461mm as of 6/30/21
  - Cash balance reflects quarterly interest payment and quarterly amortization payment
- **Net debt:** Significantly deleveraged pro forma balance sheet post business combination
  - Result of rapid right sizing of cost structure during pandemic with continued investment to optimize performance upon the return of live events
- **Cash Flow:** Strong cash flow conversion with low capex and negative working capital
  - Working Capital balance of -\$377mm as of 6/30/21 versus -\$239mm as of 3/31/21
  - Increase in 'seller float' (collecting cash from buyers before remitting to sellers) as volume increased in Q2 2021 with Accounts Payable increasing from \$101mm as of 3/31/21 to \$238mm as of 6/30/21
  - Accrued Expenses and other current liabilities increased from \$257mm as of 3/31/21 to \$315mm as of 6/30/21; partially offset by Accounts Receivable increase from \$37mm as of 3/31/21 to \$52mm as of 6/30/21

# Comparable Company Benchmarking



Source: Company information, Factset as of September 3, 2021  
 Notes: Financials calendarized to December year-end. Negative margins and 100%+ growth are considered not meaningful ("NM")  
 (1) Live Nation financials reflect the consolidated company (including non-ticketing sectors)

# Comparable Company Benchmarking (continued)



Source: Company information, Factset as of September 3, 2021

Notes: Financials calendarized to December year-end. Negative margins and 100%+ growth are considered not meaningful ("NM")

(1) Live Nation financials reflect the consolidated company (including non-ticketing sectors)

**Q&A**

**vividseats**

# Thank You!

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# Appendix

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# GAAP Net Income to Adjusted EBITDA Reconciliation

(\$million)

	Years Ended December 31		Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2020	2020	2021	2020	2021
Net (loss) income	(\$53.8)	(\$774.2)	(\$662.1)	\$2.6	(\$700.6)	(\$17.6)
Interest expense	4.15	57.5	13.5	16.8	22.8	33.2
Depreciation and amortization	93.1	48.2	24.1	0.5	48.0	0.8
Sales tax liability	10.0	6.8	(0.4)	10.7	4.5	13.0
Transaction costs	8.9	0.4	-	3.9	0.4	7.4
Equity-based compensation	5.2	4.3	1.2	1.2	2.4	2.3
Senior management transaction costs	2.7	-	-	-	-	-
Loss on extinguishment of debt	2.4	0.7	0.7	-	0.7	-
Litigation, settlements and related costs	2.3	1.3	0.3	0.4	0.3	1.1
Change to annual bonus program	2.8	-	-	-	-	-
Customer loyalty program stand-up costs	3.2	-	-	-	-	-
Impairment charges	-	573.8	573.8	-	573.8	-
Loss on asset disposals	1.0	0.2	0.2	-	0.2	-
Severance related to COVID-19	-	0.8	0.5	-	0.5	0.3
<b>Adjusted EBITDA</b>	<b>\$119.2</b>	<b>(\$80.2)</b>	<b>(\$48.3)</b>	<b>\$36.2</b>	<b>(\$47.1)</b>	<b>\$40.4</b>