UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2020
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number: 001-38658

EVENTBRITE, INC.
(Exact name of registrant as specified in its charter)

Delaware	**14-1888467**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

155 5th Street, 7th Floor
San Francisco, CA 94103
(415) 692-7779
(Address, including zip code and telephone number, including area code, of Registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Trading Symbol**	**Name of Exchange on Which Registered**
Class A Common Stock, $0.00001 par value per share	EB	New York Stock Exchange LLC

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant, based on the closing price of the shares of Class A common stock on June 30, 2020 (the last business day of the registrant’s most recently completed second fiscal quarter) as reported by the New York Stock Exchange on such date was approximately $576.9 million.

As of February 23, 2021, 69,784,526 shares of the registrant's Class A common stock and 23,178,157 shares of the registrant's Class B common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this report incorporates information by reference from the definitive Proxy Statement to be filed within 120 days after the end of the registrant's fiscal year ended December 31, 2020.

EVENTBRITE, INC.
ANNUAL REPORT ON FORM 10-K
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2020

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act), that involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "appears," "shall," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential," or "continue," or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements contained in this Annual Report on Form 10-K include, but are not limited to, statements related to the impacts of the COVID-19 global health pandemic, including its impact on us, our operations, or our future financial or operational results; our expectations regarding restructuring charges with respect to the workforce reduction implemented in response to the COVID-19 global health pandemic; statements regarding our credit agreement and our convertible senior notes, including the intended use of the net proceeds; statements about our future financial performance, including our revenue, costs of revenue and operating expenses; our anticipated growth and growth strategies and our ability to effectively manage that growth; our ability to achieve and grow profitability; the sufficiency of our cash, cash equivalents and investments to meet our liquidity needs; our ability to maintain the security and availability of our platform; our predictions about industry and market trends; our ability to attract and retain creators; our ability to successfully operate internationally; our ability to maintain, protect and enhance our intellectual property; our ability to attract and retain qualified employees and key personnel; our ability to comply with modified or new laws and regulations applying to our business; and our ability to successfully defend litigation brought against us.

The outcome of the events described in these forward-looking statements is subject to known and unknown risks, uncertainties and other factors, including those described in the section titled "Risk Factors" and elsewhere in this Annual Report on Form 10-K. We caution you that the foregoing list may not contain all of the forward-looking statements made in this Annual Report on Form 10-K. You should not rely upon forward-looking statements as predictions of future events.

All forward-looking statements are based on information and estimates available to the Company at the time of this Annual Report on Form 10-K and are not guarantees of future performance. We undertake no obligation to update any forward-looking statements made in this Annual Report on Form 10-K to reflect events or circumstances after the date of this Annual Report on Form 10-K or to reflect new information or the occurrence of unanticipated events, except as required by law.

SELECTED RISKS AFFECTING OUR BUSINESS

Investing in our common stock involves numerous risks, including the risks described in "Part I, Item 1A. Risk Factors" of this Annual Report on Form 10-K, any one of which could materially adversely affect our business, financial condition, results of operations, and prospects. These risks include, among others, the following:

- Factors adversely affecting the live event market could impact our results of operations.
- Our results vary from quarter-to-quarter and year-to-year. Our results of operations in certain financial quarters or years may not be indicative of, or comparable to, our results of operations in subsequent financial quarters or years.
- Our business may be subject to significant chargebacks and other losses for various reasons, including due to fraud or unsuccessful, postponed or cancelled events. These chargebacks and other losses may harm our results of operations and business.
- We have in the past, and may in the future, pay upfront creator signing fees and creator advances to certain creators when entering into exclusive ticketing or services agreements and if these arrangements do not perform as we expect or the scheduled events are cancelled, our business, results of operations and financial condition may be harmed.
- Our corporate strategy and restructuring plan may not be successful.
- Our success depends on our ability to attract new creators and retain existing creators.
- If we do not continue to maintain and improve our platform or develop successful new solutions and enhancements or improve existing ones, our business will suffer.
- Our software is highly complex, and we have in the past, and may in the future, discover previously undetected errors.
- Any significant system interruption or delays could damage our reputation, result in a potential loss of creators and adversely impact our business.
- If we cannot attract and retain attendees, our business will be harmed.
- We face potential liability, expenses for legal claims and harm to our business based on the nature of the events business.
- Unfavorable outcomes in legal proceedings may harm our business and results of operations.
- Our industry is highly fragmented. We compete against traditional solutions to event management and may face significant competition from both established and new companies. If we are not able to maintain or improve our competitive position, our business could suffer.
- Our payments system depends on third-party providers and is subject to risks that may harm our business.
- The processing, storage, use and disclosure of personal data could give rise to liabilities as a result of governmental regulation, conflicting legal requirements or differing applications of privacy regulations.
- Our platform might be used for illegal or improper purposes, all of which could expose us to additional liability and harm our business.
- Creators rely on third-party platforms, such as Facebook and Spotify, to connect with and attract attendees and we depend on our platform of partners and developers to create applications that will integrate with our platform.
- Changes in Internet search engine algorithms and dynamics, or search engine disintermediation, or changes in marketplace rules could have a negative impact on traffic for our sites and ultimately, our business and results of operations.
- We rely on software and services licensed from other parties. Defects in or the loss of software or services from third parties could increase our costs and adversely affect the quality of our service.
- We use open source software in our platform, which could subject us to litigation or other actions.
- If we fail to adequately protect our intellectual property rights, our competitive position could be impaired and we may lose valuable assets, generate reduced revenue and incur costly litigation to protect our rights.

- Our results of operations may be adversely affected if we are subject to a protracted infringement claim or a claim that results in a significant damage award.
- If we do not manage the risks of operating internationally effectively, our business, results of operations and financial condition could be harmed.
- We have a history of losses and we may not be able to generate sufficient revenue to achieve and maintain profitability.
- Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations.
- We may not be able to generate sufficient cash flows or raise the additional capital necessary to fund our operations or other liquidity needs.
- Substantial levels of indebtedness could adversely affect our cash flow and our ability to operate our business and to fulfill our obligations under our indebtedness.
- Data loss or security breaches could harm our business, reputation, brand and results of operations.
- The dual class structure of our common stock has the effect of concentrating voting control with our directors, executive officers and their affiliates and that may depress the trading price of our Class A common stock.

PART I

Item 1. Business

Overview

Eventbrite is a global self-service ticketing and experience technology platform that serves event creators and empowers their success. Our mission is to bring the world together through live experiences, and since inception, we have been at the center of the experience economy, helping to transform the way people organize and attend events.

The global COVID-19 pandemic has tested our mission, our company and event creators in unprecedented ways. Yet, even as people around the world follow guidance to shelter in place and practice social distancing, we believe the human need to connect and feel part of a community, to share ideas, entertain and learn remains as strong as ever. For more than a decade, Eventbrite has been there, meeting this core need and sparking human connection in nearly 180 countries.

The Eventbrite platform was built as a self-service platform to make it possible for anyone to create and sell tickets to live experiences. Creators—the people who bring others together to share their passions, artistry and causes through live experiences—are our North Star, and we have built, and continue to build, our platform to provide them with an intuitive, secure and reliable way to plan and execute their live and online events and scale their operations. We have a creator-aligned business model: we succeed when our creators succeed. We allow hosts of free events to use our platform for free and we charge creators of paid events on a per-ticket basis when an attendee purchases a paid ticket for an event. Our platform integrates seamlessly with internally-developed and third-party features designed to help our creators sell more tickets and scale their businesses.

The global COVID-19 pandemic has significantly impacted our company and the events industry as a whole as disease and government and third-party preventative and protective measures have limited the ability to gather in-person. We acted swiftly to implement cost savings, access capital to strengthen our financial position and shift our strategy to focus on our self-service creator experience and support for virtual events. Although our 2020 paid ticket volumes remained well below normal levels due to restrictions on in-person gatherings, we continued to see meaningful creator engagement throughout 2020 as creators pivoted to hosting virtual events and live events returned in select markets. We expect the recovery of live events will be neither quick nor linear, but we believe that by leaning into our core strengths—entrepreneurial creators, smaller events and self-service—we will help our creators successfully navigate the recovery and believe we have positioned Eventbrite for success over the long term.

In 2020, we helped more than 650,000 creators issue over 230 million free and paid tickets to approximately 4.6 million events in nearly 180 countries.

Our Opportunity

As of 2018, the global "experience economy" represented an estimated market opportunity of 16 billion paid tickets. We have positioned ourselves as a leader specializing in mid-market experiences—the millions of events globally that fall between stadium-scale events and small personal gatherings. Prior to coming to Eventbrite, many event creators used ad hoc solutions, including spreadsheets and pen and paper, to bring their events to life. We believe we uniquely solve their specific needs and enable them to bring their passions to their audiences.

Our Growth Strategy

2020 gave us the opportunity to revisit core, long-term choices about who we serve and how we differentiate ourselves from our competitors.

While Eventbrite has and will continue to open its arms to event creators who can successfully self-serve and host events on our platform, frequent creators are at the center of our strategy. Frequent creators typically host live (virtual and/or in-person) events monthly, with fewer than 50 attendees per event. They quickly build their audience, constantly evolve to keep growing and aim to make a career out of their events-based offering. In 2020, over two-thirds of all ticket fees were generated by frequent creators, who hosted five times more paid events than the average paid-event creator. Frequent creators feel confident when they are able to bring people together and run a successful event that helps them build their audience. For them, success is defined in simple terms: a well-attended event with happy attendees who plan to come back. Eventbrite is their tool for both expressing their skills and building their community.

Many frequent creators operate by cobbling together a handful of disparate services and vendors to sustain their events based business. Our strategy is to solve their specific needs through a holistic self-service solution that builds their confidence, enables them to reach new audiences and grow their business.

The key elements of our growth strategy are:

Build Creator Confidence. We strive to build a product experience and brand that will delight our frequent creators and help give them the confidence to hold more events and achieve their business goals, thereby driving our own success and revenue. We plan to build tools that will enable creators to expand their reach and engagement, as we refine our platform to make it even more intuitive and easy-to-use, particularly for creating and managing multiple events. Our industry insights and reinforcement of creators' success are designed to give creators confidence to hold another event.

Leverage our Scale. The market for event management solutions remains highly fragmented, and we intend to use our scale to provide a differentiated experience for our creators and consumers. We plan to continue to invest in search engine optimization and authoritative content to reinforce the prominence of our destination and the visibility of our event listings—both of which are key competitive advantages. We also plan to provide creators with actionable insights from creator and consumer data, and engage our millions of consumers through an impactful, memorable product experience.

Win Consumer Trust. We believe that by earning consumer trust we will be able to provide our event creators with a larger, more engaged audience, thereby driving our own success and revenue. We plan to enhance our search and discovery capabilities to enable consumers to more easily find events that are high quality and relevant to them. Further, we intend to use our data capabilities to provide reliable and relevant recommendations to consumers to drive reach and engagement. We also plan to build buyer confidence by increasing confidence in the event creators they are buying from.

We believe that these three elements will help set us apart from our competitors. As we better attract and retain frequent creators, they will create more events on the Eventbrite platform. More events will lead to more consumers on the Eventbrite platform. Greater scale allows us to provide smarter insights and tools for creators and consumers alike. And by providing more and more value to both creators and consumers, we believe we can become the most trusted-and most used-platform for events.

COVID-19 Impact on our Business

The COVID-19 pandemic and the self-imposed social distancing and government mandates to restrict gatherings of people have had a significant negative impact on our results of operations for 2020. Although we have seen our revenue partially recover since its low point in March 2020, particularly as we saw live events return in some countries outside the United States where COVID-related mandates eased or ended, our net revenue and paid ticket volume remained well below historic averages in the fourth quarter of 2020. Throughout the year, we experienced a significant decrease in our net revenues as a result of decreased paid ticket volume, increased refunds of our fees and increased estimated future refunds of our fees. We also recorded a significant increase in our reserves for estimated chargebacks and refunds related to advance payouts and higher impairment charges for creator signing fees and creator advances.

In the first half of 2020, we acted quickly to adjust to a world gripped by the global pandemic. In April 2020, we decided to refocus our strategy on acquiring and retaining creators who are able to use our platform with limited training, support or professional services. Many of these services were costly for us to deliver and afforded limited scope for sustainable differentiation or strong profitability. As a result of ceasing these offering, however, we may no longer be the best ticketing option for some creators and, consequently, have renegotiated or terminated some of our pre-existing customer contracts. At this time, we are not able to estimate with confidence the number of creators or the amount of revenue that may leave or has left our platform as a result of our strategy refocus as opposed to the impact of events simply not being held due to COVID-19.

In addition to our strategy refocus, we strengthened our Company by reducing ongoing costs by at least $100 million annually and raising capital we believe will help us to successfully execute our long-term strategy. For our creators, we provided guidance and functionality to enable them to carefully resume in-person events in compliance with social-distancing mandates. We also introduced new features such as creator Credits to compensate attendees for cancelled events instead of cash, and integrations with partners like Zoom to ease the transition to digital events. Internally, in addition to continuing to invest in our platform, we have worked to hone our customer acquisition strategy. We believe that the steps we have taken since March 2020—focusing on the most attractive customer segments and investing in our self-service business model—will help position Eventbrite as a strong player in our market.

Our Platform

We leverage technology to connect event creators and attendees through live experiences. Our platform consists of the Eventbrite Platform, our event creators and our technology.

The Eventbrite Platform

Eventbrite was founded with a creator-first ethos and our deep connection to creator communities around the world has helped us to anticipate their needs across the lifecycle of their events. From marketing and ticketing to event analytics, we built our self-service solution by listening to our creators. In November 2020, we acquired ToneDen, a social marketing platform to help enhance our customer engagement capabilities by offering our creators various marketing tools.

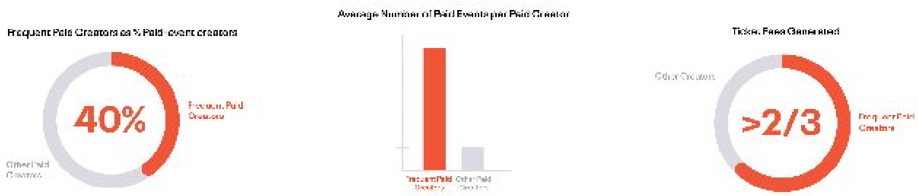
We designed our platform to produce consistent and reliable performance and to handle surges in traffic and transaction volume associated with high-demand on-sales and support millions of events each year. This approach gives creators a platform that can scale to their needs, offering everything from basic registration and ticketing to a fully-featured event management platform.

We offer alternative pricing packages in order to be able to meet the varying needs of creators who come to our platform. We offer three different pricing packages with corresponding levels of features to provide flexibility for each creator: Essentials, Professional and Premium. To help drive the growth of our business, we have periodically adjusted the pricing and components of our packages.

Our Event Creators

Event creators are the heart and soul of Eventbrite, and we build our platform with them in mind. Eventbrite creators are predominantly small teams, composed of 10 or fewer people. Most find their way to Eventbrite by keyword search, on the recommendation of other creators, or through their own Eventbrite experiences as attendees. Prior to coming to Eventbrite, many of our creators used ad hoc solutions, including generic email and spreadsheet programs, to track attendees and ticket sales.

While any event creator can host self-service events on our platform, our frequent creators are the key target for our business. These creative entrepreneurs tend to have a passion or a skill that they express through events, events tend to be the center of their business and they excel at community-building, especially online.



Our engineering team has built a sophisticated platform to meet the complex needs of millions of event creators across borders, languages and devices. We are continuing to strengthen our platform infrastructure as we shift from a monolithic architecture to one based on microservices. We believe the microservices infrastructure we are building will improve our platform's overall velocity, scalability and availability and ultimately benefit our event creators.

In the second half of 2020, we decided to leverage more of Amazon Web Service's technology, including Kinesis, DynamoDB and Step Functions, which we believe will result in increased engineering efficiency and enable our engineering team to dedicate more resources toward delivering customer value.

Built for Self-Service

Our self-service approach has allowed us to pioneer a powerful business model that drives our go-to-market strategy and allows us to efficiently serve a large number and variety of creators. It also enabled us to reposition our strategy during COVID-19 to continue building the best product for our creators while effectively managing our operational expenses. Historically, we derived approximately half our revenue from creators who signed themselves up to use our platform and approximately half our revenue from creators acquired through our sales channels, many of whom expected significant customer support. In April 2020, in response to the COVID-19 pandemic, we decided to refocus our strategy on acquiring and retaining creators who use our platform with minimal training, support or professional services, rather than creators who require significant event success and customer support.

Third-Party Developers

Our technology infrastructure facilitates product development and allows third-party developers to integrate features and functionality from Eventbrite into their environment. Our platform also allows developers to seamlessly integrate services from third-party partners. The Eventbrite App Store makes it easy for creators to find and install these solutions to help them market their events, engage with their audience, increase their productivity and track analytics.

Human Capital

Eventbrite is committed to bringing the world together through live experiences, and we like to think about working at Eventbrite as the ultimate live experience. In order to continue building on our innovative self-service ticketing and experience technology platform, it is important that we attract and retain strong employees. As part of these efforts, we strive to offer a competitive compensation and benefits program tailored to our employees needs across our global locations. We also provide meaningful perks and work to foster a diverse and inclusive culture and connect our employees with opportunities to make an impact in their communities.

As of December 31, 2020, we had a total of 611 employees, 352 were in the United States and 259 were in our international locations. In April 2020, we announced a global workforce reduction impacting approximately 45% of our employees as part of an expense reduction plan related to the impact of COVID-19. None of our employees are represented by a collective bargaining agreement.

C*ompensation and Benefits Program*

Our compensation program is designed to attract and reward talented individuals who possess the skills necessary to drive our business objectives, assist in the achievement of our strategic goals and create long-term value for our stockholders. We provide employees with compensation packages that include base salary, cash bonuses for certain employees, and long-term incentives in the form of stock. We believe that a competitive compensation program with both short-term and long-term award opportunities tied to the achievement of meaningful performance metrics, allows us to align employees with stockholders interests. In addition to our compensation programs, we also offer benefits tailored to our local employees globally such as life and health (medical, dental & vision) insurance, unlimited paid time off, paid parental leave, retirement plans and a wide variety of perks and stipends.

Diversity and Inclusion

We believe that progress as a society and as a company comes from proactively fostering diversity, equity and inclusion with tangible, evidence-based practices that we believe are key to attracting and retaining top talent. We are committed to hiring and retaining a diverse, equitable and inclusive team through initiatives that will ensure we are considering a diverse slate of candidates for all mid-level and higher positions and conducting audits to ensure pay equity. To foster an increased sense of inclusion at Eventbrite, we are committed to hosting ongoing workshops, conversations, exercises and training to explore how we can create change in our roles to foster more diversity, equity, and inclusion. Further we support social justice by using our platform and marketing channels to amplify creators and attendees that represent diverse genders, sexuality, race and ethnic groups and to promote racial and social justice, equality, equity and civic action, and prioritizing diversity in our vendors. Our employee “BriteBelonging" groups also help to build an inclusive culture through company events and education, participation in our recruitment efforts, and input into our hiring strategies.

Social Impact

Our social impact mission is to amplify the power of live connections and lift up one another, our communities, and the planet. We believe our commitment to these live connections enhances our efforts to attract and retain high performing employees. Through our BriteImpact program, our employees are offered paid volunteer time to engage with their communities and further advance causes they believe in. We have lobbied and advocated on behalf of the event community impacted by COVID-19 and empowered event creators to prioritize safety when hosting in person events with our COVID-19 Safety Playbook for Events. Further, to enhance voter turnout in the United States, we partnered with Headcount, to assist event creators in providing their attendees with a path to voter registration when buying tickets to their events.

Competition

The market for event management solutions is highly fragmented and is impacted by shifting creator and attendee needs and changing technology and consumer trends. We also compete with internally-developed systems. This competitive landscape provides creators and attendees with many channels to promote or engage with live experiences.

We believe that our competitors fall into four broad groups: internally-developed ad hoc systems that creators cobble together on their own; event management software vendors, who are typically dedicated to a particular category of events in a limited number of countries; smaller niche or regional providers, who are typically smaller in scale and have limited technology and feature functionality; and more recently, large technology companies who have added products in the online events space and whose user-bases have substantial event-related activity, such as Facebook, Alphabet and Zoom.

With respect to each of these competitor types, we seek to differentiate ourselves by being an event technology platform first and foremost, continuing to build a self-service product that will delight event creators, leveraging our scale and helping to build larger, more engaged audiences for our event creators.

Intellectual Property

Our ability to protect our intellectual property, including our technology, is an important factor in the success of our business. We rely on intellectual property laws, including trademarks, domain names, copyrights, trade secrets and patents laws, in the U.S. and abroad. We also use contractual provisions and restrictions governing access to our proprietary technology, including the use of confidentiality agreements and assignment of inventions agreements with employees, independent contractors, consultants, and companies with which we conduct business. As of December 31, 2020, we had 13 issued patents, which expire between 2031 and 2032, and one patent application pending in the United States. We intend to pursue additional patent protection to the extent we believe it would be beneficial and cost effective.

Despite our efforts to protect our intellectual property, unauthorized parties may still copy or otherwise obtain and use our technology.

Government Regulations

We are subject to a number of U.S. federal and state and foreign laws and regulations that involve matters central to our business. These laws and regulations involve privacy, data protection, intellectual property, competition, consumer protection, ticketing, payments, export taxation or other subjects. Many of the laws and regulations to which we are subject are still evolving and being tested in courts and could be interpreted in ways that could harm our business. In addition, the application and interpretation of these laws and regulations often are uncertain, particularly in the new and rapidly evolving industry in which we operate. Because global laws and regulations have continued to develop and evolve rapidly, it is possible that we may not be, or may not have been, compliant with each such applicable law or regulation.

Information about Geographic Revenue

Information about geographic revenue is set forth in Note 15 of our Notes to Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

Corporate Information

Eventbrite, Inc. was incorporated in Delaware in March 2008. Our corporate headquarters are located at 155 5th Street, 7th Floor, San Francisco, California 94103. Our website address is www.eventbrite.com. Information contained on, or that can be accessed through, our website does not constitute part of this Annual Report on Form 10-K.

Additional Information

The following filings are available through our investor relations website after we file them with the Securities and Exchange Commission (SEC): Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and our Proxy Statement for our annual meeting of stockholders. These filings are also available for download free of charge on our investor relations website. Our investor relations website is located at http://investor.eventbrite.com/. The SEC also maintains a website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

We webcast our earnings calls and certain events we participate in or host with members of the investment community on our investor relations website. Additionally, we provide notifications of news or announcements regarding our financial performance, including SEC filings, investor events, press and earnings releases, and blogs as part of our investor relations website. Further corporate governance information, including our corporate governance guidelines, code of conduct and committee charters is also available on our investor relations website under the heading "Corporate Governance."

In addition, we may, from time to time, announce material business and financial information to investors using our investor relations website, filings with the SEC, press releases, public conference calls and webcasts. We use these media, including our investor relations website, to communicate with the public about our Company and other issues. It is possible that the information we make available may, from time to time, be deemed to be material information. Therefore, we encourage investors, the media and others interested in our Company to review the information we make available on our investor relations website. Visitors to our website can also register to receive automatic email and other notifications alerting them when new information is made available on the investor relations website.

The contents of the websites referenced in this Annual Report on Form 10-K are not intended to be incorporated by reference into this Annual Report on Form 10-K or in any other report or document we file with the SEC, and any references to these websites are intended to be inactive textual references only.

Item 1A. Risk Factors

A description of the risks and uncertainties associated with our business is set forth below. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Annual Report on Form 10-K, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes. The risks and uncertainties described below may not be the only ones we face. If any of the risks actually occur, our business, results of operations, financial condition and prospects could be harmed. In that event, the market price of our Class A common stock could decline, and you could lose part or all of your investment. Many of the following risks and uncertainties are, and will be, exacerbated by the COVID-19 pandemic and any worsening of the global business and economic environment as a result.

Risks Related to Our Business and Industry

Factors adversely affecting the live event market could impact our results of operations.

We help creators organize, promote and sell tickets and registrations to a broad range of events. Our business is directly affected by the success of such events and our revenue is impacted by the number of events, types of events and ticket prices of events produced by creators. Adverse trends in one or more event industries could adversely affect our business. A decline in attendance at or reduction in the number of events may have an adverse effect on our revenue and operating income.

The ongoing global COVID-19 pandemic and the preventative and protective actions that governments, other third parties or we have taken or may in the future take in respect of COVID-19, including the shelter-in-place mandates, have resulted, and will continue to result, in a period of business disruption and reduced operations. In mid-2020, we saw some loosening of government-mandated COVID-19 restrictions in certain locations in response to improved COVID-19 infection levels. However, upon worsening COVID-19 infection rates in certain locations in late fiscal 2020 and in early fiscal 2021, local governmental authorities have either re-imposed some or all of earlier restrictions or imposed other restrictions, all in an effort to prevent the spread of COVID-19. During the year ended December 31, 2020, our net revenue decreased by 68% and our paid ticket volume decreased by 57% compared to the same period in 2019.

Further, in late fiscal 2020 and early fiscal 2021, vaccines for combating COVID-19 were approved by health agencies in certain countries and regions in which we operate (including the United States, United Kingdom, European Union, Canada and Australia) and began to be administered. However, initial quantities of vaccines are limited and vaccine distributions, controlled by local authorities, are being allocated, generally first to front-line health care workers and other essential workers and next to those members of individual populations believed most susceptible to severe effects from COVID-19. It is unclear if and when full administration of the COVID-19 vaccines will occur.

There is significant uncertainty regarding the extent and duration of the impact that the COVID-19 pandemic will have on our business. The extent to which COVID-19 impacts our business, result of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of COVID-19, including new variants, the actions taken to contain it or treat its impact and the distribution and efficacy of vaccines. The full extent to which COVID-19 impacts our business, results of operations and financial condition cannot be predicted at this time and the impact of COVID-19 may persist for an extended period of time or become more pronounced.

In addition, the COVID-19 pandemic may adversely impact the business and operations of third party service providers who perform critical services for our business, which in turn may adversely affect our business, results of operations and financial condition.

Further, our business depends on discretionary consumer and corporate spending. During periods of economic slowdown and recession, such as the worldwide recession triggered by the COVID-19 pandemic and the resulting high levels of unemployment, consumers have historically reduced their discretionary spending. The impact of economic slowdowns on our business is difficult to predict, but they may result in reductions in ticket and registration sales and our ability to generate revenue. Many factors related to discretionary consumer and corporate spending, including employment, fuel prices, interest and tax rates and inflation, can adversely impact our results of operations.

In addition, the occurrence and threat of extraordinary events, such as public health concerns, epidemics and pandemics (including the COVID-19 pandemic), terrorist attacks, mass-casualty incidents, natural disasters or similar events, or loss or restriction of individuals' rights to assemble, may deter creators from producing large events and substantially decrease the attendance at live events. For example, in January 2017, five people were killed at a music festival in Mexico ticketed by us, and in July 2019, four people were killed at a community festival in Gilroy, California, which was ticketed by us. Terrorism and security incidents, military actions in foreign locations and periodic elevated terrorism alerts have increased public concerns regarding air travel, military actions and national or local catastrophic incidents. These concerns have led to numerous challenging operating factors at live events, including additional logistics for event safety and increased costs of security. These challenges may impact the creator and attendee experience and lead to fewer events by creators and as a result may harm our results of operations.

Furthermore, adverse weather and climate conditions could impact the success of an event and disrupt our operations in any of our offices or the operations of creators, third-party providers, vendors or partners. Climate change is expected to continue to cause adverse weather conditions and natural disasters to become more frequent and less predictable. If an event is cancelled due to weather, attendees may expect and may be entitled to a refund, which may harm our results of operations and those of creators.

Accordingly, any adverse condition could lead to unsatisfied attendees that require refunds or chargebacks or increase the complexity and costs for creators and us, which will harm our business, results of operations and financial condition.

Our business may be subject to significant chargebacks and other losses for various reasons, including due to fraud or unsuccessful, postponed or cancelled events. These chargebacks and other losses may harm our results of operations and business.

We have experienced, and will continue to experience, chargebacks related to postponed or cancelled events and claims from attendees that creators have not performed their obligations or that events did not match their descriptions. These claims could arise from creator fraud or misuse, an unintentional failure of the event, which includes reschedules, indefinite postponements and cancellations, or from fraudulent claims by an attendee. We have experienced a high volume of event reschedules, postponements and cancellations because of the COVID-19 pandemic, which has significantly increased attendee claims and related reversals of payments received by us from payment card networks (known as chargebacks) and losses as a result of advance payment of ticket fees to creators. We expect we will experience a high volume of event reschedules, postponements and cancellations in the event of future global health crises, epidemics and pandemics.

Historically, for qualified creators who applied for payments in advance of their events to fund event-related costs, we passed proceeds from ticket sales to the creators prior to the events as we received the ticket sales proceeds, subject to certain limitations. We refer to these payments as advance payouts. When we provide advance payouts, we assume significant risk that the event may be cancelled, postponed, fraudulent, materially not as described or removed from our platform due to its failure to comply with our terms of service, merchant agreement or community guidelines, resulting in significant chargebacks, refund requests and/or disputes between attendees and creators. This risk has been significantly exacerbated by the unprecedented nature of the COVID-19 pandemic. The terms of our standard merchant agreement obligate creators to repay us for ticket sales advanced under such circumstances. However, we may not be able to recover our losses from these events, and COVID-19 has significantly increased the likelihood that we will not recover these losses. Such unrecoverable amounts could equal up to the value of the transaction or transactions settled to the creator prior to the event that has been postponed or cancelled or is otherwise disputed. This amount could be many multiples of the fees we collected from such transactions.

In March 2020, in light of the COVID-19 pandemic, we temporarily stopped making advance payouts to creators, which has led to creator claims against us and has put us at a competitive disadvantage to other ticketing providers that continue to make advance payouts to event creators on their platforms. We are exploring new ways to make advance payouts to qualified creators who meet strict guidelines and have started making advance payouts available to a limited number of low risk creators. As of February 23, 2021, the advance payout balance stood at $220.1 million, which includes approximately $9.5 million of recently issued advance payouts, as the company has resumed the program on a limited basis. Our potential advance payout exposure was approximately $226.6 million as of December 31, 2020.

Since mid-March 2020, creators and the funds we hold on their behalf have covered more than 99% of the advanced payout refunds requested. The total write-off from all lost advance payouts and other chargebacks was $3.3 million and $13.0 million for the years ended December 31, 2020 and 2019, respectively. Despite the reduction in write-offs, which is mainly due to events being postponed or rescheduled to a later date and an updated policy for refunding attendees, we have increased our reserves for estimated chargebacks and refunds by $30.5 million. This mainly relates to our advance payouts program for which we have recorded an estimated chargebacks and refunds reserve of $33.2 million on the consolidated balance sheets as of December 31, 2020. Due to the nature of the COVID-19 situation and the limited amount of currently available data, there is a high degree of uncertainty around the outcome of events that are currently postponed or rescheduled and the remaining advance payouts balance. It is possible that this amount will not be sufficient and our actual losses could be materially different from our current estimates. We will adjust our reserves in the future to reflect our best estimates of future outcomes. We cannot predict the outcome of or estimate the possible recovery or range of recovery from these matters.

Further, we have experienced fraudulent activity on our platform in the past, including fake events in which a person sells tickets to an event but does not intend to hold an event or fulfill the ticket, email spam being sent through our platform, a third party taking over the account of a creator to receive payments owed to such creator or orders placed with fraudulent or stolen credit card data and other erroneous transmissions. Although we have measures in place to detect and reduce the occurrence of fraudulent activity on our platform, those measures are not always effective. These measures must be continually improved and may not be effective against evolving methods of fraud or in connection with new platform offerings. If we cannot adequately control the risk of fraudulent activity on our platform, it could harm our business, results of operations and financial condition.

We have in the past, and may in the future, pay upfront creator signing fees and creator advances to certain creators when entering into exclusive ticketing or services agreements and if these arrangements do not perform as we expect or the scheduled events are cancelled, our business, results of operations and financial condition may be harmed.

We have in the past, and may in the future, pay upfront non-recoupable signing fees and recoupable advances to certain creators in order to incentivize them to organize certain events on our platform or obtain exclusive rights to ticket their events. These payments are common practice in certain segments of the ticketing industry and are typically made to a creator upon entering into a multi-year exclusive ticketing or services contract with us. In March 2020, in light of the COVID-19 pandemic, we substantially curtailed upfront payments to creators entering into new or renewed ticketing arrangements with us. We are also renegotiating the upfront payment portion of our contracts with some of our existing creators when such creators have missed contractual minimums to qualify for upfront payments or when such creators have experienced material adverse changes to their business or operations. We are continuing to evaluate our position on upfront payments, and we do not know when, or if, we will offer upfront payments to new or renewing creators in the future. We believe this lack of upfront payments will put us at a competitive disadvantage to ticketing solutions that offer cash incentives to newly acquired creators.

The multi-year exclusive arrangements that we entered into between 2015 and 2020 had an average term of 36 months and were typically for exclusive ticketing rights. A creator who receives a non-recoupable upfront payment, which we refer to as creator signing fees, keeps the entire upfront payment, so long as the creator complies with the terms of the creator’s contract with us, including performance of an event and achievement of certain ticket sale minimums. If a creator does not comply with the terms of the contract or perform an event, generally the creator is obligated to repay the upfront payment to us, although there is no guarantee that we will be able to collect such repayment. Creator signing fees, net, including noncurrent balances, were $9.5 million and $26.3 million as of December 31, 2020 and December 31, 2019, respectively, and, as of December 31, 2020, these payments are being amortized over a weighted-average remaining life of 3.3 years on a straight-line basis.

For recoupable signing fees, which we refer to as creator advances, we are entitled to recoup the entire advance by withholding all or a portion of the ticket sales sold by the creator to whom the advance was previously paid until we have fully recouped the advance. Creator advances, net, including noncurrent balances, were $6.7 million and $23.2 million as of December 31, 2020 and December 31, 2019, respectively. We pay these advances based on the expectations of future ticket sales on our platform by such creators. We make the decision to make these payments based on our assessment of the past success of the creator, past event data, future events the creator is producing and other financial information. We include commercial and legal protections in our contracts that may include advances, such as issuing the advance only after the creator begins selling tickets on our platform and requiring a third-party to guarantee the obligations and liabilities of the creator receiving such a payment, to mitigate the financial risk of making these payments. However, event performance may vary greatly from year-to-year and from event to event. If our assumptions and expectations with respect to event performance prove wrong or if a counterparty defaults or an event is not successful or is cancelled, our return on these advances will not be realized and our business, results of operations and financial condition could be harmed.

Our corporate strategy and restructuring plan may not be successful.

In April 2020, in response to the COVID-19 pandemic, we decided to refocus our strategy on acquiring and retaining creators who are able to use our platform with limited training, support or professional services, rather than creators who require significant support from our customer success and/or field operations functions. As a result, we have renegotiated or terminated the contracts of many of the creators acquired through our sales channel, many of whom expected significant customer support, and reduced the size of our sales, customer success and field operations teams. Further, because many creators are not hosting events due to COVID-19, we are not able to estimate the number of creators who left our platform as a result of the service level changes as opposed to those who have simply not held events due to the pandemic. As of December

31, 2019, high-touch sales creators made up approximately half of our gross ticket fees. In April 2020, we also announced a global workforce reduction impacting approximately 45% of our employees as part of an expense reduction plan related to the impact of COVID-19. The success of this restructuring will depend on, among other things, our ability to implement the refocused strategy, reduce operating expenses and retain senior management and other highly qualified personnel, and the success of our refocused strategy itself. Our workforce after this restructuring may not be sufficient to fully execute our strategy, and we may not be able to effectively attract or retain senior management or other qualified employees needed to implement this strategy. If we are unable to successfully execute our strategy, or if our strategy itself is not successful, our business, results of operations and financial condition may be adversely affected.

Our success depends on our ability to attract new creators and retain existing creators.

In April 2020, in response to the COVID-19 pandemic, we decided to refocus our strategy on acquiring and retaining creators who are able to use our platform with limited training, support or professional services, rather than creators who required significant support from our customer success and/or field operations functions. As of December 31, 2019, creators acquired through our sales channel, many of whom expected significant customer support, made up approximately half of our gross ticket fees. As part of this effort, we have reduced the size of our sales, customer success and field operations teams. Many creators who require a higher level of customer support have renegotiated or terminated their contracts with us, and more such creators may do so in the future. At this time, we are not able to estimate the number of creators who left our platform as a result of the service level changes as opposed to those who have simply not held events due to the pandemic.

Our success depends on our ability to attract new creators and retain existing creators. In addition to risks related to our refocused strategy on self-service creators, we may fail to attract new creators and retain existing creators due to a number of factors outlined in this section, including:

- COVID-19 and other global health conditions and related government prohibitions, limitations or recommendations on in-person gatherings, and creators' and consumers' perceived safety of in-person gatherings;
- our ability to maintain and continually enhance our platform and provide services that are valuable and helpful to creators, which maintenance and enhancements may take place at a slower pace because of our reduced workforce;
- our ability to offer customer support to creators and consumers, which has been significantly limited by our strategy shift and reduced workforce;
- competitive factors, including the actions of new and existing competitors in our industry, such as competitors buying exclusive ticketing rights or entering into or expanding within the market in which we operate;
- our ability to convince creators to migrate to our platform from their current practices, which include online ticketing platforms, venue box offices and do-it-yourself spreadsheets and forms;
- changes in our relationships with third parties, including our partners, developers and payment processors, that make our platform less effective for and attractive to creators;
- the quality and availability of key payment and payout methods;
- our ability to manage fraud risk that negatively impacts creators; and
- our ability to adapt to changes in market practices or economic incentives for creators, including larger or more frequent signing fees.

If we are unable to effectively manage these risks as they occur, creators may seek other solutions and we may not be able to retain them or acquire additional creators to offset any such departures, which would harm our business, results of operations and financial condition. Furthermore, the loss of creators and our inability to replace them with new creators and events of comparable quality and standing would harm our business, results of operations and financial condition.

We have a history of losses and we may not be able to generate sufficient revenue to achieve and maintain profitability.

We incurred net losses of $224.7 million and $68.8 million in the year ended December 31, 2020 and 2019, respectively, and as of December 31, 2020, we had an accumulated deficit of $597.5 million. Our net revenues were $106.0 million and $326.8 million in the year ended December 31, 2020 and 2019, respectively. Because of the impact of the COVID-19 pandemic, our revenue decreased significantly in the year ended December 31, 2020 as compared to December 31, 2019, and we expect that our revenue may decrease significantly in the near-term. We do not know when our net revenue will return to its pre-COVID-19 levels, if ever.

As of December 31, 2020, our chargebacks and refunds reserve increased to $33.2 million from $2.7 million at December 31, 2019. The increase was driven by the effects of the COVID-19 pandemic and related event cancellations and postponements and our estimated costs related to chargebacks and refunds, driven primarily by our advance payouts program. Due to the rapidly evolving COVID-19 situation and the limited amount of currently available data, there is a high degree of uncertainty around these reserves and future events, and our actual losses could materially differ from these estimates. We may pay in cash a portion of, all, or a greater amount than the $33.2 million reserve recorded as of December 31, 2020.

You should not rely on the revenue growth of any prior quarterly or annual period as an indication of our future performance. Although we anticipate our costs to decrease in the short-term, we expect to continue to incur losses due to the impact of the COVID-19 pandemic on our business, the future of live events and the global economy. If we are unable to return to revenue growth and manage our expenses effectively, we will not be able to achieve and maintain profitability.

We may not be able to generate sufficient cash flows or raise the additional capital necessary to fund our operations or other liquidity needs.

As of December 31, 2020, we had cash and cash equivalents of $505.8 million, of which $191.1 million was cash held on behalf of and due to our creators. The remaining cash and cash equivalents balance is available to us to fund our operating, investing and financing activities. In addition, due to the COVID-19 pandemic, which has drastically changed the landscape of the live events industry, we experienced a significant decrease in our net revenues as a result of decreased paid ticket volume and a significant increase in our operating expenses as a result of reserves recorded for our advanced payouts program and higher impairments of creator signing fees and creator advances. Our net revenues were $106.0 million and $326.8 million for the year ended December 31, 2020 and 2019, respectively, and the net cash (used in) provided by operating activities was $156.9 million and $30.0 million for the year ended December 31, 2020 and 2019, respectively. There is significant uncertainty regarding the extent and duration of the impact that the COVID-19 pandemic will have on our business, and we could exhaust our available financial resources sooner than we expect.

We may need to raise additional funds, and we may not be able to obtain additional debt or equity financing on favorable terms, if at all. Our ability to obtain financing will depend on a number of factors, including:

- general economic and capital market conditions, including as a result of the COVID-19 pandemic;
- the availability of credit from banks or other lenders;
- investor confidence in us; and
- our results of operations.

We cannot assure you that our business will generate sufficient cash flow from operations, or that we will be able to obtain financing, in an amount sufficient to fund our operations or other liquidity needs.

If we raise additional equity financing, our security holders may experience significant dilution of their ownership interests, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our Class A common stock and Class B common stock. In connection with the credit agreement we entered into in May 2020, we entered into a stock purchase agreement, pursuant to which we issued and sold 2,599,174 shares of Class A common stock for a purchase price of $0.01 per share, resulting in dilution to our equity holders.

The credit agreement we entered into in May 2020 provides for initial term loans in the aggregate principal amount of $125.0 million and delayed draw term loans in an aggregate principal amount of up to $50.0 million, subject to certain adjustments, which delayed draw term loans may only be accessed from December 31, 2020 until September 30, 2021, subject to certain conditions. In addition, in June 2020, we issued $150.0 million aggregate principal amount of 5.000% convertible senior notes due 2025 (2025 Notes). The term loans, the 2025 Notes and any additional funding from debt financings may make it more difficult for us to operate our business because a portion of our cash generated from internal operations will be used to make principal and interest payments on the indebtedness and we are, or may be, obligated to abide by restrictive covenants contained in the debt financing agreements. See the risk factors below titled “Substantial levels of indebtedness could adversely affect our cash flow and our ability to operate our business and to fulfill our obligations under our indebtedness” and “The terms of our debt covenants limit our discretion in operating our business and any failure to comply with such covenants could result in the default of all of our debt.”

If we need additional capital and cannot raise it on acceptable terms, if at all, we may not be able to, among other things:

- develop and enhance our platform and solutions;
- continue to expand our technology development, sales and marketing organizations;
- hire, train and retain employees;
- respond to competitive pressures or unanticipated working capital requirements; or
- pursue acquisition opportunities.

Our inability to do any of the foregoing could reduce our ability to compete successfully and could have an adverse effect on our business.

Substantial levels of indebtedness could adversely affect our cash flow and our ability to operate our business and to fulfill our obligations under our indebtedness.

In May 2020, we entered into a credit agreement that provides for initial term loans in the aggregate principal amount of $125.0 million and delayed draw term loans, which are currently available to us in an aggregate principal amount of $100.0 million. In accordance with the terms of the credit agreement, the amount currently available under the delayed draw term loans is $50.0 million as a result of the Company issuing $150.0 million in convertible senior notes. The delayed draw term loans may only be accessed from December 31, 2020 until September 30, 2021, subject to certain conditions. In addition, in June 2020, we issued $150.0 million aggregate principal amount of 5.000% convertible senior notes due 2025. Substantial levels of indebtedness would increase the possibility that we may not generate enough cash flow from operations to pay, when due, the principal of, interest on or other amounts due in respect of, these obligations. Other risks relating to long-term indebtedness include:

- increased vulnerability to general adverse economic and industry conditions;
- a need to divert a significant portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of cash to fund working capital, capital expenditures, acquisitions, investments and other general corporate purposes;
- limited ability to obtain additional financing, on terms we find acceptable, if needed, for working capital, capital expenditures, expansion plans and other investments, which may adversely affect our ability to implement our business strategy;
- limited flexibility in planning for, or reacting to, changes in our businesses and the markets in which we operate or to take advantage of market opportunities; and
- a competitive disadvantage compared to our competitors that have less debt.

The terms of our debt covenants limit our discretion in operating our business and any failure to comply with such covenants could result in the default of all of our debt.

The credit agreement we entered into in May 2020 contains various covenants that limit our discretion in operating our business, including financial maintenance covenants and negative covenants that restrict our or our subsidiaries' ability to, among other things:

- incur liens on our property or assets;
- borrow money, and guarantee or provide other support for the indebtedness of third parties;
- pay dividends or make other distributions on, redeem or repurchase our capital stock;
- prepay, redeem or repurchase certain of our indebtedness;
- enter into certain change of control transactions;
- make investments in entities that we do not control, including joint ventures;
- enter into certain asset sale transactions, including divestiture of certain company assets and divestiture of capital stock of wholly-owned subsidiaries;
- enter into certain transactions with affiliates;
- change our fiscal year; and
- enter into substantially different lines of business.

Agreements governing any future indebtedness will likely contain similar covenants. These covenants may limit our ability to effectively operate our businesses or maximize stockholder value.

In addition, our credit agreement requires that we meet certain financial tests, including, a minimum EBITDA covenant that will be tested on a consolidated basis beginning in the fiscal quarter ending December 2021 and a liquidity covenant. Our ability to satisfy these tests may be affected by factors and events beyond our control, and we may be unable to meet such tests in the future.

Any failure to comply with the restrictions of our credit agreement or any agreement governing any future indebtedness may result in an event of default under those agreements. Such default under our current credit agreement allows the lenders to accelerate, which may trigger cross-acceleration or cross-default provisions in other debt. In addition, the lenders would be able to terminate its commitment to fund us with the second tranche of funding under the credit agreement. Similar provisions would likely be included in any agreement governing future indebtedness.

We may not have the ability to raise the funds necessary for cash settlement upon conversion of the 2025 Notes or to repurchase the 2025 Notes for cash following a fundamental change, and our future debt may contain limitations on our ability to pay cash upon conversion of the 2025 Notes or to repurchase the 2025 Notes.

Subject to limited exceptions, holders of the 2025 Notes have the right to require us to repurchase their 2025 Notes upon the occurrence of a fundamental change (as defined in the indenture governing the 2025 Notes) at a cash repurchase price generally equal to the principal amount of the 2025 Notes to be repurchased, plus accrued and unpaid interest, if any, to, but excluding, the fundamental change repurchase date. In addition, upon conversion of the 2025 Notes, unless we elect to deliver solely shares of our Class A common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be required to make cash payments in respect of the 2025 Notes being converted. However, we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of 2025 Notes surrendered therefor or pay the cash amounts, if any, due upon conversion. In addition, our ability to repurchase the 2025 Notes or to pay cash upon conversions of the 2025 Notes may be limited by applicable law, by regulatory authorities or by agreements governing our future indebtedness. Our failure to repurchase the 2025 Notes at a time when such repurchase is required by the indenture governing the 2025 Notes or settle future conversions of the 2025 Notes as required by the indenture would constitute a default under such indenture. A default under the indenture or the fundamental change itself may also lead to a default under agreements governing our existing or future indebtedness, which may result in such existing or future indebtedness becoming immediately payable in full. We may not have sufficient funds to satisfy all amounts due under such existing or future indebtedness and repurchase the 2025 Notes or make cash payments due, if any, upon conversions thereof.

The accounting method for convertible debt securities that may be settled in cash, such as the 2025 Notes, could have a material effect on our reported financial results.

The accounting method for reflecting the 2025 Notes on our balance sheet, accruing interest expense for the 2025 Notes and reflecting the underlying shares of our Class A common stock in our reported diluted earnings per share may adversely affect our reported earnings and financial condition. We expect that, under applicable accounting principles, the initial liability carrying amount of the 2025 Notes will be the fair value of a similar debt instrument that does not have a conversion feature, valued using our cost of capital for straight, non-convertible debt. We expect to reflect the difference between the net proceeds from the offering of the 2025 Notes and the initial carrying amount as a debt discount for accounting purposes, which will be amortized into interest expense over the term of the 2025 Notes. As a result of this amortization, the interest expense that we expect to recognize for the 2025 Notes for accounting purposes will be greater than the cash interest payments we will pay on the 2025 Notes, which will result in lower reported income or higher reported loss. The lower reported income or higher reported loss resulting from this accounting treatment could depress the trading price of our Class A common stock and the 2025 Notes. However, in August 2020, the Financial Accounting Standards Board published an Accounting Standards Update, which we refer to as ASU 2020-06, eliminating the separate accounting for the debt and equity components as described above. ASU 2020-06 will be effective for us for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. However, early adoption is permitted in certain circumstances for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. When we adopt ASU 2020-06, we expect the elimination of the separate accounting described above to reduce the interest expense that we expect to recognize for the 2025 Notes for accounting purposes.

In addition, because we intend to settle conversions by paying the conversion value in cash up to the principal amount being converted and any excess in shares, we expect to be eligible to use the treasury stock method to reflect the shares underlying the 2025 Notes in our diluted earnings per share. Under this method, if the conversion value of the 2025 Notes exceeds their principal amount for a reporting period, then we will calculate our diluted earnings per share assuming that all the 2025 Notes were converted and that we issued shares of our Class A common stock to settle the excess. However, if reflecting the 2025 Notes in diluted earnings per share in this manner is anti-dilutive, or if the conversion value of the 2025 Notes does not exceed their principal amount for a reporting period, then the shares underlying the 2025 Notes will not be reflected in our diluted earnings per share. In addition, if accounting standards change in the future and we are not permitted to use the treasury stock method, then our diluted earnings per share may decline. For example, ASU 2020-06 amends these accounting standards, effective as of the dates referred to above, to eliminate the treasury stock method for convertible instruments and instead requires application of the "if-converted" method. Under that method, diluted earnings per share would generally be calculated assuming that all the 2025 Notes were converted solely into shares of Class A common stock at the beginning of the reporting period, unless the result would be anti-dilutive. The application of the if-converted method may reduce our reported diluted earnings per share.

The capped call transactions may affect the value of the 2025 Notes and our Class A common stock.

In connection with the offering of the 2025 Notes, we entered into capped call transactions (Capped Calls) with certain financial institutions (Option Counterparties). The Capped Calls are expected generally to reduce potential dilution to our Class A common stock upon any conversion of the 2025 Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted 2025 Notes, as the case may be, with such reduction and/or offset subject to a cap.

We have been advised that in connection with establishing their initial hedges of the Capped Calls, the Option Counterparties or their respective affiliates entered into various derivative transactions with respect to our Class A common stock and/or purchased shares of our Class A common stock concurrently with or shortly after the offering of the 2025 Notes.

In addition, we have been advised that the Option Counterparties and/or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our Class A common stock and/or purchasing or selling our Class A common stock or other securities of ours in secondary market transactions at any time prior to the maturity of the 2025 Notes (and are likely to do so during any observation period related to a conversion of 2025 Notes). This activity could cause or avoid an increase or a decrease in the market price of our Class A common stock.

We do not make any representation or prediction as to the direction or magnitude of any potential effect that the transactions described above may have on the price of the 2025 Notes or our Class A common stock. In addition, we do not make any representation that the Option Counterparties will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Our results vary from quarter-to-quarter and year-to-year. Our results of operations in certain financial quarters or years may not be indicative of, or comparable to, our results of operations in subsequent financial quarters or years.

Our quarterly results of operations have fluctuated significantly in the past due to a variety of factors, many of which are outside of our control and difficult to predict. As a result, it is difficult for us to forecast the level or source of our revenue accurately.

The COVID-19 pandemic and its impact on the events industry and global economy has and will make it extremely difficult for us to forecast the level or source of our revenue accurately. In March 2020, we withdrew our first quarter and full year 2020 financial guidance. We do not know if and when we will be able to reliably provide quarterly or full year financial guidance. Further, our April 2020 decision to refocus our strategy on acquiring and retaining self-service creators, rather than creators who require significant event success and customer support, will make period-to-period comparisons of our results of operations less meaningful.

Because our results may vary significantly from quarter-to-quarter and year-to-year, our financial results for one quarter or year cannot necessarily be compared to another quarter or year and may not be indicative of our future financial performance in subsequent quarters or years. Period-to-period comparisons of our results of operations may not be meaningful, and you should not rely upon them as an indication of future performance. In addition to other risk factors listed in this "Risk Factors" section, factors that may cause our results of operations to fluctuate include:

- COVID-19 and other global health conditions, epidemics or pandemics and related government prohibitions, limitations or recommendations on in-person gatherings, and creators' and consumers' perceived safety of in-person gatherings;
- changes in business or macroeconomic conditions;
- creator acquisition and retention;
- new solution introductions and expansions, or challenges with introduction;
- acquisition of companies and the success, or lack thereof, of migration of such companies' creators;
- changes in pricing or packages;
- the development and introduction of new products or services by us or our competitors;
- increases in operating expenses that we may incur to grow and expand our operations and to remain competitive;
- system failures or breaches of security or privacy;
- changes in stock-based compensation expenses;

- adverse litigation judgments, settlements or other litigation-related costs;
- changes in the legislative or regulatory environment, including with respect to privacy or data protection, or enforcement by government regulators, including fines, orders or consent decrees;
- fluctuations in currency exchange rates and changes in the proportion of our revenue and expenses denominated in foreign currencies;
- fluctuations in the market values of our portfolio investments and interest rates;
- changes in our effective tax rate;
- announcements by competitors or other third parties of significant new products or acquisitions or entrance into certain markets;
- our ability to make accurate accounting estimates and appropriately recognize revenue for our solutions for which there are no relevant comparable products; and
- changes in accounting standards, policies, guidance, interpretations, or principles.

In addition, historically, before the COVID-19 pandemic, we experienced more cash flow generally in the first and third quarters of a fiscal year. The seasonality of our business could create cash flow management risks if we do not adequately anticipate and plan for periods of decreased activity, which could harm our business, results of operations and financial condition.

If we do not continue to maintain and improve our platform or develop successful new solutions and enhancements or improve existing ones, our business will suffer.

Our ability to attract and retain creators depends in large part on our ability to provide a user-friendly and effective platform, develop and improve our platform and introduce compelling new solutions and enhancements. Our industry is characterized by rapidly changing technology, new service and product introductions and changing demands of creators. We spend substantial time and resources understanding creators' needs and responding to them. Building new solutions is costly and complex, and the timetable for commercial release is difficult to predict and may vary from our historical experience. In response to the COVID-19 pandemic, we shifted our focus to attracting and retaining creators who use our platform with limited training, support or professional services and reduced our workforce by approximately 45%, including engineering and development personnel. This shift in focus and decrease in our workforce will likely result in fewer, more targeted product enhancements and a slower product development timetable than we have experienced in the past. In addition, after development, creators may not be satisfied with our enhancements or perceive that the enhancements do not adequately meet their needs. The success of any new solution or enhancement to our platform depends on several factors, including timely completion and delivery, competitive pricing, adequate quality testing, integration with our platform, creator awareness and overall market acceptance and adoption. If we do not continue to maintain and improve our platform or develop successful new solutions and enhancements or improve existing ones, our business, results of operations and financial condition could be harmed.

Our software is highly complex, and we have in the past, and may in the future, discover previously undetected errors.

The software underlying our platform is highly complex and we have in the past, and may in the future, detect previously undetected errors or vulnerabilities, some of which may only be discovered after the code has been used in a production environment to deliver products and services. Any real or perceived errors, failures, bugs or other vulnerabilities discovered in our code could result in negative publicity and damage to our reputation, loss of creators and attendees, loss of or delay in market acceptance of our platform, loss of competitive position, loss of revenue or liability for damages, overpayments and/or underpayments, any of which could harm the confidence of creators and attendees on our platform, our business, results of operations and financial condition. In such an event, we may be required or may choose to expend additional resources in order to help correct the problem which may divert engineering staff from building new solutions or product enhancements. Because creators use our platform for processes that are critical to their businesses, errors, failures or bugs in our code have resulted, and could in the future result, in creators seeking significant compensation from us for any losses they suffer and/or ceasing conducting business with us altogether. There can be no assurance that provisions typically included in our agreements with creators that attempt to limit our exposure to claims would be enforceable or adequate or would otherwise protect us from liabilities or damages with respect to any particular claim. Even if unsuccessful, a claim brought against us by any creators would likely be time-consuming and costly to defend and could harm our business, results of operations and financial condition.

Further, over the past decade, we have continued to build complex code to evolve our product offerings. We are investing resources to reduce the complexity of the code underlying our software, and as a result, some of our engineering talent has been diverted from building new solutions or product enhancements. If our efforts to reduce the complexity of our code do not result in the improvement of our platform or if the diversion of our engineering staff prevents us from developing successful new solutions and enhancements, our business, results of operations and financial condition could be harmed.

Any significant system interruption or delays could damage our reputation, result in a potential loss of creators and adversely impact our business.

Our ability to attract and retain creators depends on the reliable performance of our technology, including our websites, applications, information and related systems. System interruptions, slow-downs and a lack of integration and redundancy in our information systems and infrastructure may adversely affect our ability to operate our technology, handle sales for high-demand events, process and fulfill transactions, respond to creator and attendee inquiries and generally maintain cost-efficient operations.

We also rely on affiliate and third-party computer systems, broadband and other communications systems and service providers in connection with the provision of services generally, as well as to facilitate, process and fulfill transactions. Any interruptions, outages or delays in our systems and infrastructures, our businesses, our affiliates' and/or third-party systems we use, or deterioration in the performance of these systems and infrastructures, could impair our ability to provide services, fulfill orders and/or process transactions. We have experienced, and may in the future experience, occasional system interruptions caused by outages by our partners that made, or may make, some or all systems or data unavailable or prevented, or may prevent, us from efficiently providing services or fulfilling orders. For example, in March 2020, most of our website experienced a 35 minute outage because of a hardware failure at one of our infrastructure partners, and in October 2019, our homepage experienced an outage for approximately 6.4 hours. Neither of these events had a material impact on the Company, but such events may reduce consumer trust in our platform.

We outsource our cloud infrastructure to Amazon Web Services (AWS), which hosts our platform, and therefore we are vulnerable to service interruptions at AWS, which could impact the ability of creators and attendees to access our platform at any time, without interruption or degradation of performance. Our customer agreement with AWS will remain in effect until July 31, 2025. In the event that our AWS service agreements are terminated, or there is a lapse of service, interruption of Internet service provider connectivity or damage to such facilities, we could experience interruptions in access to our platform as well as delays and additional expense in arranging new facilities and services. For example, we previously experienced interruptions in performance of our platform because of a hardware error that AWS experienced. We may also incur significant costs for using an alternative cloud infrastructure provider or taking other actions in preparation for, or in reaction to, events that damage the AWS services we use.

In addition, fire, flood, power loss, telecommunications failure, hurricanes, tornadoes, earthquakes, acts of war or terrorism, natural disasters and similar events or disruptions may damage or interrupt computer, broadband or other communications systems and infrastructures at any time. Any of these events could cause system interruptions, outages, delays and loss of critical data, and could prevent us from providing services, fulfilling orders and/or processing transactions. Our headquarters are located in the San Francisco Bay Area, an area subject to earthquakes and other seismic activity. While we have backup systems for certain aspects of our operations, disaster recovery planning by its nature cannot be sufficient for all eventualities. In addition, we may not have adequate insurance coverage to compensate for losses from a major interruption.

In some instances, we may not be able to identify the cause or causes of these performance problems within a period of time acceptable to creators. It may become increasingly difficult to maintain and improve our platform performance, especially during peak usage times, as the features of our platform become more complex and the usage of our platform increases. Any of the above circumstances or events may harm our reputation, cause creators to stop using our platform, impair our ability to increase revenue, impair our ability to grow our business, subject us to financial penalties and liabilities under our service level agreements and otherwise harm our business, results of operations and financial condition.

Our platform and solutions are accessed by a large number of creators and attendees often at the same time. As we continue to expand the number of creators and attendees and solutions available to creators and attendees, we may not be able to scale our technology to accommodate the increased capacity requirements, which may result in interruptions or delays in service. Furthermore, capacity constraints could be due to a number of potential causes including technical failures, natural disasters, fraud or security attacks. In addition, the failure of AWS cloud infrastructure or other third-party Internet service providers to meet our capacity requirements could result in interruptions or delays in access to our platform or impede our ability to scale our operations. The occurrence of any of these events could harm our business, results of operations and financial condition.

If we cannot attract and retain attendees, our business will be harmed.

The global COVID-19 pandemic and the preventative and protective actions that governments, other third parties or we have taken or may in the future take in respect of COVID-19, including the shelter-in-place mandates, have resulted, and will continue to result, in a significant decrease in the number of in-person events ticketed by our platform. With this significant drop in in-person event inventory, it is difficult for us to attract and retain attendees. After shelter-in-place and social distancing policies are relaxed, consumers may not immediately feel safe gathering in-person. We do not expect large-scale gatherings to occur in the near-term. The extent to which COVID-19 impacts our ability to retain and attract new attendees will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of COVID-19, the actions taken to contain it or treat its impact, the emergence of new COVID-19 variants and the distribution and efficacy of the COVID-19 vaccines. The full extent to which COVID-19 impacts our business, results of operations and financial condition cannot be predicted at this time and the impact of COVID-19 may persist for an extended period of time or become more pronounced.

Further, in order to continue to support creators, we need to continue to provide a compelling platform for creators to attract and retain attendees. Several factors may impact an attendee’s experience with our platform, including:

- our ability to provide an easy solution for attendees to buy tickets or register for an event;
- outages or delays in our platform and other services, including delays in getting into events;
- compatibility with other third-party services, such as Facebook and Spotify, and our ability to connect with other applications through our application programming interface (API);
- fraudulent or unsuccessful events that may result in a bad experience for attendees;
- breaches and other security incidents that could compromise the data of attendees; and
- availability of our customer service channels and our ability to get information and respond to complaints and other issues in a timely and effective manner.

If attendees become dissatisfied with their experiences on our platform or at an event, they may request refunds, provide negative reviews of our platform or decide not to attend future events on our platform, all of which would harm our business, results of operations and financial condition.

We rely on the experience and expertise of our founders, senior management team, key technical employees and other highly skilled personnel and the failure to retain, motivate or integrate any of these individuals could have an adverse effect on our business, results of operations and financial condition.

Our success depends upon the continued service of our founders and senior management team and key technical employees, as well as our ability to continue to attract and retain additional highly qualified personnel. Our future success depends on our continuing ability to identify, hire, develop, motivate, retain and integrate highly skilled personnel for all areas of our organization. Each of our founders, executive officers, key technical personnel and other employees could terminate his or her relationship with us at any time. The loss of any of our founders or any other member of our senior management team or key personnel might significantly delay or prevent the achievement of our business objectives and could harm our business and our relationships. A number of members of our management team have recently transitioned out of the Company. Competition in our industry for qualified employees is intense. In addition, our compensation arrangements, such as our equity award programs, may not always be successful in attracting new employees and retaining and motivating our existing employees.

We face significant competition for personnel, particularly in the San Francisco Bay Area, Nashville, Tennessee and Mendoza, Argentina. To attract top talent, we have had to offer, and believe we will need to continue to offer, competitive compensation and benefits packages. We may also need to increase our employee compensation levels in response to competition. In April 2020, as a result of the COVID-19 pandemic, we reduced our global workforce by approximately 45%. This workforce reduction may hurt our employment brand and may make it more difficult to hire employees in the future. Further, as the economy recovers from the COVID-19 pandemic, we may not be able to hire new employees quickly enough to meet our needs. If we fail to effectively manage our hiring needs or successfully integrate new hires, our efficiency, ability to meet forecasts and our employee morale, productivity and retention could suffer, which may harm our business.

Our corporate culture has contributed to our success, and if we cannot maintain this culture, we could lose the innovation, creativity and teamwork fostered by our culture, which could harm our business.

We believe that our corporate culture has been an important contributor to our success, which we believe fosters innovation, teamwork and passion for creators. As a result of the COVID-19 pandemic, our global workforce has moved to a remote working environment until it is safe to re-open our offices. With most of our employees working remotely, we could face operational difficulties that could impair our ability to conduct and manage our business effectively. It is also possible that the nature of in-person work will change as a result of COVID-19. As we work from home, we may find it difficult to maintain our corporate culture, which could limit our ability to innovate, operate effectively and retain employees. Further, to mitigate the impact of COVID-19 on our business, in April 2020 we reduced our workforce by approximately 45% and temporarily froze hiring, promotions and compensation increases. These actions are expected to negatively impact employee morale in the near term and our productivity and retention could suffer, which may harm our business. Further, most of our employees have been with us for fewer than three years as a result of our rapid growth in the past. If we return to growth, we must effectively integrate, develop and motivate a growing number of new employees. In addition, we recently adopted our future work plan, which will provide our workforce with the option to come into the office for work when our offices reopen, to come into the office occasionally or to work solely from home. While we believe this work plan will benefit our workforce and company, it is possible that it could result in operational difficulties and affect our culture. Any failure to preserve our culture could also negatively affect our ability to retain and recruit personnel, maintain our performance or execute on our business strategy, which may harm our business, results of operations and financial condition.

We face potential liability, expenses for legal claims and harm to our business based on the nature of the events business.

We face potential liability and expenses for legal claims relating to the events business, including potential claims related to event injuries or the spread of disease allegedly caused by us, creators, service providers, partners or unrelated third parties. For example, third parties have asserted in the past, and may assert in the future, legal claims against us in connection with personal injuries, which may include deaths, related to occurrences at an event. See the risk factor above titled “Factors adversely affecting the live event market could impact our business and results of operations.” Even if our personnel are not involved in these occurrences, we may face legal claims and incur substantial expenses to resolve such claims. Further, if we provide resources regarding event safety, or onsite personnel to support ticketing at an event, we may face liability related to our provision of such services, including legal claims against us in connection with personal injuries, which may include deaths or spread of disease, which may harm our business, results of operations and financial condition.

As a result of certain decisions we made in March 2020, we have in the past, and may in the future, face legal claims from creators who did not receive advance payout payments or who did not meet contractual minimums for upfront payments, which may harm our business, results of operations and financial condition. Further, as a result of our April 2020 decision to refocus our strategy on acquiring and retaining creators who use our platform with limited training, support or professional services, we have in the past, and may in the future, face legal claims from creators for whom we are no longer providing certain services, which may harm our business, results of operations and financial condition. We may experience an increase in employment claims against us as a result of our April 2020 global workforce reduction, which may harm our business, results of operations and financial condition. In addition, class action lawsuits have been filed against other players in the live events space, including StubHub and Live Nation, over their refund policies in response to events cancelled due to COVID-19. In June 2020, a similar lawsuit was filed against us, and it is possible that we will become subject to other similar claims, which may harm our business, results of operations and financial condition. Such actions, and other actions we may have taken or may take in the future in response to the COVID-19 pandemic and its impact on our business, may open us up to additional legal claims or additional liability, which may harm our business, results of operations and financial condition.

Unfavorable outcomes in legal proceedings may harm our business and results of operations.

Our business and results of operations may be affected by the outcome of pending and future litigation, claims, investigations, legal and administrative cases and proceedings, whether civil or criminal, or lawsuits by governmental agencies or private parties. For example, in April 2019, purported stockholders of our company filed putative securities class actions in state and federal court in California against Eventbrite, certain of our executives and directors, our underwriters for our initial public offering (IPO), and/or certain of our venture capital investors, on behalf of a putative class of persons who purchased or acquired Eventbrite securities traceable to our IPO and/or who purchased or acquired Eventbrite securities after the IPO. These actions allege violations of the Securities Act and the Exchange Act based on alleged material misrepresentations and/or omissions in our IPO offering documents and subsequent statements. The actions seek unspecified monetary damages and other relief. Regardless of whether or not there is merit to the claims underlying these class actions, any similar future litigation, or any other legal proceedings to which we are subject, and regardless of whether or not we are found as a result of such proceedings to have violated any applicable laws, such proceedings can be expensive to defend or respond to, and could result in substantial costs and diversion of management's attention and resources, which could harm our business, and potentially could cause substantial and irreparable harm to our public reputation. Moreover, if the results or settlement of these legal proceedings are unfavorable to us or if we are unable to successfully defend against third-party lawsuits, we may be required to pay monetary damages or may be subject to fines, penalties, injunctions or other censure that could have an adverse effect on our business, results of operations, financial condition and reputation. Further, our liability insurance coverage may not be sufficient to satisfy, or may not cover, any expenses or liabilities that may arise. Even if we adequately address the issues raised by an investigation or proceeding or successfully defend a third-party lawsuit or counterclaim, we may have to devote significant financial and management resources to address these issues, which could harm our business, results of operations and financial condition.

Our industry is highly fragmented. We compete against traditional solutions to event management and may face significant competition from both established and new companies. If we are not able to maintain or improve our competitive position, our business could suffer.

We operate in a market that is highly fragmented. We compete with a variety of competitors to secure new and retain existing creators, including traditional solutions to event management, such as offline, internal or ad hoc solutions, local or specialized market competitors, products offered by large technology companies that have entered into or may enter the market, or other ticketing competitors. If we cannot successfully compete in the future with existing or potential competitors, our business, results of operations and financial condition will be harmed.

Some of our current and potential competitors have significantly more financial, technical, marketing and other resources, are able to devote greater resources to the development, promotion, sale and support of their services, have more extensive customer bases and broader customer relationships, have longer operating histories and greater name recognition than we do. For example, in certain segments of the event market, event creators are accustomed to receiving upfront payments and advance payouts to incentivize them to join an event platform and to balance their cash flow needs. In March 2020, in light of the COVID-19 pandemic, we stopped offering upfront payments to creators entering into new or renewed ticketing arrangements with us, and we temporarily stopped making advance payouts to creators. We are exploring new ways to make advance payouts to qualified creators who meet strict guidelines and have started making advance payouts available to a limited number of low risk creators. We do not know when, or if, we will offer upfront sales incentive payments to new or renewing creators. We believe this will put us at a competitive disadvantage to ticketing solutions that offer these incentives to their creators.

We may also compete with potential entrants into the market that currently do not offer the same services but could potentially leverage their networks in the market in which we operate. For instance, large e-commerce companies such as eBay and Amazon have in the past operated, or currently operate, within the ticketing space. In addition, other large companies with large user-bases that have substantial event-related activity, such as Facebook, Alphabet and Zoom, have recently added products in the online events space. These competitors may be better able to undertake more extensive marketing campaigns, build products and features faster than we can and/or offer their solutions and services at a discount to ours. Furthermore, some of our competitors may customize their products to suit a specific event type, category or customer. We also compete with self-service products that provide creators with alternatives to ticket their events by integrating such self-service products with creators’ existing operations. If we are unable to compete with such alternatives, the demand for our solutions could decline.

Some of our competitors have existing relationships or may develop relationships with potential creators or the venues or facilities used by those creators, which have in the past caused and may in the future cause those creators to be unwilling or unable to use our platform and this may limit our ability to successfully compete in certain markets where such relationships are common. For example, some competitors purchase venues or rights to events and/or enter into exclusivity agreements with creators. If creators do not remain independent from our potential competitors, demand for our platform will diminish and our business, results of operations and financial condition will be harmed.

Acquisitions, investments or significant commercial arrangements could result in operating and financial difficulties.

We have acquired or entered into commercial arrangements with a number of businesses in the past, including Ticketly and, recently, ToneDen. Our future growth may depend, in part, on future acquisitions, investments or significant commercial arrangements, any of which could be material to our results of operations and financial condition. Financial and operational risks related to acquisitions, investments and significant commercial arrangements that may have an impact on our business include:

- use of cash resources and the incurrence of debt and contingent liabilities in funding acquisitions may limit other potential uses of our cash, including for retirement of outstanding indebtedness and any future stock repurchases or dividend payments;

- difficulties and expenses in assimilating the operations, products, data, technology, privacy, data protection systems and information security systems, information systems or personnel of the acquired company;
- failure of the acquired company to achieve anticipated benefits, revenue, earnings or cash flows or our failure to retain key employees from an acquired company;
- the assumption of known and unknown risks, debt and liabilities of the acquired company, deficiencies in systems or internal controls and costs associated with litigation or other claims arising in connection with the acquired company;
- potential accounting charges to the extent intangibles recorded in connection with an acquisition, such as goodwill, trademarks, customer relationships, developed technology or intellectual property, are later determined to be impaired and written down in value;
- failure to properly and timely integrate acquired companies and their operations, reducing our ability to achieve, among other things, anticipated returns on our acquisitions through cost savings and other synergies;
- adverse market reaction to acquisitions;
- failure to consummate such transactions; and
- other expected and unexpected risks with pursuing acquisitions, including, but not limited to, litigation or regulatory exposure, such as our shareholder lawsuit related to disclosures about the migration of Ticketfly customers, unfavorable accounting treatment, increases in taxes due, a loss of anticipated tax benefits, costs or delays to obtain governmental approvals, diversion of management’s attention or other resources from our existing business and other adverse effects on our business, results of operations or financial condition.

When we acquire companies or other businesses, we face the risk that creators of the acquired companies or businesses may not migrate to our platform or may choose to decrease their level of usage of our platform post migration. We have previously experienced customer loss in the process of integrating and migrating acquired companies for a variety of reasons. The pace and success rate of migration may be influenced by many factors, including the pace and quality of product development, our ability to operationally support the migrating creators and our adoption of business practices outside of our platform that matter to the creator.

Moreover, we rely heavily on the representations and warranties and related indemnities provided to us by our acquired targets and their equity holders, including as they relate to creation, ownership and rights in intellectual property, compliance with laws, contractual requirements and the ability of the acquisition target to continue exploiting material intellectual property rights and technology after the acquisition. If any such representations are inaccurate or such warranties are breached, or if we are unable to fully exercise our indemnification rights, we may incur additional liabilities, disruptions to the operations of our business and diversion of our management’s attention.

Our failure to address these risks or other problems encountered in connection with past or future acquisitions, investments and significant commercial arrangements could cause us to fail to realize the anticipated benefits of such transactions, incur unanticipated liabilities and harm our business, results of operations and financial condition.

Our payments system depends on third-party providers and is subject to risks that may harm our business.

We rely on third-party providers to support our payments system. Over 90% of revenue on our platform is associated with payments processed through our internal payment processing capabilities, called EPP. EPP uses a combination of multiple external vendors to provide a single, seamless payments option for creators and attendees. Beyond EPP, the remainder of creators’ paid ticket sales are processed through linked, creator-owned, third-party accounts, including PayPal and Authorize.net, which we call Facilitated Payment Processing (FPP).

As a complex, multi-vendor system with proprietary technology added, EPP relies on banks and third-party payment processors to process transactions and access various payment card networks to allow creators to manage payments in an easy and efficient manner. We also rely on our providers to process transactions as a payment facilitator of a payment network. Any of our payment providers and vendors that do not operate well with our platform could adversely affect our payments systems and our business. We have multiple integrations in place at one time allowing for back up processing on EPP if a single provider is unable or unwilling to process any given transaction, payment method or currency. However, if any or some of these providers do not perform adequately, determine certain types of transactions as prohibitive for any reason or fail to identify fraud, if these providers’ technology does not interoperate well with our platform, or if our relationships with these providers were to terminate unexpectedly, creators may find our platform more difficult to use and the ability of creators using our platform to sell tickets could be adversely affected, which could cause creators to use our platform less and harm our business.

We must also continually integrate various payment methods used both within the United States and internationally into EPP. To enhance our acceptance in certain international markets we have in the past adopted, and may in the future adopt, locally-preferred payment methods and integrate such payment methods into EPP, which may increase our costs and also require us to understand and protect against unique fraud and other risks associated with these payment methods. For example, in Brazil we localized our platform to allow the use of boleto bancário (bank slip) as a payment method, and we invested capital and management attention to achieve this. If we are not able to integrate new payment methods into EPP effectively, our business, results of operations and financial condition could be harmed.

Our payment processing partners require us to comply with payment card network operating rules, which are set and interpreted by the payment card networks. The payment card networks could adopt new operating rules or interpret or re-interpret existing rules in ways that might prohibit us from providing certain services to some creators, be costly to implement or difficult to follow. We have agreed to reimburse our payment processors for fines they are assessed by payment card networks if we or creators using our platform violate these rules, such as our processing of various types of transactions that may be interpreted as a violation of certain payment card network operating rules.

In addition, payment card networks and payment processing partners could increase the fees they charge us for their services or for an attendee using one of their cards, which would increase our operating costs and reduce our margins. If we are unable to negotiate favorable economic terms with these partners, our business, results of operations and financial condition could be harmed.

Data loss or security breaches could harm our business, reputation, brand and results of operations.

Security breaches, computer malware and computer hacking attacks have become more prevalent across industries and may occur on our systems or those of our third-party service providers or partners. Despite the implementation of security measures, our internal computer systems and those of our third-party service providers and partners are vulnerable to damage from computer viruses, hacking and other means of unauthorized access, denial of service and other attacks, natural disasters, terrorism, war and telecommunication and electrical failures. Attacks upon information technology systems are increasing in their frequency, levels of persistence, sophistication and intensity, and are being conducted by sophisticated and organized groups and individuals with a wide range of motives and expertise. As a result of the COVID-19 pandemic, we may face increased cybersecurity risks due to our reliance on internet technology and the number of our employees who are working remotely, which may create additional opportunities for cybercriminals to exploit vulnerabilities. In addition to unauthorized access to or acquisition of personal data, confidential information, intellectual property or other sensitive information, such attacks could include the deployment of harmful malware and ransomware, and may use a variety of methods, including denial-of-service attacks, social engineering and other means, to attain such unauthorized access or acquisition or otherwise affect service reliability and threaten the confidentiality, integrity and availability of information. Furthermore, the prevalent use of mobile devices increases the risk of data security incidents. In addition, misplaced, stolen or compromised mobile devices used at events for ticket scanning, or otherwise, could lead to unauthorized access to the device and data stored on or accessible through such device. We have in the past experienced breaches of our security measures, and our platform and systems are at risk for future breaches as a result of third-party action or employee, service provider, partner or contractor error or malfeasance. For example, in June 2018, we publicly announced that a criminal was able to penetrate the Ticketfly website and access certain consumer data, including names, email addresses, shipping addresses, billing addresses and phone numbers. For a short time, we disabled the Ticketfly platform to contain the risk of the cyber incident, which disabled ticket sales through Ticketfly during that period. We have incurred costs related to responding to and remediating this incident and have suffered a loss of revenue for the period during which the Ticketfly platform was disabled. In the year ended December 31, 2018, we recorded $7.0 million for costs associated with this incident, of which $6.7 million was recorded as a reduction to net revenue and $0.3 million was recorded as an operating expense. We also recorded $6.6 million related to insurance proceeds to be received from the Ticketfly incident as a reduction in general and administrative expenses in the year ended December 31, 2018. Such proceeds were a partial reimbursement for accommodations to creators which were recorded as contra revenue. This cyber incident delayed the completion of the integration of Ticketfly, which resulted in extended customer migration time and slower realization of synergies. We may be subject to litigation and experience reputational harm, and have been subject to claims and suffered customer loss, related to this incident. In the future, our financial performance may be impacted further if we face additional costs and expenses from customer compensation and retention incentives, creator loss, regulatory inquiries, litigation and further remediation and upgrades to our security infrastructure. Although we have insurance coverage, our policy may not cover all financial expenses related to this matter.

In addition, our platform involves the storage and transmission of personal information of users of our platform in our facilities and on our equipment, networks and internal or third-party systems. Security breaches could expose us to litigation, remediation costs, increased costs for security measures, loss of revenue, damage to our reputation and potential liability. User data and corporate systems and security measures may be breached due to the actions of outside parties, employee error or misconduct, malfeasance, a combination of these or otherwise, and, as a result, an unauthorized party may obtain access to our data or data of creators and attendees. Additionally, outside parties may attempt to fraudulently induce employees, creators or attendees to disclose sensitive information in order to gain access to creator or attendee data. We must continuously examine and modify our security controls and business policies to address the use of new devices and technologies, and the increasing focus by users and regulators on controlling and protecting user data. We may need to expend significant resources to protect against and remedy any potential security breaches and their consequences. Any security breach of our platform or systems, the systems or networks of our third-party service providers or partners, or any unauthorized access to information we or our providers and partners process or maintain, could harm our business, results of operations and financial condition.

The techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently or may be designed to remain dormant until a predetermined or other future event and often are not recognized until launched against a target. As a result, we and our third-party service providers and partners may be unable to anticipate these techniques or implement adequate preventative measures. While we have implemented security measures intended to protect our information technology systems and infrastructure, there can be no assurance that such measures or our third-party service providers' and partners' security measures will successfully prevent service interruptions or further security incidents. Although it is difficult to determine what harm may directly result from any specific interruption or breach, any actual or perceived failure to maintain performance, reliability, security and availability of our network infrastructure, or of any third-party networks or systems used or supplied by our third-party service providers or partners, to the satisfaction of creators and attendees may harm our reputation and our ability to retain existing creators and attendees and attract new creators and attendees.

Examples of situations which have in the past and may in the future lead to unauthorized access of data may include:

- employees inadvertently sending financial information of one creator, attendee or employee to another creator, attendee or employee;
- employee malfeasance;
- creators' failure to properly password protect their leased ticket scanning and site operations devices leaving the data available to anyone using the device;
- a device stolen from an event and data access, alteration or acquisition occurring prior to our remote wiping of the data;
- an employee losing their computer or mobile device or otherwise, allowing for access to our email and/or administrative access, including access to guest lists to events;
- external breaches leading to the circulation of "dark web" lists of user name and password combinations openly vulnerable to attack without immediate detection;
- a hack of one of our databases;
- account takeovers;
- a hack of a third-party service provider's or partner's database; and
- unauthorized access to our offices or other properties.

If an actual or perceived breach of our security occurs, the market perception of the effectiveness of our security measures could be harmed, we could lose creators and attendees or we could face lawsuits, regulatory investigations or other legal or regulatory proceedings and we could suffer financial exposure due to such events or in connection with regulatory fines, remediation efforts, investigation costs, changes or augmentation of our security measures and the expense of taking additional system protection measures.

The processing, storage, use and disclosure of personal data could give rise to liabilities as a result of governmental regulation, conflicting legal requirements or differing applications of privacy regulations.

We receive, transmit and store a large volume of personal data and other user data. Numerous federal, state and international laws address privacy, data protection and the collection, storing, sharing, use, disclosure and protection of personal data and other user data. In the United States, numerous states already have, and are looking to expand, data protection legislation requiring companies like ours to consider solutions to meet differing needs and expectations of creators and attendees. For example, California enacted the California Consumer Privacy Act (CCPA), which took effect on January 1, 2020. The CCPA establishes a new privacy framework for covered businesses such as ours, and may require us to modify our data processing practices and policies and incur compliance related costs and expenses. The CCPA provides new and enhanced data privacy rights to California residents, such as affording consumers the right to opt out of certain sales of personal information and prohibits covered businesses from discriminating against consumers (e.g., charging more for services) for exercising any of their CCPA rights. The CCPA provides for potentially severe statutory penalties, and a private right of action for data breaches resulting from a failure to implement reasonable security procedures and practices. In addition, in November

2020, California voters approved the California Privacy Rights Act ("CPRA") ballot initiative which introduced significant amendments to the CCPA and established and funded a dedicated California privacy regulator, the California Privacy Protection Agency ("CPPA"). The amendments introduced by the CPRA go into effect on January 1, 2023, and new implementing regulations are expected to be introduced by the CPPA. Some observers have noted that the CCPA and CPRA could mark the beginning of a trend toward more stringent privacy legislation in the United States, which could increase our potential liability and adversely affect our business. Moreover, the state of Nevada enacted a law that went into force on October 1, 2019 and requires companies to honor consumers' requests to no longer sell their data. Violators may be subject to injunctions and civil penalties.

Additionally, the Health Insurance Portability and Accountability Act of 1996 and the Health Information Technology for Economic and Clinical Health Act (collectively, "HIPAA") governs the use, disclosure, and security of protected health information by HIPAA "covered entities" and their "business associates," and subjects those "covered entities" and their "business associates" to certain privacy and security regulations. The U.S. Department of Health and Human Services ("HHS") (through the Office for Civil Rights) has direct enforcement authority over covered entities and business associates with regard to compliance with HIPAA regulations.

In early 2021, certain local health departments and other health care providers started using Eventbrite to schedule COVID-19 vaccine appointments. It is possible that some of these departments or providers are HIPAA covered entities, and they or their business associates are using Eventbrite services in ways that involve protected health information subject to HIPAA. As a result, Eventbrite may meet the definition of a business associate under HIPAA. On January 19, 2021, the Office for Civil Rights ("OCR") for HHS, which is the HHS's enforcement authority, announced that it will exercise its enforcement discretion ("Notification of Enforcement Discretion"), retroactive to December 11, 2020, and will not impose penalties for violations of HIPAA on covered health care providers or their business associates in connection with the good faith use of online or web-based scheduling applications for the scheduling of individual appointments for COVID-19 vaccinations during the COVID-19 nationwide public health emergency, regardless of whether the vendor has actual or constructive knowledge that it meets the definition of a business associate under HIPAA.

If Eventbrite's activities were to fall outside the scope of the Notification of Enforcement Discretion, if the Notification of Enforcement Discretion were rescinded or if OCR were to interpret or apply the Notification of Enforcement Discretion in a manner inconsistent with our existing data management practices or product features, violations of the HIPAA provisions could result in civil and/or criminal penalties, including significant fines and up to 10 years in prison. Failure to comply with these regulations may result in, among other things, civil, criminal and contractual liability, fines, regulatory sanctions and damage to the Company's reputation.

Further, following the withdrawal of the United Kingdom from the European Union and the expiry of the transition period, from January 1, 2021, we have to comply with the GDPR and separately the GDPR as implemented in the United Kingdom (UK GDPR), which together with the amended United Kingdom Data Protection Act 2018, retains the GDPR in United Kingdom national law. The UK GDPR mirrors the fines under the GDPR, e.g. we could be fined fines up to the greater of €20 million/£17.5 million or 4% of global turnover under each regime. The relationship between the United Kingdom and the European Union in relation to certain aspects of data protection law remains unclear, and it is unclear how United Kingdom data protection laws and regulations will develop in the medium to longer term, and how data transfers to and from the United Kingdom will be regulated in the long term. Currently there is a four to six-month grace period agreed in the EU and United Kingdom Trade and Cooperation Agreement, ending June 30, 2021 at the latest, whilst the parties discuss an adequacy decision. However, it is not clear whether (and when) an adequacy decision may be granted by the European Commission enabling data transfers from EU member states to the United Kingdom long term without additional measures.. These changes may lead to additional compliance costs and could increase our overall risk exposure.

Outside the United States, personal data and other user data is increasingly subject to legislation and regulations in numerous jurisdictions around the world, the intent of which is to protect the privacy of information that is collected, processed and transmitted in or from the governing jurisdiction. Foreign data protection, privacy, information security, user protection and other laws and regulations are often more restrictive than those in the United States. In particular, the European Union and the European Economic Area (EEA) and their member states traditionally have taken broader views as to types of data that are subject to privacy and data protection laws and regulations, and have imposed greater legal obligations on companies in this regard. For example, the European Union General Data Protection Regulation (GDPR) became effective May 25, 2018. The GDPR applies to any company established in the EEA as well as to those outside the EEA if they collect and use personal data in connection with the offering of goods or services to individuals in the EEA or the monitoring of their behavior. The GDPR enhances data protection obligations for processors and controllers of personal data, including, for example, expanded disclosures about how personal information is to be used, limitations on retention of information, mandatory data breach notification requirements and onerous new obligations on services providers.

In addition, some countries are considering or have passed legislation implementing data protection requirements or requiring local storage and processing of data or similar requirements that could increase the cost and complexity of delivering our services. For example, on September 18, 2020, Brazil enacted a data protection law which imposes strict obligations related to data processing that are similar to those in the GDPR. The penalties for non-compliance with this law will become applicable on August 1, 2021 and allow for, among other corrective measures, fines of up to R$50 million per violation. The GDPR and other changes in laws or regulations associated with the enhanced protection of certain types of personal data, such as healthcare data or other sensitive information, could greatly increase our cost of providing our products and services, require significant changes to our operations or even prevent us from offering certain services in jurisdictions in which we operate.

Recent legal developments in Europe have created complexity and uncertainty regarding transfers of personal data from the EEA to the United States. For example, on July 16, 2020, the Court of Justice of the European Union (CJEU) invalidated the EU-US Privacy Shield Framework (Privacy Shield) under which personal data could be transferred from the EEA to United States entities which had self-certified under the Privacy Shield scheme. While the CJEU upheld the adequacy of the standard contractual clauses (a standard form of contract approved by the European Commission as an adequate personal data transfer mechanism, and potential alternative to the Privacy Shield), it made clear that reliance on them alone may not necessarily be sufficient in all circumstances. Use of the standard contractual clauses must now be assessed on a case-by-case basis taking into account the legal regime applicable in the destination country, in particular applicable surveillance laws and rights of individuals and additional measures and/or contractual provisions may need to be put in place, however, the nature of these additional measures is currently uncertain. These recent developments will require us to review and amend the legal mechanisms by which we transfer personal data from the EEA to the United States. As supervisory authorities issue further guidance on personal data export mechanisms, including circumstances where the standard contractual clauses cannot be used, or start taking enforcement action, we could suffer additional costs, complaints and/or regulatory investigations or fines, or if we are otherwise unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we provide our services, the geographical location or segregation of our relevant systems and operations, and could adversely affect our financial results.

In addition, the EU Commission has proposed a new ePrivacy Regulation that would address various matters, including provisions specifically aimed at the use of cookies to identify an individual’s online behavior, and any such ePrivacy Regulation may provide for new compliance obligations and significant penalties. Any of these changes to European data protection law or its interpretation could disrupt and harm our business.

The interpretation and application of many privacy and data protection laws are, and will likely remain, uncertain, and it is possible that these laws may be interpreted and applied in a manner that is inconsistent with our existing data management practices or product features. If so, in addition to the possibility of fines, lawsuits and other claims and penalties, we could be required to fundamentally change our business activities and practices or modify our products, which could harm our business. In addition to government regulation, privacy advocacy and industry groups may propose new and different self-regulatory standards that either legally or contractually apply to us. Any inability to adequately address privacy, data protection and data security concerns or comply with applicable privacy, data protection or data security laws, regulations, policies and other obligations could result in additional cost and liability to us, damage our reputation, inhibit sales and harm our business.

Our acquisition strategy to date, and going forward, often results in the winding down of the acquired platforms over a lengthy period of time while the existing creators migrate to our platform. The focus often shifts away from these legacy platforms to meeting the needs of migrated creators on our platform. The existence of these legacy platforms within a shifting landscape regarding privacy, data protection and data security may result in regulatory liability or exposure to fines. A significant data incident on a legacy platform may harm our reputation and our brand and may adversely affect the migration of existing creators to our platform. See the risk factor above titled “Data loss or security breaches could harm our business, reputation, brand and results of operations” for information regarding the Ticketfly cyber incident. We may also become exposed to potential liabilities and our attention and resources may be diverted as a result of differing privacy regulations pertaining to our applications.

Our failure, and/or the failure by the various third-party service providers and partners with which we do business, to comply with applicable privacy policies or federal, state or similar international laws and regulations or any other obligations relating to privacy, data protection or information security, or any compromise of security that results in the unauthorized release of personal data or other user data, or the perception that any such failure or compromise has occurred, could damage our reputation, result in a loss of creators or attendees, discourage potential creators and attendees from trying our platform and/or result in fines and/or proceedings by governmental agencies and/or users, any of which could have an adverse effect on our business, results of operations and financial condition. In addition, given the breadth and depth of changes in data protection obligations, ongoing compliance with evolving interpretation of the GDPR and other regulatory requirements requires time and resources and a review of the technology and systems currently in use against the requirements of GDPR and other regulations.

The reputation and brand of our platform is important to our success, and if we are not able to maintain and enhance our brand, our results of operations and financial condition may be adversely affected.

We believe that maintaining and enhancing our reputation and brand as a differentiated and category-defining ticketing company serving creators and attendees is critical to our relationship with our existing creators and to our ability to attract new creators and attendees. The successful promotion of our brand attributes will depend on a number of factors that we control and some factors outside of our control.

The promotion of our brand requires us to make substantial expenditures and management investment, which will increase as our market becomes more competitive and as we seek to expand our platform. To the extent that these activities yield increased revenue, this revenue may not offset the increased expenses we incur. If we do not successfully maintain and enhance our brand and successfully differentiate our platform from competitive products and services, our business may not grow, we may not be able to compete effectively and we could lose creators or fail to attract potential creators, all of which would adversely affect our business, results of operations and financial condition. Additionally, we must continue to make substantial efforts and investments to be associated with events that are positively viewed by other creators and attendees.

However, there are also factors outside of our control, which could undermine our reputation and harm our brand. Negative perception of our platform may harm our business, including as a result of complaints or negative publicity about us or creators; the hosting of COVID-19 "superspreader" events on our platform; our inability to timely comply with local laws, regulations and/or consumer protection related guidance; the use of our platform for fraudulent events; events being unsuccessful, either as a result of lack of attendance or attendee experience not meeting expectations; responsiveness to issues or complaints and timing of refunds and/or reversal of payments on our platform (chargebacks); actual or perceived disruptions or defects in our platform; security incidents; or lack of awareness of our policies or changes to our policies that creators, attendees or others perceive as overly restrictive, unclear or inconsistent with our values.

Furthermore, creators use our platform for events that represent a variety of views, activities and interests, some of which many other creators or attendees do not agree with or find offensive, or are illegal, or are perceived as such. For example, in the past, creators have tried to use our platform for events related to illegal activity and extreme activist groups. These events may cause negative publicity and harm our reputation and brand. Some creators may not have, or are perceived not to have, legal and ethical business practices. Although we maintain procedures and policies, both automated and by human review, to prevent the usage of our platform for such purposes and to prevent such practices, our procedures and policies may not effectively reduce or eliminate the use of our platform by such creators. In addition, certain creators or attendees may not agree with our decision to restrict certain creators from using our platform or the promotion of certain events on our platform. If our platform is associated with illegal or offensive activity or creators and attendees disagree with our decision to restrict certain creators or events, our reputation and brand may be harmed and our ability to attract and retain creators will be adversely impacted.

If we are unable to maintain a reputable platform that provides valuable solutions and desirable events, then our ability to attract and retain creators and attendees could be impaired and our reputation, brand and business could be harmed.

Our platform might be used for illegal or improper purposes, all of which could expose us to additional liability and harm our business.

Our platform remains susceptible to potentially illegal or improper uses by creators or attendees. Illegal or improper uses of our platform may include money laundering, terrorist financing, drug trafficking, illegal online gaming, other online scams, illegal sexually-oriented services, phishing and identity theft, prohibited sales of pharmaceuticals, fraudulent sale of goods or services, posting of unauthorized intellectual property, unauthorized uses of credit and debit cards or bank accounts and similar misconduct. Creators may also encourage, promote, facilitate or instruct others to engage in illegal activities. Despite measures we have taken to detect and lessen the risk of this kind of conduct, we cannot guarantee that these measures will stop all illegal or improper uses of our platform and such uses have occurred in the past. Our business could be harmed if creators use our system for illegal or improper purposes, which may expose us to liability. At the same time, if the measures we have taken to guard against these activities are too restrictive and inadvertently screen proper transactions, or if we are unable to apply and communicate these measures fairly and transparently, or we are perceived to have failed to do so, this could diminish the experience of creators and attendees, which could harm our business, results of operations and financial condition.

Creators rely on third-party platforms, such as Facebook and Spotify, to connect with and attract attendees and we depend on our platform of partners and developers to create applications that will integrate with our platform.

Our platform interoperates with other third-party distributors, such as Facebook and Spotify. Attendees are able to access our platform and purchase tickets through these third-party services. Creators are able to publicize their events and sell tickets on these third-party sites. The interoperability of our platform with these other sites allows creators to reach more attendees and makes our platform more appealing to creators. These third-party partners have in the past, and may in the future, terminate their relationship with us, fail to maintain integrations, limit certain integration functionality, change their treatment of our services or restrict access to their platform by creators at any time. For example, in the past, Facebook removed a feature of its service that allowed creators to include multiple hosts on a single event seamlessly across platforms, which negatively impacted certain music creators' use of the Facebook integration with our platform. If any such third-party services become incompatible with our platform or the use of our platform and solutions on such third-party platforms are restricted in the future, our business will be harmed.

In addition, to the extent that Google, Facebook or other leading large technology companies that have a significant presence in our key markets disintermediate ticketing or event management providers, whether by offering their own comprehensive event-focused or shopping capabilities, or by referring leads to suppliers, other favored partners or themselves directly, there could be harm to our business, results of operations and financial condition.

We also depend on our platform of integrated product partners connecting through our API to create applications that will integrate with our platform, such as Salesforce, HubSpot and MailChimp, and to allow them to integrate with our solutions. This presents certain risks to our business, including:

- our inability to provide any assurance that these third-party applications and products meet the same quality and security standards that we apply to our own development efforts, and to the extent that they contain bugs or defects, they may create disruptions in the use of our platform by creators or negatively affect our brand;
- our lack of support for software applications developed by our developer partners, which could cause creators and attendees to be left without support and consequently could cease using our services if these developers do not provide adequate support for their applications;
- our inability to assure that our partners will be able to successfully integrate with our products or that our partners will continue to do so;
- our inability to confirm if our partners comply with all applicable laws and regulations; and
- the risk that these partners and developers may not possess the appropriate intellectual property rights to develop and share their applications.

Many of these risks are not within our control to prevent, and our brand may be damaged if these applications do not perform to the satisfaction of creators and attendees and that dissatisfaction is attributed to us.

Changes in Internet search engine algorithms and dynamics, or search engine disintermediation, or changes in marketplace rules could have a negative impact on traffic for our sites and ultimately, our business and results of operations.

We rely heavily on Internet search engines, such as Google, to generate traffic to our websites, principally through free or organic searches. Search engines frequently update and change the logic that determines the placement and display of results of a user's search, such that the purchased or algorithmic placement of links to our websites can be negatively affected. In addition, a search engine could, for competitive or other purposes, alter its search algorithms or results causing our websites to place lower in organic search query results. If a major search engine changes its algorithms in a manner that negatively affects the search engine ranking of our websites or those of our partners, our business, results of operations and financial condition would be harmed. Furthermore, our failure to successfully manage our search engine optimization could result in a substantial decrease in traffic to our websites, as well as increased costs if we were to replace free traffic with paid traffic, which may harm our business, results of operations and financial condition.

We also rely on application marketplaces, such as Apple's App Store and Google's Play, to drive downloads of our applications. Such marketplaces have in the past made, and may in the future make, changes to their marketplaces that make access to our products more difficult. For example, our applications may receive unfavorable treatment compared to the promotion and placement of competing applications, such as the order in which they appear within marketplaces. Further, Apple has introduced commission fees as part of its App Store rules that could require us to start paying fees on in-app purchases of tickets to online events. Although Apple agreed to waive such commission fees until mid-2021, Apple's App Store or other application marketplaces may in the future require us to pay a fee per ticket for in-app purchase, which would harm our business, results of operations and financial condition. Similarly, if problems arise in our relationships with providers of application marketplaces, traffic to our site and our user growth could be harmed.

If we do not manage the risks of operating internationally effectively, our business, results of operations and financial condition could be harmed.

In 2020 and 2019 we derived 30.8% and 27.5%, respectively, of our net revenue from outside of the United States. In response to the COVID-19 pandemic, we implemented a restructuring plan, which included the reduction of offices outside of the United States. We currently have various offices outside the United States, including offices in the United Kingdom, Ireland, Spain, Australia and Argentina. We have concentrated engineering and business development teams in Argentina and Spain. Our international operations and results are subject to a number of risks, including:

- currency exchange restrictions or costs and exchange rate fluctuations, particularly in Argentina, and the risks and costs inherent in hedging such exposures;
- new and modified laws and regulations regarding data privacy, data protection, ticketing and information security;
- exposure to local economic or political instability, threatened or actual acts of terrorism and violence and changes in the rights of individuals to assemble;
- exposure to regional or global public health concerns, epidemics and pandemics, such as the COVID-19 pandemic;
- compliance with U.S. and non-U.S. regulations, laws and requirements relating to anti-corruption, antitrust or competition, economic sanctions, data content and privacy, consumer protection, employment and labor laws, health and safety and advertising and promotions;
- compliance with additional U.S. laws applicable to U.S. companies operating internationally and interpretations of U.S. and international tax laws;
- weaker enforcement of our contractual and intellectual property rights;
- preferences by local populations for local providers;
- laws and business practices that favor local competitors or prohibit or limit foreign ownership of certain businesses; and
- slower adoption of the Internet as a ticketing, advertising and commerce medium, which could limit our ability to migrate international operations to our existing systems.

Despite our experience operating internationally, any future expansion efforts into new countries may not be successful. Our international expansion has placed, and any future international growth may increasingly place, a significant strain on our management, customer service, product development, sales and marketing, administrative, financial and other resources. We cannot be certain that the investment and additional resources required in expanding our international operations will be successful or produce desired levels of revenue or profitability in a timely manner, or at all. Furthermore, certain international markets in which we operate have lower margins than more mature markets, which could have a negative impact on our margins as our revenue from these markets grows over time.

We may choose in certain instances to localize our platform to the unique circumstances of such countries and markets in order to achieve market acceptance, which can be complex, difficult and costly and divert management and personnel resources. Our failure to adapt our practices, platform, systems, processes and contracts effectively to the creator and attendee preferences or customs of each country into which we expand could slow our growth. If we are unable to manage our international growth successfully, our business, results of operations and financial condition could be harmed.

The pricing of our packages may affect our ability to attract or retain creators.

Our event creators can select from different pricing packages based on the features required, service level desired and budget. We assess our pricing packages based on prior experience, feedback from creators and data insights, and we periodically adjust the price of our packages. Creators' price sensitivity may vary by location, and as we expand into different countries, our pricing packages may not enable us to compete effectively in these countries. In addition, if our platform or services change, then we may need to, or choose to, revise our pricing. Such changes to our pricing model or our ability to efficiently price our packages and solution could harm our business, results of operations and financial condition and impact our ability to predict our future performance.

A significant number of our employees are located in Argentina, and any favorable or unfavorable developments in Argentina could have an impact on our results of operations.

A significant number of our employees, including engineers, are located in Argentina, and therefore, a portion of our operating expenses are denominated in Argentine pesos. As of December 31, 2020, we had a total of 145 employees located in Argentina, of which 105 are engineers. If the Argentine peso strengthens against the U.S. dollar, it could have a negative impact on our results of operations as it would increase our operating expenses. Our business activities in Argentina also subject us to risks associated with changes in and interpretations of Argentine law, including laws related to employment, the protection and ownership of intellectual property and U.S. ownership of Argentine operations. Furthermore, if we had to scale down or close our Argentine operations, there would be significant time and cost required to relocate those operations elsewhere, which could have an adverse impact on our overall cost structure.

The Argentine government has historically exercised significant influence over the country’s economy. For example, on September 1, 2019, the Argentine government enacted foreign exchange currency controls. These controls include restrictions on Argentine citizens and Argentinian companies’ abilities to purchase U.S. dollars, transfer money to foreign accounts and make payments of dividends or payments for services by related parties without permission from the Argentine government. These controls could harm our business by making it more difficult to fund our operations in Argentina, including cash compensation programs for our employees based there. For example, we are currently unable to offer our Employee Stock Purchase Plan (ESPP) program to our employees in Argentina. In addition, it is possible that the Argentine government may, in the future, impose additional controls on the foreign exchange market and on capital flows from and into Argentina, in response to capital flight or depreciation of the Argentine peso. These restrictions may have a negative effect on the economy and harm our business if imposed in an economic environment where access to local capital is constrained.

Additionally, Argentina’s economy and legal and regulatory framework have at times suffered radical changes, due to significant political influence and uncertainties. In the past, government policies in Argentina included expropriation, nationalization, forced renegotiation or modification of existing contracts, suspension of the enforcement of creditors’ rights, new taxation policies, including royalty and tax increases and retroactive tax claims, and/or changes in laws and policies affecting foreign trade and investment. Currently, Argentina's federal government and certain provinces are conducting negotiations with respect to the restructuring of their sovereign debt. Such policies, and the ongoing restructuring negotiations, could destabilize the country and adversely affect our business and operating expenses.

In addition, Argentina has experienced labor unrest over wages and benefits paid to workers. In the past, the Argentine government has passed laws, regulations and decrees requiring companies in the private sector to maintain minimum wage levels and provide specified benefits to employees and may do so again in the future. Employers have also experienced significant pressure from their employees and labor organizations to increase wages and to provide additional employee benefits. Any disruptions, labor unrest, or increased personnel-related expenses in Argentina could have an adverse effect on our business and operating expenses.

Doing business in Argentina poses additional challenges, such as finding and retaining qualified employees, particularly management-level employees, navigating local bureaucracy and infrastructure-related issues and identifying and retaining qualified service providers, among other risks. Specifically, the operating environment in Argentina continues to be a challenging business environment, including the continuing significant devaluation of Argentina's currency, high inflation and economic recession. Argentina's fragile economic environment is currently challenged by the COVID-19 pandemic. The long-term effects to the Argentine economy of the on-going COVID-19 pandemic are difficult to assess or predict, and may include risks to citizens’ health and safety, as well as reduced economic activity. From March through December 2020, the Argentine government introduced several measures designed to address the COVID-19 pandemic, which so far have resulted in a significant slowdown in economic activity that adversely affected economic growth in 2020 and will potentially adversely affect economic growth in 2021 and cannot be currently quantified. Furthermore, despite recent enactments of local anti-corruption and anti-bribery legislation in a number of developing markets such as Argentina, it may still be more common than in the United States for others to engage in business practices prohibited by laws and regulations applicable to us, such as the U.S. Foreign Corrupt Practices Act, U.K. Bribery Act or similar local anti-bribery laws. For example, the Argentine Government announced a large-scale corruption investigation in Argentina in August 2018. The investigation relates to payments over the past decade to government officials from businesses who had been awarded large government contracts. Depending on the results of such investigations and the time it takes to conclude them, they could affect the investment levels in infrastructure in Argentina, as well as the continuation, development and completion of public works, which could ultimately lead to lower growth in the Argentine economy. In turn, the decrease in investors’ confidence, among other factors, could have a significant adverse impact on the development of the Argentine economy, which could harm our business, results of operations and financial condition. Our commitment to legal compliance could put us at a competitive disadvantage, and any lapses in our compliance could subject us to civil and criminal penalties that could harm our business, results of operations and financial condition.

Our metrics and estimates are subject to inherent challenges in measurement, and real or perceived inaccuracies in those metrics may seriously harm and negatively affect our reputation and our business.

We regularly review metrics to evaluate growth trends, measure our performance, and make strategic decisions. These metrics are calculated using internal company data and have not been validated by an independent third party. Errors or inaccuracies in our metrics or data could result in incorrect business decisions and inefficiencies. Furthermore, if we discover material inaccuracies in our metrics, we may not be able to accurately assess the health of our business and our reputation and our business may be harmed.

Creator and attendee acquisition and retention depend upon effective interoperation with operating systems, networks, devices, web browsers and standards that we do not control.

We make our platform available across a variety of operating systems and web browsers. We are dependent on the interoperability of our platform with popular devices, mobile operating systems and web browsers that we do not control, such as Android, iOS, Chrome and Firefox. Any changes, bugs or technical issues in such systems, devices or web browsers that degrade the functionality of our platform, make it difficult for creators or attendees to access or use our platform, impose fees related to our platform or give preferential treatment to competitive products or services could adversely affect usage of our platform. In the event that it is difficult for creators or attendees to access and use our platform, our business and results of operations could be harmed.

Our failure to successfully address the evolving market for transactions on mobile devices and to build mobile products could harm our business.

A significant and growing portion of creators and attendees access our platform through mobile devices. The number of people who access the Internet and purchase goods and services through mobile devices, including smartphones and handheld tablets or computers, has increased significantly in the past few years and is expected to continue to increase. If we are not able to provide creators and attendees with the experience and solutions they want on mobile devices, our business may be harmed.

While we have created mobile applications and versions of much of our web content, if these mobile applications and versions are not well received by creators and attendees, our business may suffer. In addition, we face different fraud risks and regulatory risks from transactions sent from mobile devices than we do from personal computers. If we are unable to effectively anticipate and manage these risks, our business and results of operations may be harmed.

We rely on software and services licensed from other parties. Defects in or the loss of software or services from third parties could increase our costs and adversely affect the quality of our service.

Components of our platform include various types of software and services licensed from unaffiliated third parties. Our business would be disrupted if any of the software or services we license from others or functional equivalents thereof were either no longer available to us or no longer offered on commercially reasonable terms. In either case, we would be required to either redesign our platform to function with software or services available from other parties or develop these components ourselves, which would result in increased costs and could result in delays in the release of new solutions and services on our platform. Furthermore, we might be forced to limit the features available in our platform due to changes by our third-party software and service providers. In addition, if we fail to maintain or renegotiate any of these software or service licenses, we could face significant delays and diversion of resources in attempting to license and integrate functional equivalents.

If we fail to adequately protect our intellectual property rights, our competitive position could be impaired and we may lose valuable assets, generate reduced revenue and incur costly litigation to protect our rights.

Our success is dependent, in part, upon protecting our intellectual property rights. We rely on a combination of patents, copyrights, trademarks, service marks, trade secret laws and contractual restrictions to establish and protect our intellectual property rights in our platform. However, the steps we take to protect our intellectual property may be inadequate. We will not be able to protect our intellectual property if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property. While we take precautions, it may still be possible for unauthorized third parties to copy our technology and use our proprietary information to create solutions and services that compete with ours. Some license provisions protecting against unauthorized use, copying, transfer and disclosure of our technology may be unenforceable under the laws of certain jurisdictions and foreign countries. Further, the laws of some countries do not protect proprietary rights to the same extent as the laws of the United States. To the extent we expand our international activities, our exposure to unauthorized copying and use of our technology and proprietary information may increase.

It is our policy to enter into confidentiality and invention assignment agreements with our employees and consultants and to enter into confidentiality agreements with the parties with whom we have strategic relationships and business alliances. No assurance can be given that these agreements will be effective in controlling access to, and use and distribution of, our platform and proprietary information. Further, these agreements do not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our platform or solutions.

In order to protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights. Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Litigation to protect and enforce our intellectual property rights could be costly, time consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property. Our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay further sales or the implementation of our platform or solutions, impair the functionality of our platform or solutions, delay introductions of enhancements to our platform, result in our substituting inferior or more costly technologies into our platform or solutions, or injure our reputation. In addition, we may be required to license additional technology from third parties to develop and market new features in our platform or solutions, and we cannot assure you that we could license that technology on commercially reasonable terms or at all. Our inability to license such technology on commercially reasonable terms could adversely affect our ability to compete, and harm our business, results of operations and financial condition.

We use open source software in our platform, which could subject us to litigation or other actions.

We use open source software in our platform and may use more open source software in the future. The terms of many open source licenses to which we are subject have not been interpreted by U.S. or foreign courts, and there is a risk that open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide or distribute our platform. From time to time, there have been claims challenging the ownership of open source software against companies that incorporate open source software into their solutions. As a result, we could be subject to lawsuits by parties claiming ownership of what we believe to be open source software. Litigation could be costly for us to defend, harm our business, results of operations or financial condition or require us to devote additional research and development resources to change our platform. In addition, if we were to combine our proprietary software with open source software in a certain manner, we could, under certain of the open source licenses, be required to release the source code of our proprietary software. If we inappropriately use open source software, we may be required to re-engineer our platform, discontinue the sale of our platform or take other remedial actions. In addition to risks related to license requirements, use of certain open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of software.

Our results of operations may be adversely affected if we are subject to a protracted infringement claim or a claim that results in a significant damage award.

There is considerable patent and other intellectual property development activity in our industry. Our success depends on our not infringing upon the intellectual property rights of others. Our competitors, as well as a number of other entities, including non-practicing entities and individuals, may own or claim to own intellectual property rights relating to our industry and may challenge the validity or scope of our intellectual property rights. From time to time, third parties, including our competitors and non-practicing entities, have claimed and may in the future claim that our products or technologies may infringe their intellectual property rights and may assert patent, copyright, trade secret and other claims based on intellectual property rights against us and our customers, suppliers and channel partners. A claim may also be made relating to technology or intellectual property rights that we acquire or license from third parties. If we were subject to a claim of infringement, regardless of the merit of the claim or our defenses, the claim could:

- require costly litigation to resolve and the payment of substantial damages;
- require significant management time;
- cause us to enter into unfavorable royalty or license agreements;
- require us to discontinue the sale of products and solutions through our platform;
- require us to indemnify creators or third-party service providers or partners; and/or
- require us to expend additional development resources to redesign our platform.

The United Kingdom's withdrawal from the European Union may have a negative effect on global economic conditions, financial markets and our business.

Following a national referendum and enactment of legislation by the government of the United Kingdom, the United Kingdom formally withdrew from the European Union and ratified a trade and cooperation agreement governing its future relationship with the European Union. The agreement, which is being applied provisionally from January 1, 2021 until it is ratified by the European Parliament and the Council of the European Union, addresses trade, economic arrangements, law enforcement, judicial cooperation and a governance framework including procedures for dispute resolution, among other things. Because the agreement merely sets forth a framework in many respects and will require complex additional bilateral negotiations between the United Kingdom and the European Union as both parties continue to work on the rules for implementation, significant political and economic uncertainty remains about how the precise terms of the relationship between the parties will differ from the terms before withdrawal. These developments, or the perception that any related developments could occur, have had and may continue to have a material adverse effect on global economic conditions and financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. For example, disruptions and uncertainty caused by the withdrawal may cause consumers to reduce their discretionary spending. Any of these factors could have a material adverse effect on our business, financial condition and results of operations and reduce the price of our Class A common stock.

Our failure to comply with the various export controls and trade and economic sanctions laws and regulations to which we are subject could subject us to liability, including civil and criminal penalties.

We are subject to U.S. economic and trade sanctions laws and regulations, such as those that are administered by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC). Such laws and regulations prohibit or restrict transactions and dealings involving specified countries, their governments, and certain individuals and entities, including those that are specially designated sanctions targets, or majority-owned by the same (collectively, Sanctions). As federal, state and foreign legislative regulatory scrutiny and enforcement actions in these areas increase, we expect our compliance costs to increase, perhaps substantially. Failure to comply with any of these requirements could result in the limitation, suspension or termination of our platform, imposition of significant civil and criminal penalties, including fines, and/or the seizure and/or forfeiture of our assets, as well as reputational harm. We endeavor to conduct our business in compliance with applicable laws and regulations, and maintain policies and procedures reasonably designed to ensure compliance with Sanctions. The development, implementation and maintenance of Sanctions compliance policies and procedures may be time-consuming or result in the delay or loss of sales opportunities or impose other costs. Further, we cannot guarantee that these measures will be fully effective in ensuring compliance and preventing violations in the future, particularly as the scope of certain laws may be unclear and may be subject to change.

Further, our products incorporate encryption technology. These encryption products may be exported from the United States only with the required export authorizations, including by a license, a license exception or other appropriate government authorizations. Such products may also be subject to certain regulatory reporting requirements. Various countries also regulate the import of certain encryption technology, including through import permitting and licensing requirements, and have enacted laws that could limit our customers' ability to import our services into those countries. Governmental regulation of encryption technology and of exports and imports of encryption products, or our failure to obtain required approval for our products and services, when applicable, could subject us to legal penalties, harm our international sales and adversely affect our revenue. Compliance with applicable regulatory requirements regarding the provision of our products and services, including with respect to new products and services, may delay the introduction of our products and services in various markets or, in some cases, prevent the provision of our products and services to some countries altogether.

Any change in export or import regulations, economic sanctions or related legislation, or change in the countries, governments, persons or technologies targeted by such regulations, could result in decreased use of our products by, or in our decreased ability to export or sell our products to, existing or potential customers with international operations. Any decreased use of our products or limitation on our ability to export or sell our products would likely adversely affect our business, financial condition and results of operations.

Our business is subject to a wide range of laws and regulations. Our failure to comply with those laws and regulations could harm our business.

We are subject to a number of U.S. federal and state and foreign laws and regulations that involve matters central to our business. For example, our platform is subject to an increasingly strict set of legal and regulatory requirements intended to help detect and prevent money laundering, terrorist financing, fraud and other illicit activity. The interpretation of those requirements by judges, regulatory bodies and enforcement agencies is changing, often quickly and with little notice. Changes in laws and regulations could impose more stringent requirements on us to detect and prevent illegal and improper activity by creators, which can increase our operating costs and reduce our margins. For example, to date, in the United States, platforms like ours are immune from liability resulting from the improper or illegal actions facilitated by the platform, but initiated by its users, under Section 230 of the Communications Decency Act (CDA). If the CDA is amended in a manner that reduces protections for our platform, we will need to increase our content moderation operations, which may harm our results of operations.

In addition, the ticketing business is subject to many laws and regulations, both foreign and domestic. These laws and regulations vary from jurisdiction to jurisdiction and may sometimes conflict. Outside of ticketing regulations, creators are often subject to regulations of their own, such as permitting and crowd control requirements. Regulatory agencies or courts may claim or hold that we are responsible for ensuring that creators comply with these laws and regulations, which could greatly increase our compliance costs, expose us to litigation, subject us to fines and penalties and otherwise harm our business.

Failure to comply with anti-corruption, anti-bribery and similar laws associated with our activities outside of the United States could subject us to penalties and other adverse consequences.

We are subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended (FCPA), the United Kingdom Bribery Act 2010 (Bribery Act), and other anti-corruption and anti-bribery laws in various jurisdictions, both domestic and abroad, where we conduct business. The FCPA and the Bribery Act prohibit us and our officers, directors, employees and business partners acting on our behalf, including agents, from, directly or indirectly, corruptly offering, promising, authorizing or providing anything of value to a “foreign official” for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. The FCPA further requires us to make and keep books, records and accounts that accurately reflect transactions and dispositions of assets and to maintain a system of adequate internal accounting controls. The Bribery Act also prohibits private-sector bribery, and accepting bribes. Our sales team sells use of our platform abroad, and we face significant risks if we fail to comply with the FCPA and other applicable anti-corruption laws. We operate in many jurisdictions around the world and may also have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and we may be held liable for the corrupt or other illegal activities of third-party intermediaries, our employees, representatives, contractors, partners, service providers and agents, even if we do not authorize such activities. While we have policies and procedures to address compliance with such laws, we cannot ensure that all of our employees and agents, as well as those contractors to which we outsource certain of our business operations, will not take actions in violation of our policies or agreements and applicable law, for which we may be ultimately held responsible.

Any violation of the FCPA, the Bribery Act or other applicable anti-corruption and anti-bribery laws could subject us to significant sanctions, including civil or criminal fines and penalties, disgorgement of profits, injunctions and debarment from government contracts, as well as related stockholder lawsuits and other remedial measures, all of which could harm our reputation, business, results of operations and financial condition. Responding to any investigation may result in a significant diversion of management’s attention and resources and significant defense costs and other professional fees.

Failure to comply with applicable anti-money laundering laws and regulations could harm our business and result of operations.

Any perceived or actual breach of compliance by us with respect to anti-money laundering (AML) laws, rules, and regulations, including the Bank Secrecy Act, USA Patriot Act and Title 18 U.S.C. Sections 1956-57 and 1960, could have a significant impact on our reputation and could cause us to lose existing creators and attendees, prevent us from obtaining new creators, require us to expend significant funds to address civil and criminal enforcement arising out of alleged violations and to avert further potential violations and expose us to legal risk and potential liability that could have a material effect on our business. Moreover, many states have their own AML legal regulatory regimes and interpretations and applications of those legal principles are complex and varied. Several of these state and federal laws require companies including those that are characterized as a money services business or money transmitter, to adopt an AML compliance program that meets certain enumerated requirements to address the risk of a service being use for illegal or illicit activity. While we maintain that we are not a money services business or money transmitter, we have voluntarily elected to develop a compliance program to mitigate the risk of our platform being used for illegal or illicit activity and to help detect and prevent fraud. Nevertheless, if the federal government or any state government took the position that we were a money services business or money transmitter, they could require us to register as such, modify or enhance our existing AML compliance program, and obtain a money transmitter license.

Furthermore, if a federal or state regulator makes a determination that we have operated as an unlicensed money services business or money transmitter, we could be subject to civil and criminal fines, penalties, costs, legal fees, reputational damage or other negative consequences, all of which may harm our business, results of operations and financial condition.

Failure to comply with laws and regulations related to payments could harm our business and results of operations.

The laws and regulations related to payments are complex, subject to change, and vary across different jurisdictions in the United States and globally. Furthermore, changes in laws, rules and regulations have occurred and may occur in the future, which may impact our business practices. In particular, in the United States, certain state jurisdictions require a money transmission license to provide certain payments services, and the applicability of state money transmission licensing laws to payment processing services such as those we provide is a matter of regulatory interpretation that is subject to change. In this regard, changes to regulatory interpretations or decisions by applicable authorities that certain of our activities should be subject to regulation under state money transmission licensing laws could subject us to investigation and the potential for resulting liability. As a result of regulatory uncertainty with respect to state money transmission licensing and regulation and federal money services business registration, we are required to spend significant time and effort to address compliance with those laws and regulations and to ensure that creators and attendees are complying with those laws and regulations. Any failure or claim of our failure to comply, or any failure by our third-party service providers or partners to comply, with such laws and regulations or other requirements could divert substantial resources, result in liabilities or force us to restructure or even to stop offering EPP, which will harm our business and results of operations.

For example, if we are deemed to be a money transmitter as defined by applicable regulation, we could be subject to certain laws, rules and regulations enforced by multiple authorities and governing bodies in the United States and numerous state and local agencies who may define money transmitter differently. If we were required to be licensed as a money transmitter (or otherwise determined that obtaining state money transmission licenses would further our business purposes), we would be subject to recordkeeping and reporting requirements, as well as bonding requirements, restrictions on the use of customer funds and other obligations. We would also be subject to examination and oversight by applicable state licensing authorities.

Additionally, outside of the United States, we could be subject to additional laws, rules and regulations related to the provision of payments and financial services, and as we expand into new jurisdictions, the foreign regulations and regulators governing our business that we are subject to will expand as well. If we are found to be a money transmitter under any applicable regulation and we are not in compliance with such regulations, we may be subject to fines or other penalties in one or more jurisdictions levied by federal or state or local regulators, including state Attorneys General, as well as those levied by foreign regulators. In addition to fines, penalties for failing to comply with applicable rules and regulations could include criminal and civil proceedings, forfeiture of significant assets or other enforcement actions. We could also be required to make changes to our business practices or compliance programs as a result of regulatory scrutiny.

Additionally, we are subject to the Payment Card Industry Data Security Standard (PCI-DSS), and if we experience substantial losses related to payment card transactions or in the event of noncompliance with the PCI-DSS, we may choose to, or be required to, cease accepting certain payment cards for payment. If we were unable to accept payment cards through EPP, creators would be required to use third-party payment options, which would reduce the simplicity and ease-of-use of our platform.

Our reported results of operations may be adversely affected by changes in accounting principles generally accepted in the United States.

Generally accepted accounting principles in the United States are subject to interpretation by the Financial Accounting Standards Board (FASB), the SEC, and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported results of operations, and may even affect the reporting of transactions completed before the announcement or effectiveness of a change. For example, as a result of our adoption of ASU 2016-02, Leases (Topic 842) (ASC 842) which was effective for us beginning January 1, 2019, there was an increase of $3.7 million in operating lease expense related to the accounting treatment of our San Francisco office lease, which was accounted for as a build-to-suit lease under ASC 840 prior to the adoption of ASC 842.

If currency exchange rates fluctuate substantially in the future, our results of operations, which are reported in U.S. dollars, could be adversely affected.

Our international operations expose us to the effects of fluctuations in currency exchange rates. Many of our creators live or operate outside the United States, and therefore we have significant ticket sales denominated in foreign currencies, most notably the British Pound, Euro, Canadian Dollar, Australian Dollar, Brazilian Real and Argentinian Peso. If currency exchange rates remain at current levels, currency translation could continue to negatively affect net revenue growth for events that are not listed in U.S. dollars and could also reduce the demand for U.S. dollar denominated events from attendees outside of the United States. Further, we incur expenses for employee compensation and other operating expenses at our international locations in the local currency. Because we conduct business in currencies other than U.S. dollars but report our results of operations in U.S. dollars, we face exposure to fluctuations in currency exchange rates, which could harm our results of operations.

Our business may be subject to sales tax and other indirect taxes in various jurisdictions. In addition, creators may also be subject to certain taxes.

The application of indirect taxes, such as sales and use tax, amusement tax, value-added tax, goods and services tax, business tax and gross receipts tax, to businesses like ours and to creators and attendees is a complex and evolving issue. Significant judgment is required to evaluate applicable tax obligations and as a result, amounts recorded are estimates and are subject to adjustments. In many cases, the ultimate tax determination is uncertain because it is not clear how new and existing statutes might apply to our business.

One or more states, localities, the federal government or other countries may seek to impose additional reporting, record-keeping or indirect tax collection obligations on businesses like ours that facilitate online commerce. For example, taxing authorities in the United States and other countries have identified e-commerce platforms as a means to calculate, collect and remit indirect taxes for transactions taking place over the Internet, and are considering related legislation. An increasing number of jurisdictions have enacted laws or are considering enacting laws requiring marketplaces to report user activity or collect and remit taxes on certain items sold on the marketplace. Imposition of an information reporting or tax collection requirement could decrease creator or attendee activity on our platform, which would harm our business. New legislation could require us or creators to incur substantial costs in order to comply, including costs associated with tax calculation, collection and remittance and audit requirements, which could make using our platform less attractive and could adversely affect our business and results of operations.

We face sales and use tax and value-added tax audits in certain states and international jurisdictions and it is possible that we could face additional sales and use tax and value-added tax audits in the future in additional jurisdictions and that our liability for these taxes could exceed our reserves as state or international tax authorities could assert that we are obligated to collect additional amounts as taxes from creators and remit those taxes to those authorities. We could also be subject to audits and assessments with respect to state, local and international jurisdictions for which we have not accrued tax liabilities. A successful assertion that we should be collecting additional sales or other taxes on our services in jurisdictions where we have not historically done so and do not accrue for sales or other taxes could result in substantial tax liabilities for past sales, discourage creators from using our platform or otherwise harm our business and results of operations. Although we have reserved for potential payments of possible past tax liabilities in our financial statements as disclosed in Note 11 of the Notes to Consolidated Financial statements, if these liabilities exceed such reserves, our financial condition will be harmed.

Our international operations subject us to potential adverse tax consequences and additional taxes.

We generally conduct our international operations through wholly owned subsidiaries and report our taxable income in various jurisdictions worldwide based upon our business operations in those jurisdictions. Because of these international operations, we may be subject to adverse tax changes or interpretation, increased taxes due to increased international expansion, and tax charges due to complex intercompany agreements.

We may be subject to income taxation in several jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The amount of taxes we pay in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents, which could have an adverse effect on our liquidity and results of operations. In addition, the authorities in these jurisdictions could review our tax returns and impose additional tax, interest and penalties, and the authorities could claim that various withholding requirements apply to us or assert that benefits of tax treaties are not available to us, any of which could have a negative impact on us or our results of operations. As we earn an increasing portion of our revenue and accumulate a greater portion of our cash flow in foreign jurisdictions, we could face a higher effective tax rate and incremental cash tax payments.

Additionally, our intercompany relationships are subject to complex transfer pricing regulations administered by taxing authorities in various jurisdictions. The relevant taxing authorities may disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a disagreement were to occur, and our position was not sustained, we could be required to pay additional taxes, interest and penalties, which could result in one-time tax charges, higher effective tax rates and reduced cash flows and may harm our results of operations and financial condition.

Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations.

In general, under Section 382 of the Internal Revenue Code of 1986, as amended (Code), a corporation that undergoes an "ownership change" (generally, a greater than 50 percentage point change in our equity ownership by certain stockholders or groups of stockholders) is subject to limitations on its ability to utilize its pre-change NOLs to offset future taxable income. We have undergone ownership changes in the past, which have resulted in limitations on our ability to utilize our NOLs, and future changes in our stock ownership, some of which are outside of our control, could result in an ownership change under Section 382 of the Code. The existing NOLs of some of our subsidiaries may be subject to limitations arising from ownership changes prior to, or in connection with, their acquisition by us. Furthermore, our ability to utilize NOLs of companies that we may acquire in the future may be subject to limitations. There is also a risk that, due to regulatory changes, such as suspensions on the use of NOLs or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable to offset future income tax liabilities, including for state tax purposes. For these reasons, we may not be able to utilize some portion of our NOLs even if we attain profitability.

If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act and the listing standards of the New York Stock Exchange (NYSE). We expect that the requirements of these rules and regulations will continue to increase our legal, accounting and financial compliance costs, make some activities more difficult, time consuming and costly, and place significant strain on our personnel, systems and resources. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures, and internal control over financial reporting. Our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports that we file with the SEC is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. We have expended, and anticipate that we will continue to expend, significant resources in order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting.

Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business, including increased complexity resulting from our international expansion. Any failure to develop or maintain effective controls, or any difficulties encountered in their implementation or improvement, could harm our results of operations or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting could also adversely affect the results of management reports and independent registered public accounting firm audits of our internal control over financial reporting that we are required to include in our periodic reports that we file with the SEC. While our management has previously been, and will continue in the future to be, required to perform an evaluation of our internal control over financial reporting, our independent registered public accounting firm was not required to perform such an evaluation prior to the year ended December 31, 2019, which is the date we were no longer an emerging growth company. Accordingly, we are required to include in each of our Annual Reports on Form 10-K an attestation report on internal control over financial reporting issued by our independent registered accounting firm. There can be no assurance that we or our independent registered auditors will not in the future identify one or more material weaknesses in our internal control over financial reporting, which may have a negative impact on our ability to timely and accurately produce financial statements or which may negatively impact the confidence level of our stockholders and other market participants with respect to our ability to produce timely and accurate financial statements. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the market price of our Class A common stock. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the NYSE.

Risks Related to Ownership of Our Class A Common Stock

We have a limited operating history in an evolving industry which makes it difficult to evaluate our current business future prospects and increases the risk of your investment.

We launched operations in 2006. This limited history in an evolving industry makes it difficult to effectively assess or forecast our future prospects. You should consider our business and prospects in light of the risks and difficulties we encounter or may encounter. These risks and difficulties include our ability to cost-effectively acquire new creators and engage and retain existing creators, maintain the quality of our technology infrastructure that can efficiently and reliably handle ticket sales and event management services globally and the deployment of new features and solutions and successfully compete with other companies that are currently in, or may enter, the ticketing and event solution space. Additional risks include our ability to effectively manage growth, responsibly use the data that creators and attendees share with us, process, store, protect and use personal data in compliance with governmental regulation, contractual obligations and other legal obligations related to privacy and security and avoid interruptions or disruptions in our service or slower than expected load times for our platform. Other risks posed by our limited operating history include the ability to hire, integrate and retain world class talent at all levels of our company, continue to expand our business in markets outside the United States, and defend ourselves against litigation, regulatory, intellectual property, privacy or other claims. If we fail to address the risks and difficulties that we face, including those associated with the challenges listed above, our business and our results of operations will be harmed.

The market price of our Class A common stock may be volatile and may decline regardless of our operating performance.

Prior to our initial public offering, there was no public market for shares of our Class A common stock. The market prices of the securities of other newly public companies have historically been highly volatile. The market price of our Class A common stock has in the past, and may in the future, fluctuate significantly in response to numerous factors, many of which are beyond our control, including, but not limited to:

- overall performance of the equity markets and/or publicly-listed technology companies;
- actual or anticipated fluctuations in our net revenue or other operating metrics;
- changes in the financial projections we provide to the public or our failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company or our failure to meet the estimates or the expectations of investors;
- the economy as a whole and market conditions in our industry;
- rumors and market speculation involving us or other companies in our industry;
- announcements by us or our competitors of significant innovations, acquisitions, strategic partnerships, joint ventures or capital commitments;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- lawsuits threatened or filed against us;
- recruitment or departure of key personnel; and
- other events or factors, including those resulting from war, public health concerns and epidemics, incidents of terrorism or responses to these events.

In addition, extreme price and volume fluctuations in the stock markets have affected and continue to affect many technology companies' stock prices. Often, their stock prices have fluctuated in ways unrelated or disproportionate to the companies' operating performance. The global stock markets have experienced, and may continue to experience, significant volatility as a result of the COVID-19 pandemic, and the price of our Class A common stock has been volatile and has decreased significantly in recent months. The COVID-19 pandemic and the significant uncertainties it has caused for the global economy, business activity, and business confidence have had, and is likely to continue to have, a significant effect on the market price of securities generally, including our Class A common stock. In the past, stockholders have filed securities class action litigation following periods of market volatility. For example, beginning on April 15, 2019, purported stockholders of our company filed putative securities class action against Eventbrite, certain of our executives and directors, and our underwriters for the IPO, on behalf of a putative class of persons who purchased or acquired Eventbrite securities traceable to our IPO and/or who purchased or acquired Eventbrite securities between September 20, 2018 and May 1, 2019, inclusive. During this period, the closing price of our Class A common stock ranged from a high of $37.97 to a low of $19.06. See the risk factor above titled "Unfavorable outcomes in legal proceedings may harm our business and results of operations."

Moreover, because of these fluctuations, comparing our results of operations on a period-to-period basis may not be meaningful. You should not rely on our past results as an indication of our future performance. This variability and unpredictability could also result in our failing to meet the expectations of industry or financial analysts or investors for any period. If our net revenue or results of operations fall below the expectations of analysts or investors or below any forecasts we may provide to the market, or if the forecasts we provide to the market are below the expectations of analysts or investors, the price of our Class A common stock could decline substantially. Such a stock price decline could occur even when we have met any previously publicly stated net revenue or earnings forecasts that we may provide.

The dual class structure of our common stock has the effect of concentrating voting control with our directors, executive officers and their affiliates and that may depress the trading price of our Class A common stock.

Our Class B common stock has ten votes per share and our Class A common stock has one vote per share. As of December 31, 2020, our directors, executive officers and stockholders holding more than 5% of our outstanding shares, and their affiliates, beneficially owned in the aggregate a very large majority of the voting power of our capital stock. Because of the ten-to-one voting ratio between our Class B and Class A common stock, the holders of our Class B common stock collectively will continue to control a majority of the combined voting power of our common stock and therefore be able to control all matters submitted to our stockholders for approval until September 20, 2028, the date that is the ten-year anniversary of the closing of our IPO. This concentrated control will limit or preclude your ability to influence corporate matters for the foreseeable future, including the election of directors, amendments of our organizational documents, and any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction requiring stockholder approval. In addition, this may prevent or discourage unsolicited acquisition proposals or offers for our capital stock that you may feel are in your best interest as one of our stockholders.

Future transfers by holders of Class B common stock will generally result in those shares converting to Class A common stock, subject to limited exceptions, such as certain transfers effected for estate planning purposes. The conversion of Class B common stock to Class A common stock will have the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long-term.

In addition, certain index providers, such as S&P Dow Jones, have restrictions on including companies with multiple-class share structures in certain of their indices. Accordingly, the dual class structure of our common stock makes us ineligible for inclusion in certain indices and, as a result, mutual funds, exchange-traded funds and other investment vehicles that attempt to passively track those indices may not invest in our Class A common stock and may make our Class A common stock less attractive to other investors. It is possible that these policies may depress valuations of publicly-traded companies excluded from such indices, as compared to similar companies that are included. As a result, the market price of our Class A common stock could be harmed.

Commencing December 31, 2019, we are no longer an "emerging growth company," and the reduced disclosure requirements applicable to emerging growth companies no longer apply to us.

On June 28, 2019, the market value of our common stock that was held by non-affiliates exceeded $700 million, so we no longer qualified for emerging growth company status as of December 31, 2019. As a large-accelerated filer, we are now subject to certain disclosure requirements that are applicable to other public companies that were not applicable to us as an emerging growth company. These requirements include:

- compliance with the auditor attestation requirements in the assessment of our internal control over financial reporting;
- compliance with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;
- full disclosure obligations regarding executive compensation; and
- compliance with the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Compliance with these additional requirements may increase our compliance and financial reporting expenses and may divert management's attention from other aspects of our business. Failure to comply with these requirements could subject us to enforcement actions by the SEC, which could divert management's attention, damage our reputation and harm our business, results of operations or financial condition.

If securities or industry analysts do not publish or cease publishing research, or publish inaccurate or unfavorable research, about our business, the price of our Class A common stock and trading volume could decline.

The trading market for our Class A common stock depends in part on the research and reports that securities or industry analysts publish about us or our business. If industry analysts cease publishing research on our company, the trading price for our Class A common stock would be negatively affected. If one or more of the analysts who cover us downgrade our Class A common stock or publish inaccurate or unfavorable research about our business, our Class A common stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us on a regular basis, demand for our Class A common stock could decrease, which might cause our Class A common stock price and trading volume to decline.

Sales of substantial amounts of our Class A common stock in the public markets, or the perception that sales might occur, could cause the market price of our Class A common stock to decline.

Sales of a substantial number of shares of our Class A common stock into the public market, particularly sales by our directors, executive officers, and principal stockholders, or the perception that these sales might occur, could cause the market price of our Class A common stock to decline. As of February 23, 2021, we had 69,784,526 shares of Class A common stock outstanding and 23,178,157 shares of Class B common stock outstanding.

Sales of our common stock may make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. These sales also could cause our stock price to fall and make it more difficult for you to sell shares of our common stock.

Our issuance of additional capital stock in connection with financings, acquisitions, investments, our stock incentive plans or otherwise will dilute all other stockholders.

In connection with the execution of the credit agreement we entered into in May 2020, we entered into a stock purchase agreement, pursuant to which we issued and sold 2,599,174 shares of Class A common stock for a purchase price of $0.01 per share, resulting in dilution to our equity holders. We may also raise capital through additional equity or equity-linked financings. For example, in June 2020, we issued the 2025 Notes, and the conversion of some or all of the 2025 Notes may dilute the ownership interests of existing stockholders to the extent we deliver shares upon any conversion of the 2025 Notes. Any sales in the public market of our Class A common stock issuable upon such conversion could adversely affect prevailing market prices of our Class A common stock. In addition, the existence of the 2025 Notes may encourage short selling by market participants because the conversion of the 2025 Notes could be used to satisfy short positions. The anticipated conversion of the 2025 Notes into shares of our Class A common stock could also depress the price of our Class A common stock. We also expect to grant equity awards to employees, directors and consultants under our stock incentive plans. As part of our business strategy, we may acquire or make investments in complementary companies, products or technologies and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of our Class A common stock to decline.

We do not intend to pay dividends on our Class A common stock and, consequently, the ability of Class A common stockholders to achieve a return on investment will depend on appreciation in the price of our Class A common stock.

We have never declared or paid any dividends on our capital stock. We intend to retain any earnings to finance the operation and expansion of our business, and we do not anticipate paying any cash dividends in the foreseeable future. As a result, Class A common stockholders may only receive a return on your investment in our Class A common stock if the market price of our Class A common stock increases.

Provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current board of directors and limit the market price of our Class A common stock.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws may have the effect of delaying or preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and amended and restated bylaws include provisions that:

- provide that our board of directors be classified into three classes of directors with staggered three-year terms;
- permit the board of directors to establish the number of directors and fill any vacancies and newly-created directorships;
- require super-majority voting to amend some provisions in our amended and restated certificate of incorporation and amended and restated bylaws;
- authorize the issuance of “blank check” preferred stock that our board of directors could use to implement a stockholder rights plan;

- provide that only the Chairperson of our board of directors, our Chief Executive Officer, or a majority of our board of directors is authorized to call a special meeting of stockholders;
- provide for a dual class common stock structure in which holders of our Class B common stock have the ability to control the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the outstanding shares of our Class A and Class B common stock, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets;
- prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders;
- provide that the board of directors is expressly authorized to make, alter or repeal our bylaws; and
- advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

Moreover, Section 203 of the Delaware General Corporation Law may discourage, delay, or prevent a change in control of our company. Section 203 imposes certain restrictions on mergers, business combinations, and other transactions between us and holders of 15% or more of our common stock.

Our amended and restated bylaws designate a state or federal court located within the State of Delaware as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit stockholders' ability to obtain a favorable judicial forum for disputes with us.

Our amended and restated bylaws provide that a state or federal court located within the State of Delaware will be the exclusive forum for:

- any derivative action or proceeding brought on our behalf;
- any action asserting a breach of fiduciary duty;
- any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our amended and restated bylaws; or
- any action asserting a claim against us that is governed by the internal affairs doctrine.

This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers or other employees, which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provision to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations and financial condition. The exclusive forum provision does not apply to claims under the Securities Act or the Exchange Act or any other claim for which the U.S. federal courts have exclusive jurisdiction..

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We lease approximately 48,812 square feet of space in San Francisco, California for our headquarters under a lease agreement that expires in April 2021. We also lease facilities in Nashville, Tennessee and Los Angeles, California, as well as in Argentina, Australia, Germany, Ireland, Spain and the United Kingdom to support our global team.

Item 3. Legal Proceedings

See "Note 11 - Commitments and Contingent Liabilities - Litigation and Loss Contingencies" in the Notes to the Consolidated Financial Statements.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information for Common Stock

Our Class A common stock has been listed on the New York Stock Exchange (NYSE) under the symbol "EB" since September 20, 2018. Prior to that date, there was no public trading market for our stock. Our Class B common stock is not listed or traded on any stock exchange.

Holders of Record

As of February 23, 2021, there were 61 holders of record of our Class A common stock and 81 holders of record of our Class B common stock. Because many of our shares of Class A common stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of beneficial owners of our Class A common stock represented by these record holders.

Dividend Policy

We have never declared nor paid any cash dividends on our capital stock. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not expect to pay any dividends on our capital stock in the foreseeable future. Any future determination relating to our dividend policy will be at the discretion of our board of directors, subject to applicable laws, and will depend on our financial condition, results of operations, capital requirements, general business conditions, and other factors that our board of directors considers relevant.

Unregistered Sale of Equity Securities

None.

Issuer Purchases of Equity Securities

None.

Securities Authorized for Issuance Under Equity Incentive Plans

See Item 12, "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" for information regarding securities authorized for issuance.

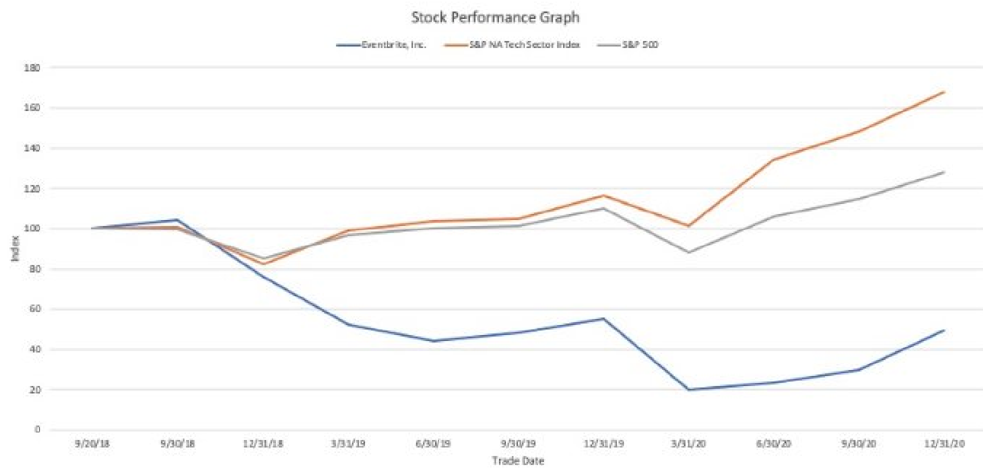
Use of Proceeds from Registered Securities

On September 19, 2018, our registration statement on Form S-1 (File No. 333-226978) was declared effective by the SEC for our initial public offering ("IPO") of Class A common stock. As of December 31, 2020, all of the net proceeds from the offering have been used. There was no material change in the use of proceeds from our IPO from that described in the final prospectus filed pursuant to Rule 424(b) under the Securities Act and other periodic reports previously filed with the SEC.

Stock Performance Graph

The following stock performance graph and related information shall not be deemed "soliciting material" or to be "filed" with the SEC, and shall not be deemed to be incorporated by reference into any filing of Eventbrite, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

The following graph compares the cumulative total return to stockholders on our Class A common stock relative to the cumulative total returns of the Standard & Poor's 500 Index, or S&P 500, and the S&P North American Technology Index. An investment of $100 (with reinvestment of all dividends) is assumed to have been made in our Class A common stock and in each index on September 20, 2018, the date our Class A common stock began trading on the NYSE, and its relative performance is tracked through December 31, 2020. The returns shown are based on historical results and are not intended to suggest future performance.



Item 6. Selected Financial Data

The following selected consolidated statement of operations data for the years ended December 31, 2020, 2019, 2018, 2017 and 2016 and the consolidated balance sheet data as of December 31, 2020, 2019, 2018, 2017 and 2016 have been derived from our audited consolidated financial statements and should be read in conjunction with the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K.

	Year Ended December 31,				
	2020	2019	2018	2017	2016
	(in thousands, except share and per share data)				
Consolidated Statements of Operations Data					
Net revenue	$ 106,006	$ 326,801	$ 291,611	$ 201,597	$ 133,499
Cost of net revenue(1)	62,330	129,141	120,653	81,667	55,689
Gross profit	43,676	197,660	170,958	119,930	77,810
Operating expenses(1):					
Product development	54,551	64,196	46,071	30,608	22,723
Sales, marketing and support	84,259	102,874	83,428	59,740	48,391
General and administrative	103,146	100,541	80,134	62,989	41,749
Total operating expenses	241,956	267,611	209,633	153,337	112,863
Loss from operations	(198,280)	(69,951)	(38,675)	(33,407)	(35,053)
Interest expense	(24,586)	(2,986)	(11,295)	(6,462)	(3,513)
Change in fair value of redeemable convertible preferred stock warrant liability	—	—	(9,591)	(2,200)	—
Loss on debt extinguishment	—	(1,742)	(178)	—	—
Other income (expense), net	(1,932)	5,727	(3,189)	3,509	(1,695)
Loss before income taxes	(224,798)	(68,952)	(62,928)	(38,560)	(40,261)
Income tax provision (benefit)	(80)	(192)	1,150	(13)	131
Net loss	$ (224,718)	$ (68,760)	$ (64,078)	$ (38,547)	$ (40,392)
Net loss per share, basic and diluted	$ (2.52)	$ (0.84)	$ (1.71)	$ (1.98)	$ (2.48)
Weighted-average number of shares outstanding used to compute net loss per share, basic and diluted	89,335	81,979	37,540	19,500	16,291

(1) Amounts include stock-based compensation as follows:

	Year Ended December 31,				
	2020	2019	2018	2017	2016
	(in thousands)				
Cost of net revenue	$ 1,146	$ 1,397	$ 429	$ 200	$ 134
Product development	13,244	11,130	5,813	2,411	2,020
Sales, marketing and support	4,778	5,471	3,570	2,364	1,767
General and administrative	21,047	19,596	20,419	5,883	4,610
Total stock-based compensation expense	$ 40,215	$ 37,594	$ 30,231	$ 10,858	$ 8,531

	December 31,				
	2020	2019	2018	2017	2016
	(in thousands)				
Consolidated Balance Sheet Data:					
Cash and cash equivalents	$ 505,756	$ 420,712	$ 437,892	$ 188,986	$ 139,538
Working capital	290,597	174,268	237,500	29,866	34,438
Total assets	795,685	808,015	836,884	570,837	245,337
Total current liabilities	246,536	350,308	308,204	246,182	149,266
Total debt	206,630	—	72,722	77,751	—
Total stockholders' equity (deficit)	315,572	425,815	415,222	(155,814)	(149,084)

Key Business Metrics and Non-GAAP Financial Measures

We monitor key metrics to help us evaluate our business, identify trends affecting our business, formulate business plans and make strategic decisions. In addition to revenue, net loss, and other results under GAAP, the following table sets forth key business metrics and non-GAAP financial measures we use to evaluate our business. We believe these metrics and measures are useful to facilitate period-to-period comparisons of our business. We believe that the use of Adjusted EBITDA is helpful to our investors as this metric is used by management in assessing the health of our business and our operating performance. This measure, which we refer to as our non-GAAP financial measure, is not prepared in accordance with GAAP and has limitations as an analytical tool, and you should not consider this in isolation or as substitutes for analysis of our results of operations as reported under GAAP. You are encouraged to evaluate the adjustments and the reasons we consider them appropriate.

	Year Ended December 31,				
	2020	2019	2018	2017	2016
	(in thousands)				
Non-GAAP and Other Data					
Paid ticket volume	47,092	109,428	97,295	71,046	44,572
Adjusted EBITDA	$ (134,075)	$ (5,641)	$ 28,765	$ 4,206	$ (17,591)

Paid Ticket Volume

Our success in serving creators is measured in large part by the number of tickets sold on our platform that generate ticket fees, referred to as paid ticket volume. We consider paid ticket volume an important indicator of the underlying health of the business. We have previously referred to this metric as 'paid tickets' and we calculate and report paid ticket volume in the same manner as we calculated and reported paid tickets. Our paid ticket volume for events outside of the United States represented 39.2%, 36.1% and 34.1% for the years ended December 31, 2020, 2019 and 2018, respectively.

Adjusted EBITDA

Adjusted EBITDA is a key performance measure that our management uses to assess our operating performance. Because Adjusted EBITDA facilitates internal comparisons of our historical operating performance on a more consistent basis, we use this measure for business planning purposes and in evaluating acquisition opportunities.

We calculate Adjusted EBITDA as net loss adjusted to exclude depreciation and amortization, stock-based compensation expense, interest expense, the change in fair value of redeemable convertible preferred stock warrant liability, loss on debt extinguishment, direct and indirect acquisitions related costs, employer taxes related to employee equity transactions, other income (expense), net, which consisted of interest income, foreign exchange rate gains and losses and changes in fair value of term loan embedded derivatives, and income tax provision (benefit). Adjusted EBITDA should not be considered as an alternative to net loss or any other measure of financial performance calculated and presented in accordance with GAAP.

The following table presents a reconciliation of our Adjusted EBITDA to the most comparable GAAP measure, net loss, for each of the periods indicated:

	Year Ended December 31,				
	2020	2019	2018	2017	2016
	(in thousands)				
Net loss	$ (224,718)	$ (68,760)	$ (64,078)	$ (38,547)	$ (40,392)
Add:					
Depreciation and amortization	22,610	24,324	34,608	19,418	7,639
Stock-based compensation	40,215	37,594	30,231	10,858	8,531
Interest expense	24,586	2,986	11,295	6,462	3,513
Change in fair value of redeemable convertible preferred stock warrant liability	—	—	9,591	2,200	—
Loss on debt extinguishment	—	1,742	178	—	—
Direct and indirect acquisition related costs(1)	190	837	2,601	7,337	1,292
Employer taxes related to employee equity transactions	1,190	1,555	—	—	—
Other (income) expense, net	1,932	(5,727)	3,189	(3,509)	1,695
Income tax provision (benefit)	(80)	(192)	1,150	(13)	131
Adjusted EBITDA	$ (134,075)	$ (5,641)	$ 28,765	$ 4,206	$ (17,591)

(1) Direct and indirect acquisition related costs consist primarily of transaction and transition related fees and expenses incurred within one year of the acquisition date, including legal, accounting, tax and other professional fees as well as personnel-related costs such as severance and retention bonuses for completed, pending and attempted acquisitions.

Some of the limitations of Adjusted EBITDA include (i) Adjusted EBITDA does not properly reflect capital spending that occurs off of the income statement or account for future contractual commitments, (ii) although depreciation and amortization are non-cash charges, the underlying assets may need to be replaced and Adjusted EBITDA does not reflect these capital expenditures and (iii) Adjusted EBITDA does not reflect the interest and principal required to service our indebtedness. Our Adjusted EBITDA may not be comparable to similarly titled measures of other companies because they may not calculate Adjusted EBITDA in the same manner as we calculate the measure, limiting its usefulness as a comparative measure. In evaluating Adjusted EBITDA, you should be aware that in the future we will incur expenses similar to the adjustments in this presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by these expenses or any unusual or non-recurring items. When evaluating our performance, you should consider Adjusted EBITDA alongside other financial performance measures, including our net loss and other GAAP results.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the information set forth under "Selected Financial Data" and our consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K. In addition to historical financial information, the following discussion and analysis contains forward-looking statements that are based upon current plans, expectations and beliefs that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" in this Annual Report on Form 10-K. Our fiscal year ends December 31.

Overview

Eventbrite is a global self-service ticketing and experience technology platform that serves event creators and empowers their success. Our mission is to bring the world together through live experiences, and since inception, we have been at the center of the experience economy, helping to transform the way people organize and attend events.

Eventbrite was built as a self-service platform to make it possible for anyone to create and sell tickets to live experiences. Creators—the people who bring others together to share their passions, artistry and causes through live experiences—are our North Star, and we have built, and continue to build, our platform to provide them with an intuitive, secure and reliable way to plan and execute their live and online events and scale their operations. We have a creator-aligned business model: we succeed when our creators succeed. We allow creators of free events to use our platform for free and we charge creators of paid events on a per-ticket basis when an attendee purchases a paid ticket for an event. Our platform integrates seamlessly with internally-developed and third-party features designed to help our creators sell more tickets and scale their businesses.

The global COVID-19 pandemic has significantly impacted our company and the events industry as a whole as disease and government and third-party preventative and protective measures have limited the ability to gather in-person. We acted swiftly to implement cost savings, access capital to strengthen our financial position and shift our strategy to focus on our self-service creator experience and support for virtual events. Although our 2020 paid ticket volumes remained well below normal levels due to restrictions on in-person gatherings, we continued to see meaningful creator engagement throughout 2020 as creators pivoted to hosting virtual events and live events returned in select markets. We expect the recovery of live events will be neither quick nor linear, but we believe that by leaning into our core strengths—smaller events and self-service—we will help our creators successfully navigate the recovery and believe we have positioned Eventbrite for success over the long term.

In May 2020, we entered into a credit agreement (Credit Agreement) with FP EB Aggregator, L.P. (FP) and FP Credit Partners, L.P., as the administrative agent, which Credit Agreement was amended on June 15, 2020 to, among other things, appoint Wilmington Trust, National Association as administrative agent in place of FP Credit Partners, L.P. The Credit Agreement provides for initial term loans (Initial Term Loans) in the aggregate principal amount of $125.0 million and delayed draw term loans (Delayed Draw Term Loans, and together with the Initial Term Loans, Term Loans) in an aggregate principal amount of $100.0 million. The Delayed Draw Term Loans may only be accessed from December 31, 2020 until September 30, 2021, subject to certain conditions. In accordance with the terms of the Credit Agreement, the amount currently available under the Delayed Draw Term Loans is $50.0 million as a result of us issuing $150.0 million in convertible senior notes, discussed in further detail below. The full amount of the Initial Term Loans was funded in May 2020. In connection with the Credit Agreement, we also entered into a stock purchase agreement with FP and issued 2,599,174 shares of our Class A common stock for a purchase price of $0.01 per share. The fair value of these shares, which was $27.4 million as of the issuance date, is being accounted for as additional debt issuance costs, reducing the initial carrying amount of the debt, and will be amortized using the effective interest rate method over the contractual term of the Initial Term Loans.

In June 2020, we issued $150.0 million aggregate principal amount of 5.000% convertible senior notes due 2025 in a private offering, inclusive of the initial purchaser's exercise in full of their option to purchase additional notes (2025 Notes). The Company determined the carrying amount of the liability component of the 2025 Notes by estimating the fair value of similar liabilities that do not have associated convertible features and separated the principal amount of the 2025 Notes into a liability component and an equity component. The fair value of the equity component was recorded as a discount to the debt and is being amortized using the effective interest rate method over the contractual term of the 2025 Notes.

In November 2020, we acquired ToneDen for an aggregate consideration of $7.5 million. We believe that this acquisition will enhance our customer engagement capabilities by offering our creators various marketing tools that we plan to integrate into our core product with a subscription offering.

Components of Results of Operations

Net Revenue

We generate revenues primarily from service fees and payment processing fees from the sale of paid tickets on our platform. We also generate revenues from fees for providing certain creators with account management services and customer support services. Our fee structure typically consists of a fixed fee and a percentage of the price of each ticket sold by a creator. Revenue is recognized when control of promised goods or services is transferred to the creator, which for service fees and payment processing fees is when the ticket is sold. For account management services and customer support, revenue is recognized over the period from the date of the sale of the ticket to the date of the event. Net revenue excludes sales taxes and value added taxes (VAT) and is presented net of estimated customer refunds, chargebacks and amortization of creator signing fees. During the year ended December 31, 2020, our actual refunds of our fees and our estimates for future customer refunds were significantly higher than previous periods as a result of refund activity largely related to the COVID-19 pandemic.

We also generate a small portion of our net revenue from complementary solutions, such as day-of-event on-site product and services, web presence development and branding, software solutions to manage event venue administration and marketing services that we provide to creators.

Cost of Net Revenue

Cost of net revenue consists of fixed costs related to making our platform generally available and variable costs related to activities on our platform. Our fixed costs consist primarily of expenses associated with the operation and maintenance of our platform, including website hosting fees and platform infrastructure costs, amortization of capitalized software development costs, onsite operations costs and allocated customer support costs. Cost of net revenue also includes the amortization expense related to our acquired developed technology assets, which may be incurred in future periods related to future acquisitions. Variable costs relate to creator activity and primarily consist of payment processing fees.

Generally, we expect cost of net revenue to fluctuate as a percentage of net revenue in the near- to mid-term primarily as a result of both our geographical revenue mix and our total net revenue. Our payment processing costs for credit and debit card payments are generally lower outside of the United States due to a number of factors, including lower card network fees and lower cost alternative payment networks. Consequently, if we generate more revenue internationally than in the United States, we expect that our payment processing costs will decline as a percentage of revenue. As our total net revenue increases or decreases and to the extent our fixed costs are unaffected, our cost of net revenue as a percentage of net revenue will similarly fluctuate. Consequently, the effects of the COVID-19 pandemic and our increased refunds and revenue reserves for estimated future refunds in the year ended December 31, 2020 resulted in a significant increase in our cost of net revenue as a percentage of net revenue.

Operating Expenses

Operating expenses consist of product development, sales, marketing and support and general and administrative expenses. Direct and indirect personnel costs, including stock-based compensation expense, are the most significant recurring component of operating expenses. We also include sublease income as a reduction of our operating expenses.

As our total net revenue increases or decreases and to the extent our operating expenses are not equally affected, our operating expenses as a percentage of net revenue will similarly fluctuate. The effect of the COVID-19 pandemic and its effect on our operating expenses, along with the related decrease in net revenue resulted in a significant increase in our operating expenses as a percentage of our net revenue in the year ended December 31, 2020.

In April 2020, our Board of Directors approved a global reduction in workforce impacting approximately 45% of our employees as part of an expense reduction plan related to the impact of the COVID-19 pandemic and its effect on our reported paid ticket volume and net revenue. With this reduction in workforce, we are repositioning our platform to focus on self-sign on and sales creators who use our platform with limited training, support or professional services. We recorded approximately $9.5 million in operating expenses in the year ended December 31, 2020 related to this reduction in workforce, of which $7.5 million was related to severance costs and post-termination employee benefits and the remaining $2.0 million were costs related primarily to disposals of assets.

Product development. Product development expenses consist primarily of costs associated with our employees in product development and product engineering activities. We expect our product development expenses to continue to increase in absolute dollars over the long term. In the near-term, we anticipate our product development expenses will increase as we focus on enhancing, improving and expanding the capabilities of our platform. We also expect to continue investing in building Eventbrite's infrastructure to enhance and support development of new technologies. Over the long-term, we anticipate that product development expenses will decrease as a percentage of net revenue as we expect our revenue to recover and grow and as we continue to expand our development staff in lower cost markets.

Sales, marketing and support. Sales, marketing and support expenses consist primarily of costs associated with our employees involved in selling and marketing our products, public relations and communication activities, marketing programs, travel and customer support costs associated with free events on our platform. For our sales teams, this also includes commissions. Sales, marketing and support expenses are driven by investments to grow and retain creators and attendees on our platform. Additionally, we classify certain creator-related expenses, such as refunds of the ticket price paid by us on behalf of a creator as sales, marketing and support expense. In April 2020, we reduced our sales, marketing and support personnel by 64%, consistent with our increased priority on delivering a self-service platform experience to our creators. The majority of the related headcount reduction costs were recorded in the three months ended June 30, 2020. As a result of the workforce reduction, we expect personnel-related sales, marketing and support expenses to decrease over the near-term.

During the year ended December 31, 2020, as a result of the COVID-19 pandemic, we increased our chargebacks and refunds reserve by $30.5 million to account for estimated losses related to event cancellations and postponements, recorded within sales, marketing and support expense. This reserve is an estimate and requires significant judgement. Due to the nature of the COVID-19 situation and the limited amount of currently available data, there is a high degree of uncertainty around these reserves and our actual losses could be materially different from our current estimates. We will adjust our recorded reserves in the future to reflect our best estimates of future outcomes.

General and administrative. General and administrative expenses consist of personnel costs, including stock-based compensation, for finance, accounting, legal, risk, human resources and administrative personnel. It also includes professional fees for legal, accounting, finance, human resources and other corporate matters. Our general and administrative expenses also include accruals for sales tax and VAT, as well as impairment charges related to creator upfront payments, which increased in the year ended December 31, 2020 as a result of the effects of the COVID-19 pandemic. Our general and administrative expenses have increased on an actual dollar basis over time. Over the long-term, we anticipate general and administrative expenses to decline as a percentage of net revenue as we expect to grow our net revenues and scale our business.

Interest Expense

Interest expense for the year ended December 31, 2020 consists primarily of cash interest expense and amortization of the discount and debt issuance costs on our Term Loans and 2025 Notes. The Credit Agreement provides for Initial Term Loans in an aggregate principal amount of $125.0 million. The full amount of the Initial Term Loans was funded in May 2020. In June 2020, we also issued the 2025 Notes, which consisted of $150.0 million aggregate principal amount of 5.000% convertible senior notes due 2025.

Previously, interest expense consisted primarily of interest related to a senior secured credit facility, which consisted of term loans with an aggregate principal amount of $75.0 million (2019 Term Loans), which was fully repaid in September 2019.

Other Income (Expense), Net

Other income (expense), net consists primarily of interest income and foreign exchange rate remeasurement gains and losses recorded from consolidating our subsidiaries each period-end. The primary driver of our other income (expense), net is fluctuation in the value of the U.S. dollar against the local currencies of our foreign subsidiaries.

Income Tax Provision (Benefit)

Income tax provision (benefit) consists primarily of U.S. federal and state income taxes and income taxes in certain foreign jurisdictions in which we conduct business. The differences in the tax provision and benefit for the periods presented and the U.S. federal statutory rate is primarily due to foreign taxes in profitable jurisdictions and the recording of a full valuation allowance on our deferred tax assets.

Results of Operations

The results of operations presented below should be reviewed in conjunction with the consolidated financial statements and notes included in Part II, Item 8, "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

For a discussion and comparison of the years ended December 31, 2019 and 2018, please refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of the 2019 Annual Report on Form 10-K filed with the SEC on March 2, 2020. The following tables set forth our consolidated results of operations data and such data as a percentage of net revenue for the periods presented:

	Year Ended December 31,		
	2020	2019	2018
		(in thousands)	
Consolidated Statements of Operations			
Net revenue	$ 106,006	$ 326,801	$ 291,611
Cost of net revenue	62,330	129,141	120,653
Gross profit	43,676	197,660	170,958
Operating expenses:			
Product development	54,551	64,196	46,071
Sales, marketing and support	84,259	102,874	83,428
General and administrative	103,146	100,541	80,134
Total operating expenses	241,956	267,611	209,633
Loss from operations	(198,280)	(69,951)	(38,675)
Interest expense	(24,586)	(2,986)	(11,295)
Change in fair value of redeemable convertible preferred stock warrant liability	—	—	(9,591)
Loss on debt extinguishment	—	(1,742)	(178)
Other income (expense), net	(1,932)	5,727	(3,189)
Loss before income taxes	(224,798)	(68,952)	(62,928)
Income tax provision (benefit)	(80)	(192)	1,150
Net loss	$ (224,718)	$ (68,760)	$ (64,078)

Consolidated Statements of Operations, as a percentage of net revenue	Year Ended December 31, 2020	2019	2018
Net revenue	100.0 %	100.0 %	100.0 %
Cost of net revenue	58.8	39.5	41.4
Gross profit	41.2	60.5	58.6
Operating expenses:			
Product development	51.5	19.6	15.8
Sales, marketing and support	79.5	31.5	28.6
General and administrative	97.3	30.8	27.5
Total operating expenses	228.3	81.9	71.9
Loss from operations	(187.1)	(21.4)	(13.3)
Interest expense	(23.2)	(0.9)	(3.9)
Change in fair value of redeemable convertible preferred stock warrant liability	—	—	(3.3)
Loss on debt extinguishment	—	(0.5)	(0.1)
Other income (expense), net	(1.8)	1.8	(1.1)
Loss before income taxes	(212.1)	(21.1)	(21.6)
Income tax provision (benefit)	(0.1)	(0.1)	0.4
Net loss	(212.0)%	(21.0)%	(22.0)%

Comparison of the years ended December 31, 2020 and 2019

Net revenue

	Year Ended December 31, 2020	2019	Change $	%
	(in thousands, except percentages)			
Net revenue	$ 106,006	$ 326,801	$ (220,795)	(67.6)%

The decrease in net revenue during 2020 compared to 2019 was driven primarily by reduction in paid ticket volume resulting from the effects of the COVID-19 pandemic. Paid tickets decreased by 57.0% from 2019 to 2020, from 109.4 million paid tickets in 2019 to 47.1 million paid tickets in 2020. Net revenue per paid ticket of $2.25 in 2020 also decreased when compared with net revenue per paid ticket in 2019 of $2.99, reflecting the impact of refunds, ticket mix, average ticket prices and other factors.

In the year ended December 31, 2020, largely as a result of COVID-19 and its effect on our creators' events, we incurred actual refunds of our fees of $27.0 million and increased our estimated revenue reserves for future refunds by $28.9 million.

Cost of net revenue

	Year Ended December 31, 2020	2019	Change $	%
	(in thousands, except percentages)			
Cost of net revenue	$ 62,330	$ 129,141	$ (66,811)	(51.7)%
Percentage of total net revenue	58.8 %	39.5 %		
Gross margin	41.2 %	60.5 %		

The decrease in cost of net revenue during 2020 compared to 2019 was primarily due to a decrease in payment processing costs of $55.1 million, driven by a reduction in paid ticket volume resulting from the effects of the COVID-19 pandemic, a decrease in field operations costs of $6.9 million, a decrease in allocated customer support costs of $1.4 million, a decrease in depreciation of $1.3 million and other costs relating to platform fees and web design.

Our gross margin decreased in the year ended December 31, 2020 primarily due to the significant increase in our actual refunds and estimated future refunds of our fees discussed above under net revenue.

Operating expense

Product development

	Year Ended December 31,		Change	
	2020	2019	$	%
	(in thousands, except percentages)			
Product development	$ 54,551	$ 64,196	$ (9,645)	(15.0)%
Percentage of total net revenue	51.5 %	19.6 %		

The decrease in product development costs during 2020 compared to 2019 was primarily due to a decrease of $11.1 million in compensation costs due to lower headcount, offset by an increase in software maintenance costs.

Sales, marketing and support

	Year Ended December 31,		Change	
	2020	2019	$	%
	(in thousands, except percentages)			
Sales, marketing and support	$ 84,259	$ 102,874	$ (18,615)	(18.1)%
Percentage of total net revenue	79.5 %	31.5 %		

The decrease in sales, marketing and support expenses during 2020 compared to 2019 was primarily due to a decrease of $21.9 million in compensation costs due to lower headcount, a decrease of $6.6 million in direct and discretionary marketing costs and a decrease of $4.3 million in costs relating to event hosting and professional services. This decrease was partially offset by an increase of $14.1 million in creator related expenses primarily due to chargebacks and refunds reserve and event cancellation losses.

General and administrative

	Year Ended December 31,		Change	
	2020	2019	$	%
	(in thousands, except percentages)			
General and administrative	$ 103,146	$ 100,541	$ 2,605	2.6 %
Percentage of total net revenue	97.3 %	30.8 %		

The increase in general and administrative expenses during 2020 compared to 2019 was primarily due to an increase of $18.1 million in creator related expenses driven by the increased reserves for creator signing fees and creator advances, as a result of the effects of the COVID-19 pandemic.

This increase was partially offset by decreased compensation costs of $8.1 million due to lower headcount, $5.8 million in professional services and other costs, a decrease of $1.2 million in sales and other business taxes due to reductions in ticket sales.

Interest expense

	Year Ended December 31,		Change	
	2020	2019	$	%
	(in thousands, except percentages)			
Interest expense	$ (24,586)	$ (2,986)	$ 21,600	723.4 %
Percentage of total net revenue	(23.2)%	(0.9)%		

The increase in interest expense during 2020 compared to 2019 was the result of higher amounts of interest-bearing debt outstanding during the period with higher effective interest rates. The Initial Term Loans and the 2025 Notes which were outstanding in 2020 bore interest at a rate higher than the 2019 Term Loans, which were outstanding during 2019. In September 2019, we repaid the 2019 Term Loans in full, and we terminated the underlying credit agreement.

Loss on debt extinguishment

	Year Ended December 31,		Change	
	2020	2019	$	%
	(in thousands, except percentages)			
Loss on debt extinguishment	$ —	$ (1,742)	$ (1,742)	*
Percentage of total net revenue	— %	(0.5)%		

* Not meaningful

In September 2019, we repaid the 2019 Term Loans in full making payments of $62.2 million of principal and $0.8 million of accrued interest and fees, and we terminated the underlying credit agreement. We recorded a loss on debt extinguishment of $1.7 million during 2019 related to the write-off of unamortized debt issuance costs.

Other income (expense), net

	Year Ended December 31,		Change	
	2020	2019	$	%
	(in thousands, except percentages)			
Other income (expense), net	$ (1,932)	$ 5,727	$ (7,659)	133.7 %
Percentage of total net revenue	(1.8)%	1.8 %		

The decrease in other income during 2020 compared to 2019 was primarily driven by a $3.9 million decrease in interest income due to lower interest rates on our money market funds. The remaining change was primarily driven by higher other expense of $3.7 million as a result of fluctuations in foreign currency transaction gains or losses.

Income tax provision (benefit)

	Year Ended December 31,		Change	
	2020	2019	$	%
	(in thousands, except percentages)			
Income tax provision (benefit)	$ (80)	$ (192)	$ (112)	58.3 %
Percentage of total net revenue	(0.1)%	(0.1)%		

The benefit from income taxes decreased $0.1 million in 2020 compared to 2019 and was primarily attributable to the change in our year-over-year jurisdictional earnings mix.

Quarterly Results of Operations Data

The following tables set forth our unaudited quarterly statements of operations data for each of the eight quarters in the period ended December 31, 2020. The information for each quarter has been prepared on a basis consistent with our audited consolidated financial statements included in this Annual Report on Form 10-K, and, in the opinion of management, includes all adjustments, which consist only of normal recurring adjustments, necessary for the fair statement of the results of operations for these periods. This data should be read in conjunction with our audited consolidated financial statements and related notes included in this Annual Report on Form 10-K. These quarterly results of operations are not necessarily indicative of the results we may achieve in any future period.

	Three Months Ended							
	March 31, 2019[(1)]	June 30, 2019[(1)]	Sept. 30, 2019[(1)]	Dec. 31, 2019	March 31, 2020	June 30, 2020	Sept. 30, 2020	Dec. 31, 2020
	(in thousands)							
Consolidated Statements of Operations								
Net revenue	$ 81,326	$ 80,758	$ 82,052	$ 82,665	$ 49,086	$ 8,394	$ 21,868	$ 26,658
Cost of net revenue [(2)]	30,565	31,119	33,389	34,068	28,005	10,094	11,231	13,000
Gross profit	50,761	49,639	48,663	48,597	21,081	(1,700)	10,637	13,658
Operating expenses [(2)]:								
Product development	14,597	16,628	16,211	16,760	16,171	15,047	11,540	11,793
Sales, marketing and support	21,725	26,053	28,764	26,332	99,915	(3,073)	(5,011)	(7,572)
General and administrative	25,380	22,287	27,390	25,484	42,109	22,472	15,845	22,720
Total operating expenses	61,702	64,968	72,365	68,576	158,195	34,446	22,374	26,941
Loss from operations	(10,941)	(15,329)	(23,702)	(19,979)	(137,114)	(36,146)	(11,737)	(13,283)
Interest expense	(1,092)	(1,033)	(853)	(8)	(12)	(3,625)	(10,284)	(10,665)
Loss on debt extinguishment	—	—	(1,742)	—	—	—	—	—
Other income (expense), net	2,180	375	(3,700)	6,872	(9,285)	1,186	2,837	3,330
Loss before income taxes	(9,853)	(15,987)	(29,997)	(13,115)	(146,411)	(38,585)	(19,184)	(20,618)
Income tax provision (benefit)	100	(1,193)	147	754	65	(1)	243	(387)
Net loss	(9,953)	(14,794)	(30,144)	(13,869)	$ (146,476)	$ (38,584)	$ (19,427)	$ (20,231)
Net loss attributable to common stockholders	$ (9,953)	$ (14,794)	$ (30,144)	$ (13,869)	$ (146,476)	$ (38,584)	$ (19,427)	$ (20,231)
Net loss per share attributable to common stockholders, basic and diluted	$ (0.13)	$ (0.18)	$ (0.36)	$ (0.16)	$ (1.71)	$ (0.44)	$ (0.21)	$ (0.22)
Weighted-average shares outstanding used to compute net loss per share attributable to common stockholders, basic and diluted	78,670	81,369	83,063	84,488	85,879	88,410	90,973	91,972

(1) The quarterly information for each of the three months ended March 31, 2019, June 30, 2019 and September 30, 2019 has been recasted to reflect the adoption of ASC 842. Below is a reconciliation of the As reported amounts for the impacted line items from our 2019 quarterly interim reporting filed on Form 10-Q to the recasted amounts shown in the quarterly information table (the As reported amounts for the three months ended March 31, 2019 includes a $0.4 million reclassification from general and administrative expense to sales, marketing and support expense, to make the presentation consistent with other periods)

(2) Amounts include stock-based compensation expense as follows:

	Three Months Ended							
	March 31, 2019	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019	March 31, 2020	June 30, 2020	Sept. 30, 2020	Dec. 31, 2020
	(in thousands)							
Cost of net revenue	$ 244	$ 325	$ 393	$ 435	$ 423	$ 207	$ 260	$ 256
Product development	2,038	2,187	3,322	3,583	3,689	3,366	3,101	3,088
Sales, marketing and support	1,223	1,246	1,569	1,433	1,431	901	1,281	1,165
General and administrative	4,622	4,948	4,652	5,374	5,279	5,137	5,465	5,166
Total	$ 8,127	$ 8,706	$ 9,936	$ 10,825	$ 10,822	$ 9,611	$ 10,107	$ 9,675

	Three Months Ended March 31, 2019			Three Months Ended June 30, 2019			Three Months Ended September 30, 2019		
				(in thousands)					
	As Reported	Effect of ASC 842 Adoption	Recasted	As Reported	Effect of ASC 842 Adoption	Recasted	As Reported	Effect of ASC 842 Adoption	Recasted
Net Revenue	$ 81,326	$ —	$ 81,326	$ 80,758	$ —	$ 80,758	$ 82,052	$ —	$ 82,052
Cost of Net Revenue	30,518	47	30,565	31,073	46	31,119	33,345	44	33,389
Gross Profit	50,808	(47)	50,761	49,685	(46)	49,639	48,707	(44)	48,663
Operating Expenses:									
Product Development	14,264	333	14,597	16,295	333	16,628	15,902	309	16,211
Sales, marketing and support	21,562	163	21,725	25,872	181	26,053	28,552	212	28,764
General and administrative	25,127	253	25,380	22,051	236	22,287	27,159	231	27,390
Total operating expenses	60,953	749	61,702	64,218	750	64,968	71,613	752	72,365
Loss from operations	(10,145)	(796)	(10,941)	(14,533)	(796)	(15,329)	(22,906)	(796)	(23,702)
Interest expense	(1,933)	841	(1,092)	(1,868)	835	(1,033)	(1,681)	828	(853)
Loss on debt extinguishment	—	—	—	—	—	—	(1,742)	—	(1,742)
Other income (expense), net	2,180	—	2,180	375	—	375	(3,700)	—	(3,700)
Loss before income taxes	(9,898)	45	(9,853)	(16,026)	39	(15,987)	(30,029)	32	(29,997)
Income tax provision (benefit)	100	—	100	(1,193)	—	(1,193)	147	—	147
Net loss	$ (9,998)	$ 45	$ (9,953)	$ (14,833)	$ 39	$ (14,794)	$ (30,176)	$ 32	$ (30,144)

	Three Months Ended							
	March 31, 2019	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019	March 31, 2020	June 30, 2020	Sept. 30, 2020	Dec. 31, 2020
Percentage of Net Revenue								
Net revenue	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of net revenue	37.6	38.5	40.7	41.2	57.1	120.3	51.4	48.8
Gross profit	62.4	61.5	59.3	58.8	42.9	(20.3)	48.6	51.2
Operating expenses:								
Product development	17.9	20.6	19.8	20.3	32.9	179.3	52.8	44.2
Sales, marketing and support	26.7	32.3	35.1	31.9	203.6	(36.6)	(22.9)	(28.4)
General and administrative	31.2	27.6	33.4	30.8	85.8	267.7	72.5	85.2
Total operating expenses	75.9	80.5	88.3	83.0	322.3	410.4	102.4	101.0
Loss from operations	(13.5)	(19.0)	(29.0)	(24.2)	(279.3)	(430.7)	(53.8)	(49.8)
Interest expense	(1.3)	(1.3)	(1.0)	—	—	(43.2)	(47.0)	(40.0)
Loss on debt extinguishment	—	—	(2.1)	—	—	—	—	—
Other income (expense), net	2.7	0.5	(4.5)	8.3	(18.9)	14.1	13.0	12.5
Loss before income taxes	(12.1)	(19.8)	(36.6)	(15.9)	(298.3)	(459.8)	(87.8)	(77.3)
Income tax provision (benefit)	0.1	(1.5)	0.2	0.9	0.1	—	1.1	(1.5)
Net loss	(12.2)%	(18.3)%	(36.8)%	(16.8)%	(298.4)%	(459.8)%	(88.9)%	(75.8)%

The following table presents our paid ticket volume for each of the periods indicated:

	Three Months Ended							
	March 31, 2019	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019	March 31, 2020	June 30, 2020	Sept. 30, 2020	Dec. 31, 2020
				(in thousands)				
Paid ticket volume	27,026	26,538	26,897	28,967	22,237	4,691	9,190	10,974

The following table presents a reconciliation of net income (loss) to Adjusted EBITDA for each of the periods indicated:

	Three Months Ended							
	March 31, 2019[(1)]	June 30, 2019[(1)]	Sept. 30, 2019[(1)]	Dec. 31, 2019	March 31, 2020	June 30, 2020	Sept. 30, 2020	Dec. 31, 2020
	(in thousands)							
Net loss	$ (9,953)	$ (14,794)	$ (30,144)	$ (13,869)	$ (146,476)	$ (38,584)	$ (19,427)	$ (20,231)
Add:								
Depreciation and amortization	6,012	5,957	6,112	6,243	6,213	5,700	5,363	5,334
Stock-based compensation	8,127	8,706	9,936	10,825	10,822	9,611	10,107	9,675
Interest expense	1,092	1,033	853	8	12	3,625	10,284	10,665
Loss on debt extinguishment	—	—	1,742	—	—	—	—	—
Direct and indirect acquisition related costs	673	130	34	—	—	—	—	190
Employer taxes related to employee equity transactions	187	524	182	662	479	215	218	278
Other (income) expense, net	(2,180)	(375)	3,700	(6,872)	9,285	(1,186)	(2,837)	(3,330)
Income tax provision (benefit)	100	(1,193)	147	754	65	(1)	243	(387)
Adjusted EBITDA	$ 4,058	$ (12)	$ (7,438)	$ (2,249)	$ (119,600)	$ (20,620)	$ 3,951	$ 2,194

(1) The quarterly information for each of the three months ended March 31, 2019, June 30, 2019 and September 30, 2019 has been recasted to reflect the adoption of ASC 842. Below is a reconciliation of the As reported amounts for the impacted line items from our 2019 quarterly interim reporting filed on Form 10-Q to the recasted amounts shown in the quarterly Adjusted EBITDA reconciliation

	Three Months Ended March 31, 2019			Three Months Ended June 30, 2019			Three Months Ended September 30, 2019		
	(in thousands)								
	As Reported	Effect of ASC 842 Adoption	Recasted	As Reported	Effect of ASC 842 Adoption	Recasted	As Reported	Effect of ASC 842 Adoption	Recasted
Net loss	$ (9,998)	$ 45	$ (9,953)	$ (14,833)	$ 39	$ (14,794)	$ (30,176)	$ 32	$ (30,144)
Add:									
Depreciation and amortization	6,137	(125)	6,012	6,082	(125)	5,957	6,237	(125)	6,112
Stock-based compensation	8,127	—	8,127	8,706	—	8,706	9,936	—	9,936
Interest expense	1,933	(841)	1,092	1,868	(835)	1,033	1,681	(828)	853
Loss on debt extinguishment	—	—	—	—	—	—	1,742	—	1,742
Direct and indirect acquisition related costs	673	—	673	130	—	130	34	—	34
Employer taxes related to employee equity transactions	187	—	187	524	—	524	182	—	182
Other (income) expense, net	(2,180)	—	(2,180)	(375)	—	(375)	3,700	—	3,700
Income tax provision (benefit)	100	—	100	(1,193)	—	(1,193)	147	—	147
Adjusted EBITDA	$ 4,979	$ (921)	$ 4,058	$ 909	$ (921)	$ (12)	$ (6,517)	$ (921)	$ (7,438)

Liquidity and Capital Resources

As of December 31, 2020, we had cash and cash equivalents of $505.8 million and funds receivable of $10.8 million. Our cash and cash equivalents includes bank deposits and money market funds held by financial institutions and is held for working capital purposes. Our funds receivable represents cash-in-transit from credit card processors that is received to our bank accounts within five business days of the underlying ticket transaction. Collectively, our cash, cash equivalents and funds receivable balances represent a mix of cash that belongs to us and cash that is due to the creator. The amounts due to creators, which was $191.1 million as of December 31, 2020, are captioned on our consolidated balance sheets as accounts payable, creators. Although creator cash is legally unrestricted, we do not utilize creator cash for our own financing or investing activities as the amounts are payable to creators on a regular basis.

Until March 11, 2020, for qualified creators who applied to receive their funds in advance of their events, we passed proceeds from ticket sales to the creators prior to the events, subject to certain limitations. We refer to these payments as advance payouts. When we provide advance payouts, we assume significant risk that the event may be cancelled, postponed, fraudulent, materially not as described or removed from our platform due to its failure to comply with our terms of service or our merchant agreement, which could result in significant chargebacks, refund requests and/or disputes between attendees and creators. This risk has been significantly exacerbated by the unprecedented nature of the COVID-19 pandemic. The terms of our standard merchant agreement obligate creators to repay us for ticket sales advanced under such circumstances. However, we may not be able to recover our losses from these events, and COVID-19 has significantly increased the likelihood that we will not recover these losses. Such unrecoverable amounts could equal up to the value of the transaction or transactions settled to the creator prior to the event that has been postponed or cancelled or is otherwise disputed. This amount could be many multiples of the fees we collected from such transaction. In light of the COVID-19 pandemic, we temporarily suspended the advance payout program on March 11, 2020. We are exploring new ways to make advance payouts to qualified creators who meet strict guidelines and have started making advance payouts available to a limited number of low risk creators.

As of December 31, 2020, our chargebacks and refunds reserve increased to $33.2 million from $2.7 million at December 31, 2019, an increase of $30.5 million. This increase was largely driven by the effects of the COVID-19 pandemic and related event cancellations and postponements and our estimated costs related to chargebacks and refunds, in part driven by our advance payouts program. Due to the nature of the COVID-19 situation and the limited amount of currently available data, there is a high degree of uncertainty around these reserves and our actual losses could be materially different from our current estimates. We will adjust our recorded reserves in the future to reflect our best estimates of future outcomes, and we may pay in cash a portion of, all, or a greater amount than the $33.2 million reserve recorded as of December 31, 2020.

In May 2020, we entered into the Credit Agreement. The Credit Agreement provides for the Initial Term Loans in the aggregate principal amount of $125.0 million and the Delayed Draw Term Loans in an aggregate principal amount of up to the lesser of (x) $100.0 million or (y) if we incur certain convertible indebtedness pursuant to the terms of the Credit Agreement, $325.0 million less the sum of (i) the aggregate principal amount of the Initial Term Loans outstanding at such time and (ii) the aggregate principal amount of such convertible indebtedness outstanding at such time. The amount currently available under the Delayed Draw Term Loans is $50.0 million as a result of the issuance of $150.0 million in 2025 Notes, discussed in further detail below. The Delayed Draw Term Loans may only be accessed from December 31, 2020 until September 30, 2021, subject to certain conditions. The full amount of the Initial Term Loans was funded in May 2020. Borrowings under the Credit Agreement bear interest at a rate per annum equal to (i) 4.0% payable in cash and (ii) 8.5% payable in kind. The Term Loans mature on the fifth anniversary of the Initial Funding Date, and there are no amortization payments with respect to the Term Loans.

In June 2020, we issued $150.0 million aggregate principal amount of 5.000% convertible senior notes due 2025 in a private offering, inclusive of the initial purchaser's exercise in full of their option to purchase additional notes. In connection with the offering of the 2025 Notes, we entered into capped call transactions with certain financial institutions (Capped Calls). We used $15.6 million of the net proceeds from the sale of the 2025 Notes to purchase the Capped Calls. We intend to use the remaining net proceeds from the sale of the 2025 Notes for general corporate purposes. See Note 10 to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K, for additional information about the 2025 Notes and Capped Calls.

We believe that our existing cash, including proceeds from the Initial Term Loans and 2025 Notes, together with cash generated from operations, will be sufficient to meet our anticipated cash needs for at least the next 12 months. However, our liquidity assumptions may prove to be incorrect, and we could exhaust our available financial resources sooner than we currently expect. We may seek to raise additional funds at any time through debt, equity and equity-linked arrangements.

As of December 31, 2020, approximately 26.1% of our cash was held outside of the United States, which was held primarily on behalf of, and to be remitted to, creators and to fund our foreign operations. We do not expect to incur significant taxes related to these amounts.

Cash Flows

Our cash flow activities were as follows for the periods presented:

	Year Ended December 31,		
	2020	2019	2018
		(in thousands)	
Net cash provided by (used in):			
Operating activities	$ (156,892)	$ 29,955	$ 7,162
Investing activities	(12,657)	(13,598)	(39)
Financing activities	255,039	(32,817)	240,056
Net increase (decrease) in cash, cash equivalents and restricted cash	$ 85,490	$ (16,460)	$ 247,179

For a discussion and comparison of the years ended December 31, 2019 and 2018, please refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of the 2019 Annual Report on Form 10-K filed with the SEC on March 2, 2020.

Comparison of Years Ended December 31, 2020 and 2019

Cash Flows from Operating Activities

The net cash used in operating activities of $156.9 million for the year ended December 31, 2020 was due primarily to a net loss of $224.7 million with adjustments for provision for chargebacks and refunds of $61.0 million, stock-based compensation expense of $40.2 million, depreciation and amortization of $22.6 million, amortization of debt discount and issuance costs of $10.2 million, payment in kind interest of $6.8 million, amortization of creator signing fees of $8.6 million, impairment charges relating to creator advances and creator signing fees of $12.3 million and provision for bad debt and creator advances of $17.6 million. Additionally, there was a decrease in accounts payable to creators of $116.7 million due to decreases in paid ticket volume resulting from the effects of the COVID-19 pandemic, cash paid for refunds and chargebacks of $30.4 million, a decrease in other accrued liabilities of $8.0 million, a decrease in accrued taxes of $3.2 million offset by cash from funds receivable of $44.1 million.

The net cash provided by operating activities of $30.0 million for the year ended December 31, 2019 was due primarily to a net loss of $68.8 million with adjustments for depreciation and amortization of $24.3 million, stock-based compensation expense of $37.6 million, amortization of creator signing fees of $10.9 million, impairment charges of $5.7 million, provision for bad debt and creator advances of $2.4 million and loss on debt extinguishment of $1.7 million. Additionally, there was an increase in accounts payable to creators of $36.2 million due to increases in paid ticket volume, a decrease in funds receivable of $3.8 million and an increase in other accrued liabilities of $3.5 million. These items were partially offset by an increase in creator signing fees paid of $21.2 million, an increase in creator advances, net of $5.7 million and a decrease in accrued taxes of $2.8 million, The increases in creator signing fees, net, and creator advances, net, were due to increases in our sales contracting with creators.

Cash Flows from Investing Activities

The net cash used in investing activities of $12.7 million for the year ended December 31, 2020 was due to cash paid for acquisition of ToneDen in November 2020 of $6.4 million, capitalized software development costs of $4.6 million and purchases of property and equipment of $1.7 million.

The net cash used in investing activities of $13.6 million for the year ended December 31, 2019 was due to capitalized software development costs of $7.7 million and purchases of property and equipment of $5.9 million.

Cash Flows from Financing Activities

The net cash provided by financing activities of $255.0 million during the year ended December 31, 2020 was primarily due to proceeds from issuing the Initial Term Loans and 2025 Notes of $256.1 million, net of issuance costs, proceeds from the exercise of stock options of $19.3 million and $1.3 million of purchases under our Employee Stock Purchase Plan (ESPP), partially offset by the purchase of convertible notes capped calls at $15.6 million in connection with the issuance of the 2025 Notes and $5.5 million in taxes paid related to the net share settlement of equity awards.

The net cash used in financing activities of $32.8 million during the year ended December 31, 2019 was due primarily to $73.6 million in principal payments on our debt obligations and $2.4 million in taxes paid related to the net share settlement of equity awards. These cash outflows were offset by $40.7 million in proceeds from exercise of stock options and $3.6 million of purchases under our ESPP.

Concentrations of Credit Risk

As of December 31, 2020 and December 31, 2019, there were no customers that represented 10% or more of our accounts receivable balance. There were no customers that individually exceeded 10% of our net revenue during the years ended December 31, 2020 and 2019.

Contractual Obligations and Commitments

Our principal commitments consist of obligations under the Initial Term Loans and 2025 Notes (including principal and coupon interest), operating leases for office space, future creator signing fees and creator advances, as well as non-cancellable purchase commitments. Refer to Note 11, Commitments and Contingent Liabilities, of the Notes to Consolidated Financial Statements under Part II, Item 8 of this Annual Report on Form 10-K for more details, including a table of our contractual obligations.

Off-Balance Sheet Arrangements

We do not currently have any off-balance sheet arrangements and did not have any such arrangements during each of the years ended December 31, 2020, 2019 or 2018.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates

In order to conform with GAAP, we are required to make certain estimates, judgments and assumptions when preparing our consolidated financial statements. These estimates, judgments and assumptions affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reported periods. These estimates include, but are not limited to, the recoverability of creator signing fees and creator advances, chargebacks and refunds due to cancelled or postponed events, the capitalization and estimated useful life of internal-use software, certain assumptions used in the valuation of equity awards, assumptions used in determining the fair value of business combinations, the allowance for doubtful accounts and indirect tax reserves. Due to the ongoing COVID-19 pandemic, there is uncertainty and significant disruption in the global economy and financial markets. We have had to make significant estimates in our consolidated financial statements, specifically related to chargebacks and refunds due to cancelled or postponed events, which impacts net revenue, advance payouts, creator signing fees and creator advances. We evaluate these estimates on an ongoing basis. Actual results could differ from those estimates and such differences could be material to our consolidated financial statements.

Revenue Recognition

We adopted and began applying ASC 606 on January 1, 2019 in accordance with ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606) and Other Assets and Deferred Costs—Contracts with Customers (Subtopic 340-40) using a modified retrospective approach to contracts which were not completed as of the adoption date. The adoption of ASC 606 had no material impact to our net revenues recorded in the year ended December 31, 2019. We recorded a cumulative-effect adjustment to opening accumulated deficit as of January 1, 2019 of $0.6 million and a corresponding increase to contract liabilities, included within other accrued liabilities on the consolidated balance sheet. We recognized this $0.6 million during the year ended December 31, 2019 and had a contract liability of $0.8 million recorded as of December 31, 2019.

We derive our revenues primarily from service fees and payment processing fees charged at the time a ticket for an event is sold. We also derive revenues from providing certain creators with account management services and customer support. Our customers are event creators who use our platform to sell tickets to attendees. Revenue is recognized when or as control of the promised goods or services is transferred to customers, in an amount that reflects the consideration we expect to receive in exchange for those goods or services. We allocate the transaction price by estimating a standalone selling price for each performance obligation using an expected cost plus a margin approach. For service fees and payment processing fees, revenue is recognized when the ticket is sold. For account management services and customer support, revenue is recognized over the period from the date of the sale of the ticket to the date of the event.

The event creator has the choice of whether to use Eventbrite Payment Processing (EPP) or to use a third-party payment processor, referred to as Facilitated Payment Processing (FPP). Under the EPP option, we are the merchant of record and are responsible for processing the transaction and collecting the face value of the ticket and all associated fees at the time the ticket is sold. We are also responsible for remitting these amounts collected, less our fees, to the event creator. Under the FPP option, we are not responsible for processing the transaction or collecting the face value of the ticket and associated fees. In this case, we invoice the creator for all of our fees.

We evaluate whether it is appropriate to recognize revenue on a gross or net basis based upon our evaluation of whether we obtain control of the specified goods or services by considering if we are primarily responsible for fulfillment of the promise, have inventory risk, and have the latitude in establishing pricing and selecting suppliers, among other factors. We determined the event creator is the party responsible for fulfilling the promise to the attendee, as the creator is responsible for providing the event for which a ticket is sold, determines the price of the ticket and is responsible for providing a refund if the event is canceled. Our service provides a platform for the creator and event attendee to transact and our performance obligation is to facilitate and process that transaction and issue the ticket. The amount that we earn for our services is fixed. For the payment processing service, we determined that we are the principal in providing the service as we are responsible for fulfilling the promise to process the payment and we have discretion and latitude in establishing the price of our service. Based on our assessment, we record revenue on a net basis related to our ticketing service and on a gross basis related to our payment processing service. As a result, costs incurred for processing the transactions are included in cost of net revenues in the consolidated statements of operations.

Revenue is presented net of indirect taxes, value-added taxes, creator royalties and reserves for customer refunds, payment chargebacks and estimated uncollectible amounts. If an event is cancelled by a creator, then any obligations to provide refunds to event attendees are the responsibility of that creator. If a creator is unwilling or unable to fulfill their refund obligations, we may, at our discretion, provide attendee refunds. Revenue is also presented net of the amortization of creator signing fees. The benefit we receive by securing exclusive ticketing and payment processing rights with certain creators from creator signing fees is inseparable from the customer relationship with the creator and accordingly these fees are recorded as a reduction of revenue in the consolidated statements of operations.

Chargebacks and Refunds Reserve

The terms of our standard merchant agreement obligate creators to reimburse attendees who are entitled to refunds. When we provide advance payouts, we assume risk that the event may be cancelled, fraudulent, or materially not as described, resulting in significant chargebacks and refund requests. If the creator is insolvent or has spent the proceeds of the ticket sales for event-related costs, we may not be able to recover our losses from these events, and such unrecoverable amounts could equal the value of the transaction or transactions settled to the creator prior to the event that is disputed, plus any associated chargeback fees not assumed by the creator. We record estimates for refunds and chargebacks of our fees as contra-revenue. We record estimates for losses related to chargebacks and refunds of the face value of tickets as an operating expense classified within sales, marketing and support. Reserves are recorded based on our assessment of various factors, including the amounts paid and outstanding to creators in conjunction with the advance payout program, the size and nature of future events, the status of and remaining time to event date, macro-economic conditions and current events, and actual chargeback and refund activity during the current year. The chargebacks and refunds reserve was $33.2 million and $2.7 million as of December 31, 2020 and 2019, respectively. The increase in the reserve balance during the year ended December 31, 2020 was the result of estimated losses from the advance payout program and estimated future refunds of fees, relating largely to the COVID-19 pandemic. Prior to March 31, 2020, we included our chargebacks and refunds reserve in other accrued liabilities on the consolidated balance sheets, and have reclassified the balance as of December 31, 2019 on the consolidated balance sheets included in this Annual Report on Form 10-K to be consistent with the presentation as of December 31, 2020.

Business Combinations, Goodwill and Acquired Intangible Assets

We account for business acquisitions using the purchase method of accounting, in accordance with which assets acquired and liabilities assumed are recorded at their respective fair values at the acquisition date. We allocate the fair value of purchase consideration to the tangible assets acquired, liabilities assumed and intangible assets acquired based on their estimated fair values. Such valuations require us to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from acquired users, acquired technology and trade names from a market participant perspective, useful lives and discount rates. Our estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates.

Goodwill represents the excess of the aggregate fair value of the consideration transferred in a business combination over the fair value of the assets acquired, net of liabilities assumed. Goodwill is not amortized but the Company evaluates goodwill impairment of its single reporting unit annually in the fourth quarter, or more frequently if events or changes in circumstances indicate the goodwill may be impaired.

On January 1, 2020, we adopted ASU 2017-04, which eliminates the requirement to calculate the implied fair value of goodwill to measure a goodwill impairment charge. We determined that the conditions resulting from the COVID-19 pandemic and the decline in the market value of our common stock warranted an assessment of its goodwill carrying amount. During the year ended December 31, 2020, we performed an analysis by comparing our estimated fair value to our carrying amount, including goodwill. Our analysis indicated that its estimated fair value, using the market price of our common stock, exceeded its carrying amount and therefore goodwill was not impaired and no additional steps were necessary.

Acquired intangible assets, net consists of identifiable intangible assets such as developed technology, customer relationships, and trade names resulting from our acquisitions. Acquired intangible assets are recorded at fair value on the date of acquisition and amortized over their estimated economic lives following the pattern in which the economic benefits of the assets will be consumed, which is straight-line. Acquired intangible assets are presented net of accumulated amortization in the consolidated balance sheets.

We evaluate the recoverability of our acquired intangible assets for potential impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of these assets is measured by a comparison of the carrying amounts to the future undiscounted cash flows the assets are expected to generate. If such review indicates that the carrying amount of intangible assets is not recoverable, the carrying amount of such assets is reduced to the fair value. We determined that the conditions resulting from the COVID-19 pandemic warranted an assessment of intangible assets carrying amount. During the year ended December 31, 2020, we performed an analysis by comparing the undiscounted future cash flows to the carrying amount and concluded no impairment of the carrying value was required.

Stock-Based Compensation Expense

Stock-based compensation expense is measured based on the grant-date fair value of the awards and recognized in the consolidated statements of operations over the period during which the award recipient is required to perform services in exchange for the award (the vesting period of the award).

We estimate the fair value of stock options granted using the Black-Scholes option pricing model. We measure the fair value of RSUs based on the fair value of the underlying shares on the date of grant. Compensation expense is recognized over the vesting period of the applicable award using the straight-line method. We estimate forfeitures in order to calculate stock-based compensation expense.

Income Taxes

We record income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the consolidated financial statements or tax returns. Deferred tax assets and liabilities are measured using enacted tax rates that are expected to apply to taxable income for the years in which those tax assets and liabilities are expected to be realized or settled. Valuation allowances are provided when necessary to reduce deferred tax assets to the amount expected to be realized.

We recognize tax benefits from uncertain tax positions if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. Although we believe we have adequately provided for its uncertain tax positions, we can provide no assurance that the final tax outcome of these matters will not be materially different. We adjust these allowances when facts and circumstances change, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made and could have a material impact on our consolidated financial statements.

Recent Accounting Pronouncements

Refer to Note 2 of our Notes to our Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K for more information.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Sensitivity

Interest expense related to our outstanding debt as of December 31, 2020 is related to fixed rate debt. Cash and cash equivalents consist of bank deposits and money market funds. Such interest-earning instruments carry a degree of
interest rate risk. To date, fluctuations in interest income have not been significant. The primary objective of our investment activities is to preserve principal while maximizing income without significantly increasing risk. Due to the short-term nature of our investments, we have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in interest rates. A hypothetical 10% change in interest rates would not have had a material impact on our consolidated financial statements.

Foreign Currency Risk

Many of our creators live or operate outside the United States, and therefore we have significant ticket sales denominated in foreign currencies, most notably the British Pound, Euro, Canadian Dollar, Australian Dollar, Brazilian Real and Argentinian Peso. If currency exchange rates remain at current levels, currency translation could continue to negatively affect net revenue growth for events that are not listed in U.S. dollars and could also reduce the demand for U.S. dollar denominated events from attendees outside of the United States. Because the functional currency of our foreign subsidiaries is the U.S. dollar, fluctuations due to changes in currency exchange rates cause us to recognize transaction gains and losses in our statement of operations. A 10% increase or decrease in current exchange rates would not have a material impact on our consolidated results of operations.

Item 8. Financial Statements and Supplementary Data

Eventbrite, Inc.
Index to Consolidated Financial Statements

The supplementary financial information required by this Item 8, is included in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, under the caption "Quarterly Results of Operations Data," which is incorporated herein by reference.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Eventbrite, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Eventbrite, Inc. and its subsidiaries (the "Company") as of December 31, 2020 and 2019, and the related consolidated statements of operations, of redeemable convertible preferred stock and stockholders' equity (deficit) and of cash flows for each of the three years in the period ended December 31, 2020, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019**,** and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Changes in Accounting Principles

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it accounts for leases and the manner in which it accounts for revenue from contracts with customers in 2019.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Recoverability of Creator Signing Fees and Advances

As described in Notes 2, 4, and 5 to the consolidated financial statements, creator signing fees are additional incentives paid by the Company to secure exclusive ticketing and payment processing rights with certain creators. Creator advances provide creators with funds in advance of the event and are subsequently recovered by withholding amounts due to the Company from the sale of tickets until the creator advance has been fully recovered. The Company has recorded $9.5 million of creator signing fees and $6.7 million of creator advances as of December 31, 2020. Creator signing fees and creator advances are presented net of reserves for potentially unrecoverable amounts on the consolidated balance sheets. Reserves are recorded based on management’s assessment of various factors, including a creator’s payment history, the rate and timing of recovery for outstanding advances, the frequency and size of historical and planned future events, and macro-economic conditions and current events that may impact a creator’s ability to generate future ticket sales.

The principal considerations for our determination that performing procedures relating to the recoverability of creator signing fees and advances is a critical audit matter are (i) the significant judgment by management in developing the estimate of reserves for potentially unrecoverable amounts, which in turn led to; (ii) significant audit effort in performing procedures relating to management’s estimate, including evaluating management’s assessment of a creator’s payment history, the rate and timing of recovery for outstanding advances, the frequency and size of historical and planned future events, and macro-economic conditions and current events that may impact a creator’s ability to generate future ticket sales; and (iii) a high degree of auditor judgment and subjectivity was necessary to evaluate the audit evidence obtained related to the estimate.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the creator signing fees and advances, including controls over the development of the estimate of reserves for potentially unrecoverable amounts. These procedures also included, among others, (i) evaluating management’s process for assessing the recoverability of creator signing fees and advances and developing the estimate of reserves for potentially unrecoverable amounts, (ii) evaluating the reasonableness of management’s assessment of a creator’s payment history, the rate and timing of recovery for outstanding advances, the frequency and size of historical and planned future events, and macro-economic conditions and current events that may impact a creator’s ability to generate future ticket sales, and (iii) testing the completeness and accuracy of historical data provided by management, examining evidence from third parties, and completing a retrospective review of prior period estimates to actual events for a sample of creator balances.

Chargebacks and Refunds Reserve

As described in Note 2 to the consolidated financial statements, the terms of the Company’s standard merchant agreements obligate creators to reimburse attendees who are entitled to refunds. When the Company provides advance payouts, it assumes risk that the event may be cancelled, fraudulent, or materially not as described, resulting in significant chargebacks and refund requests. If the creator is insolvent or has spent the proceeds of the ticket sales for event-related costs, the Company may not be able to recover its losses from these events, and such unrecoverable amounts could equal the value of the transaction or transactions settled to the creator prior to the event that is disputed, plus any associated chargeback fees not assumed by the creator. Management records estimates for refunds and chargebacks of the Company’s fees as contra-revenue and estimates for losses related to chargebacks and refunds of the face value of tickets as an operating expense classified within sales, marketing and support. Reserves are recorded based on management’s assessment of various factors, including the amounts paid and outstanding to creators in conjunction with the advance payout program, the size and nature of future events, the status of and remaining time to event date, macro-economic conditions, and actual chargeback and refund activity during the current year. As of December 31, 2020, the Company’s chargebacks and refunds reserve was $33.2 million.

The principal considerations for our determination that performing procedures relating to the chargebacks and refunds reserve is a critical audit matter are (i) the significant judgment by management in developing the estimate for the chargebacks and refunds reserve, which in turn led to; (ii) significant audit effort in performing procedures relating to management's estimate, including evaluating management's assessment of whether amounts paid and outstanding to creators in conjunction with the advance payout program are recoverable, considering the size and nature of future events, the status of and remaining time to event date, macro-economic conditions, and actual chargeback and refund activity during the current year, and subsequent events; and (iii) a high degree of auditor judgment and subjectivity was necessary to evaluate the audit evidence obtained related to the estimate.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the chargebacks and refunds reserve, including controls over the development of the estimate of unrecoverable amounts. These procedures also included, among others, (i) evaluating management's process for developing the reserve for unrecoverable amounts, (ii) evaluating the reasonableness of management's assessment of whether amounts paid and outstanding to creators in conjunction with the advance payout program are recoverable, considering the size and nature of future events, the status of and remaining time to event date, macro-economic conditions, and actual chargeback and refund activity during the year, and subsequent events, and (iii) testing the completeness and accuracy of historical data provided by management and completing a review of chargeback and refund activity subsequent to year end.

/s/ PricewaterhouseCoopers LLP
San Jose, California
March 1, 2021

We have served as the Company's auditor since 2014.

EVENTBRITE, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

	December 31, 2020	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	$ 505,756	$ 420,712
Funds receivable	10,807	54,896
Accounts receivable, net	458	2,932
Creator signing fees, net	3,657	9,597
Creator advances, net	6,651	22,282
Prepaid expenses and other current assets	9,804	14,157
Total current assets	537,133	524,576
Property and equipment, net	11,574	19,735
Operating lease right-of-use assets	13,886	22,160
Goodwill	174,388	170,560
Acquired intangible assets, net	42,333	49,158
Restricted cash	2,674	2,228
Creator signing fees, noncurrent	5,838	16,710
Creator advances, noncurrent	—	922
Other assets	7,859	1,966
Total assets	$ 795,685	$ 808,015
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable, creators	$ 191,134	$ 307,871
Accounts payable, trade	1,903	1,870
Chargebacks and refunds reserve	33,225	2,699
Accrued compensation and benefits	3,980	6,347
Accrued taxes	2,992	5,409
Operating lease liabilities	4,940	9,115
Other accrued liabilities	8,362	16,997
Total current liabilities	246,536	350,308
Accrued taxes, noncurrent	14,234	15,173
Operating lease liabilities, noncurrent	11,517	16,162
Long-term debt	206,630	—
Other liabilities	1,196	557
Total liabilities	480,113	382,200
Commitments and contingent liabilities (Note 11)		
Stockholders' equity		
Preferred stock, $0.00001 par value; 100,000,000 shares authorized, no shares issued or outstanding as of December 31, 2020 or 2019	—	—
Common stock, $0.00001 par value; 1,100,000,000 shares authorized, 92,654,785 shares issued and outstanding as of December 31, 2020; 1,100,000,000 shares authorized, 85,718,860 shares issued and outstanding as of December 31, 2019	1	1
Additional paid-in capital	913,115	798,640
Accumulated deficit	(597,544)	(372,826)
Total stockholders' equity	315,572	425,815
Total liabilities and stockholders' equity	$ 795,685	$ 808,015

(See accompanying Notes to Consolidated Financial Statements)

EVENTBRITE, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)

	Year Ended December 31, 2020	2019	2018
Net revenue	$ 106,006	$ 326,801	$ 291,611
Cost of net revenue	62,330	129,141	120,653
Gross profit	43,676	197,660	170,958
Operating expenses:			
Product development	54,551	64,196	46,071
Sales, marketing and support	84,259	102,874	83,428
General and administrative	103,146	100,541	80,134
Total operating expenses	241,956	267,611	209,633
Loss from operations	(198,280)	(69,951)	(38,675)
Interest expense	(24,586)	(2,986)	(11,295)
Change in fair value of redeemable convertible preferred stock warrant liability	—	—	(9,591)
Loss on debt extinguishment	—	(1,742)	(178)
Other income (expense), net	(1,932)	5,727	(3,189)
Loss before income taxes	(224,798)	(68,952)	(62,928)
Income tax provision (benefit)	(80)	(192)	1,150
Net loss	$ (224,718)	$ (68,760)	$ (64,078)
Net loss per share, basic and diluted	$ (2.52)	$ (0.84)	$ (1.71)
Weighted-average number of shares outstanding used to compute net loss per share, basic and diluted	89,335	81,979	37,540

(See accompanying Notes to Consolidated Financial Statements)

EVENTBRITE, INC.

Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit)

(in thousands, except share data)

	Redeemable Convertible Preferred Stock		Common Stock-Class A		Common Stock-Class B		Treasury Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at December 31, 2017	41,628,207	$ 334,018	—	$ —	20,773,441	$ —	(188,480)	$ (488)	$ 83,291	$ (238,617)	$ (155,814)
Issuance of common stock upon exercise of stock options	—	—	—	—	1,727,899	—	—	—	8,108	—	8,108
Issuance of common stock, acquisitions	—	—	—	—	757,218	—	—	—	8,832	—	8,832
Issuance of common stock for settlement of RSUs	—	—	—	—	802,900	—	—	—	—	—	—
Issuance of common stock in connection with the initial public offering, net of underwriting discounts and commissions	—	—	11,500,000	—	—	—	—	—	245,985	—	245,985
Conversion of redeemable convertible preferred stock in connection with initial public offering	(41,628,207)	(334,018)	—	—	42,188,624	—	—	—	334,018	—	334,018
Automatic conversion of warrants in connection with initial public offering	—	—	—	—	997,193	—	—	—	21,465	—	21,465
Costs related to initial public offering	—	—	—	—	—	—	—	—	(5,450)	—	(5,450)
Issuance of restricted stock awards	—	—	2,993	—	—	—	—	—	—	—	—
Shares withheld related to net share settlement	—	—	—	—	(391,874)	—	—	—	(9,013)	—	(9,013)
Vesting of early exercised stock options	—	—	—	—	—	—	—	—	366	—	366
Stock-based compensation	—	—	—	—	—	—	—	—	30,803	—	30,803
Net loss	—	—	—	—	—	—	—	—	—	(64,078)	(64,078)
Balance at December 31, 2018	—	$ —	11,502,993	$ —	66,855,401	$ —	(188,480)	$ (488)	$ 718,405	$ (302,695)	$ 415,222

EVENTBRITE, INC.

Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit) ***(continued)***

(in thousands, except share data)

	Common Stock-Class A		Common Stock-Class B		Treasury Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at December 31, 2018	11,502,993	$ —	66,855,401	$ —	(188,480)	$ (488)	$ 718,405	$ (302,695)	$ 415,222
Issuance of common stock upon exercise of stock options	6,209,953	—	255,407	—	—	—	40,669	—	40,669
Issuance of restricted stock awards	394,558	—	—	—	—	—	—	—	—
Issuance of common stock for settlement of RSUs	353,407	—	—	—	—	—	—	—	—
Issuance of common stock for ESPP Purchase	271,294	—	—	—	—	—	3,631	—	3,631
Shares withheld related to net share settlement	(124,153)	—	—	—	—	—	(2,821)	—	(2,821)
Conversion of common stock from Class B to Class A	43,255,565	1	(43,255,565)	—	—	—	(1)	—	—
Retirement of treasury shares	—	—	—	—	188,480	488	(488)	—	—
Vesting of early exercised stock options	—	—	—	—	—	—	367	—	367
Cumulative effect adjustment upon adoption of ASU 2014-09	—	—	—	—	—	—	—	(600)	(600)
Cumulative effect adjustment upon adoption of ASU 2016-02	—	—	—	—	—	—	—	(771)	(771)
Stock-based compensation	—	—	—	—	—	—	38,878	—	38,878
Net loss	—	—	—	—	—	—	—	(68,760)	(68,760)
Balance at December 31, 2019	61,863,617	$ 1	23,855,243	$ —	—	$ —	$ 798,640	$ (372,826)	$ 425,815
Issuance of common stock upon exercise of stock options	3,242,260	—	13,004	—	—	—	19,282	—	19,282
Issuance of restricted stock awards	25,142	—	—	—	—	—	—	—	—
Issuance of common stock for settlement of RSUs	1,354,695	—	—	—	—	—	—	—	—
Issuance of common stock for ESPP Purchase	171,315	—	—	—	—	—	1,291	—	1,291
Shares withheld related to net share settlement	(469,665)	—	—	—	—	—	(5,082)	—	(5,082)
Conversion of common stock from Class B to Class A	688,973	—	(688,973)	—	—	—	—	—	—
Vesting of early exercised stock options	—	—	—	—	—	—	241	—	241
Equity component of senior convertible notes, net of issuance costs	—	—	—	—	—	—	45,452	—	45,452
Purchase of convertible senior notes capped calls	—	—	—	—	—	—	(15,600)	—	(15,600)
Shares issued for warrants exercised in connection with term loans	2,599,174	—	—	—	—	—	27,369	—	27,369
Stock-based compensation	—	—	—	—	—	—	41,522	—	41,522
Net loss	—	—	—	—	—	—	—	(224,718)	(224,718)
Balance at December 31, 2020	69,475,511	$ 1	23,179,274	$ —	—	$ —	$ 913,115	$ (597,544)	$ 315,572

(See accompanying Notes to Consolidated Financial Statements)

EVENTBRITE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2020	2019	2018
Cash flows from operating activities			
Net loss	$ (224,718)	$ (68,760)	$ (64,078)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	22,610	24,324	34,608
Amortization of creator signing fees	8,553	10,858	7,086
Noncash operating lease expense	8,827	8,246	—
Amortization of debt discount and issuance costs	10,226	326	1,718
Payment in Kind interest	6,784	—	—
Loss on debt extinguishment	—	1,742	178
Change in fair value of redeemable convertible preferred stock warrant liability	—	—	9,591
Change in fair value of term loan embedded derivatives	—	—	(2,119)
Stock-based compensation	40,215	37,594	30,231
Impairment charges of creator advances and creator signing fees	12,308	5,671	3,425
Provision for bad debt and creator advances	17,634	2,433	2,742
Provision for chargebacks and refunds	61,016	—	—
Loss on disposal of equipment	3,678	73	99
Deferred income taxes	(183)	(380)	103
Changes in operating assets and liabilities, net of impact of acquisitions:			
Accounts receivable	(2,505)	(288)	(2,092)
Funds receivable	44,089	3,801	(6,810)
Creator signing fees, net	(2,665)	(21,216)	(15,973)
Creator advances, net	2,516	(5,685)	(5,308)
Prepaid expenses and other current assets	4,347	1,690	(5,594)
Other assets	515	201	(1,643)
Accounts payable, creators	(116,737)	36,170	24,523
Accounts payable, trade	171	670	(507)
Chargebacks and refunds reserve	(30,398)	—	—
Accrued compensation and benefits	(2,367)	761	1,791
Accrued taxes	(2,417)	(2,619)	5,039
Operating lease liabilities	(9,663)	(9,146)	—
Other accrued liabilities	(7,972)	3,521	4,256
Accrued taxes, noncurrent	(756)	(137)	(14,458)
Other liabilities	—	105	354
Net cash (used in) provided by operating activities	(156,892)	29,955	7,162

EVENTBRITE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2020	2019	2018
Cash flows from investing activities			
Purchases of property and equipment	(1,699)	(5,888)	(5,418)
Capitalized internal-use software development costs	(4,583)	(7,710)	(7,232)
Cash paid for acquisitions, net of cash acquired	(6,375)	—	12,611
Net cash used in investing activities	(12,657)	(13,598)	(39)
Cash flows from financing activities			
Proceeds from issuance of debt and common stock, net of issuance costs paid	256,099	—	118,578
Proceeds from exercise of stock options	19,282	40,669	8,108
Purchases under employee stock purchase plan	1,292	3,631	—
Purchase of convertible notes capped calls	(15,600)	—	—
Taxes paid related to net share settlement of equity awards	(5,517)	(2,363)	(9,013)
Payments on finance lease obligations	(517)	(290)	(78)
Principal payments on debt obligations	—	(73,594)	(111,071)
Payment of debt issuance costs	—	(457)	—
Payments of deferred offering costs	—	(413)	—
Proceeds from initial public offering, net of underwriters' discounts and offering costs, net	—	—	240,965
Prepayment penalties on debt extinguishment	—	—	(6,803)
Payments on build-to-suit lease financing obligation	—	—	(630)
Net cash provided by (used in) financing activities	255,039	(32,817)	240,056
Net increase (decrease) in cash, cash equivalents and restricted cash	85,490	(16,460)	247,179
Cash, cash equivalents and restricted cash			
Beginning of period	422,940	439,400	192,221
End of period	$ 508,430	$ 422,940	$ 439,400
Supplemental cash flow data			
Interest paid	$ 6,751	$ 10,657	$ 7,588
Income taxes paid, net of refunds	835	1,096	202
Noncash investing and financing activities			
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	$ 2,688	$ 3,704	$ —
Indemnity holdback consideration associated with ToneDen acquisition	1,125	—	—
Vesting of early exercised stock options	241	367	366
Purchases of property and equipment, accrued but unpaid	43	436	—
Conversion of redeemable convertible preferred stock in connection with initial public offering	—	—	21,465
Issued shares of common stock for acquisitions	—	—	8,832
Issuance of redeemable convertible preferred stock warrants in connection with the loan	—	—	4,603
Deferred offering costs included in accounts payable, trade and other accrued liabilities	—	—	430

(See accompanying Notes to Consolidated Financial Statements)

EVENTBRITE, INC.

Notes to Consolidated Financial Statements

1. Overview and Basis of Presentation

Description of Business

Eventbrite, Inc. (Eventbrite or the Company) has built a powerful, broad technology platform to enable creators to solve the challenges associated with creating live experiences. The Company's platform integrates components needed to seamlessly plan, promote and produce live events, thereby allowing creators to reduce friction and costs, increase reach and drive ticket sales.

Initial Public Offering

In September 2018, the Company completed its initial public offering (IPO) in which the Company issued and sold 11,500,000 shares of Class A common stock at a public offering price of $23.00 per share, which included 1,500,000 shares sold pursuant to the exercise by the underwriters' option to purchase additional shares. The Company received aggregate net proceeds of $246.0 million from the IPO, net of underwriter discounts and commissions, before deducting offering costs of $5.5 million, net of reimbursements.

Immediately prior to the closing of the IPO, (i) all shares of common stock then outstanding were reclassified as Class B Common Stock, (ii) 41,628,207 shares of redeemable convertible preferred stock outstanding converted into 42,188,624 shares of Class B common stock (including additional shares issued upon conversion of the Series G redeemable convertible preferred stock based on the IPO price of $23.00 per share) and (iii) warrants to purchase 933,269 shares of the Series G redeemable convertible preferred stock automatically exercised into 997,193 shares of Class B common stock. See Note 12 for additional details.

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and include the accounts of the Company and its wholly owned subsidiaries. All intercompany transactions and accounts have been eliminated.

Revision of Consolidated Financial Statements

In connection with the preparation of its financial statements for the year ended December 31, 2020, the Company identified an error within the Company's consolidated statement of cash flows for the year ended December 31, 2019, which accompanying financial statements have been revised to correct for such error. The impact of such revision resulted in net cash provided by operating activities increasing by $1,297 to $29,955 and net cash used in financing activities increasing by $1,297 to $32,817 for the year ended December 31, 2019. The Company evaluated the error and concluded that it was not material to the 2019 financial statements previously issued. These revisions have no impact on our previously reported consolidated net income, financial position, net change in cash, cash equivalents, and restricted cash, or total cash, cash equivalents, and restricted cash as reported on the Company's consolidated statements of cash flows.

Prior Period Reclassification

Beginning in the first quarter of 2019, the Company classified the amortization of acquired customer relationship intangible assets and certain other costs as sales, marketing and support expenses. Previously, these expenses were classified as general and administrative expenses. The Company has reclassified $13.6 million of expenses for the year ended December 31, 2018 to make the presentation consistent with the current year. There was no change to total operating expenses, loss from operations, loss before income taxes or net loss for the year ended December 31, 2018 as a result of these reclassifications.

Use of Estimates

In order to conform with GAAP, the Company is required to make certain estimates, judgments and assumptions when preparing its consolidated financial statements. These estimates, judgments and assumptions affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reported periods. These estimates include, but are not limited to, the recoverability of creator signing fees and creator advances, chargebacks and refunds reserve, the capitalization and estimated useful life of internal-use software, certain assumptions used in the valuation of equity awards, determining the fair value of the Company's common stock, assumptions used in determining the fair value of business combinations, the allowance for doubtful accounts, and indirect tax reserves . The Company evaluates these estimates on an ongoing basis. Actual results could differ from those estimates and such differences could be material to the Company’s consolidated financial statements.

COVID-19 Impacts

During the year ended December 31, 2020, a global health pandemic referred to as COVID-19 arose and has disrupted many industries around the world, including the live events industry, resulting in the cancellation or postponement of live events. The effect of and uncertainties surrounding the COVID-19 pandemic has caused the Company to make significant estimates in its consolidated financial statements as of and for the year ended December 31, 2020 , specifically related to chargebacks and refunds due to cancelled or postponed events, which impacts net revenue, advance payouts, creator signing fees and creator advances. The COVID-19 pandemic is ongoing in nature and the Company will continue to revise such estimates in future reporting periods to reflect management's best estimates of future outcomes. The COVID-19 pandemic has adversely affected the Company’s results of operations in the year ended December 31, 2020. Significant uncertainty remains regarding the extent and duration of the impact that the COVID-19 pandemic will have on the Company’s business. The full extent to which COVID-19 impacts the Company’s business, results of operations and financial condition cannot be predicted at this time, and the impact of COVID-19 may persist for an extended period of time or become more pronounced.

2020 Restructuring

In April 2020, the Company's board of directors approved a program to reduce the Company's global workforce personnel by approximately 45% (the RIF). This resulted in total restructuring costs of $9.5 million associated with the RIF which was substantially completed in the second quarter of 2020. Restructuring and other charges by type for the RIF for the period were as follows (in thousands):

	Year Ended December 31, 2020
Employee severance and post-termination benefit arrangements	$ 7,498
Asset impairments and loss on disposals	1,879
Other charges	144
Total restructuring and other charges	$ 9,521

Comprehensive Loss

For all periods presented, comprehensive loss equaled net loss. Therefore, the consolidated statements of comprehensive loss have been omitted from the consolidated financial statements.

Segment Information

The Company’s Chief Executive Officer (CEO) is the chief operating decision maker. The Company's CEO reviews discrete financial information presented on a consolidated basis for purposes of allocating resources and evaluating the Company’s financial performance. Accordingly, the Company has determined that it operates as a single operating segment and has one reporting unit.

2. Significant Accounting Policies

Recently Adopted Accounting Pronouncements

In December 2019, the Financial Accounting Standards Board (FASB) issued ASU 2019-12, *Income Taxes (Topic 740), Simplifying the Accounting for Income Taxes* (ASU 2019-12). This standard simplifies accounting for income taxes by removing certain exceptions to the general principles and amending existing guidance to improve consistent application. The Company adopted this new standard effective January 1, 2020. Its adoption had no material impact on the Company's financial reporting or results of operations.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820)*: Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement (ASU 2018-13). The amendments modify the disclosure requirements in Topic 820 to add disclosures regarding changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements and the narrative description of measurement uncertainty. Certain disclosure requirements in Topic 820 are also removed or modified. The amendments are effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. The Company adopted this new standard effective January 1, 2020. Its adoption had no material impact on the Company's financial reporting or results of operations.

In January 2017, the FASB issued ASU 2017-04, *Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* (ASU 2017-04), which eliminates the requirement to calculate the implied fair value of goodwill to measure a goodwill impairment charge. The Company adopted this new standard effective January 1, 2020. Its adoption had no material impact on the Company's financial reporting or results of operations.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13), which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost, including trade receivables. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss model that requires the use of forward-looking information to calculate credit loss estimates. The Company adopted this new standard effective January 1, 2020 and has considered forward-looking information in its measurement and recognition of expected credit losses for its accounts receivables, creator signing fees, creator advances and advanced payouts, including consideration of the financial statement effects of the COVID-19 pandemic. Refer to Note 3, Note 4 and Note 5 for further information.

Recently Issued Accounting Pronouncements Not Yet Adopted

In August 2020, the FASB issued ASU 2020-06, *Debt - Debt with Conversion and Other Options (Topic 470)* and *Derivatives and Hedging - Contracts in Entity's Own Equity (Topic 815)*, which eliminates the beneficial conversion and cash conversion accounting models for convertible instruments. It also amends the accounting for certain contracts in an entity's own equity that are currently accounted for as derivatives because of specific settlement provisions. In addition, the new guidance modifies how particular convertible instruments and certain contracts that may be settled in cash or shares impact the diluted earnings per share computation. The amendments in this update are effective for fiscal years beginning after December 15, 2021. Early adoption is permitted, but no earlier than annual periods beginning after December 15, 2020. The Company is evaluating the accounting, transition and disclosure requirements of this standard.

Revenue Recognition

The Company adopted and began applying ASC 606 on January 1, 2019 in accordance with ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606) and Other Assets and Deferred Costs—Contracts with Customers (Subtopic 340-40)* using a modified retrospective approach to contracts which were not completed as of the adoption date. The adoption of ASC 606 had no material impact to the Company's net revenues recorded in the year ended December 31, 2019. The Company recorded a cumulative-effect adjustment to opening accumulated deficit as of January 1, 2019 of $0.6 million and a corresponding increase to contract liabilities, included within other accrued liabilities on the consolidated balance sheet. The Company recognized this $0.6 million during the year ended December 31, 2019 and had a contract liability of $0.8 million recorded as of December 31, 2019.

The Company derives its revenues primarily from service fees and payment processing fees charged at the time a ticket for an event is sold. The Company also derives revenues from providing certain creators with account management services and customer support. The Company's customers are event creators who use the Company's platform to sell tickets to attendees. Revenue is recognized when or as control of the promised goods or services is transferred to customers, in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. The Company allocates the transaction price by estimating a standalone selling price for each performance obligation using an expected cost plus a margin approach. For service fees and payment processing fees, revenue is recognized when the ticket is sold. For account management services and customer support, revenue is recognized over the period from the date of the sale of the ticket to the date of the event.

The event creator has the choice of whether to use Eventbrite Payment Processing (EPP) or to use a third-party payment processor, referred to as Facilitated Payment Processing (FPP). Under the EPP option, the Company is the merchant of record and is responsible for processing the transaction and collecting the face value of the ticket and all associated fees at the time the ticket is sold. The Company is also responsible for remitting these amounts collected, less the Company's fees, to the event creator. Under the FPP option, Eventbrite is not responsible for processing the transaction or collecting the face value of the ticket and associated fees. In this case, the Company invoices the creator for all of the Company's fees.

The Company evaluates whether it is appropriate to recognize revenue on a gross or net basis based upon its evaluation of whether the Company obtains control of the specified goods or services by considering if it is primarily responsible for fulfillment of the promise, has inventory risk, and has the latitude in establishing pricing and selecting suppliers, among other factors. The Company determined the event creator is the party responsible for fulfilling the promise to the attendee, as the creator is responsible for providing the event for which a ticket is sold, determines the price of the ticket and is responsible for providing a refund if the event is canceled. The Company's service provides a platform for the creator and event attendee to transact and the Company's performance obligation is to facilitate and process that transaction and issue the ticket. The amount that the Company earns for its services is fixed. For the payment processing service, the Company determined that it is the principal in providing the service as the Company is responsible for fulfilling the promise to process the payment and has discretion and latitude in establishing the price of its service. Based on management's assessment, the Company records revenue on a net basis related to its ticketing service and on a gross basis related to its payment processing service. As a result, costs incurred for processing the transactions are included in cost of net revenues in the consolidated statements of operations.

Revenue is presented net of indirect taxes, value-added taxes, creator royalties and reserves for customer refunds, payment chargebacks and estimated uncollectible amounts. If an event is cancelled by a creator, then any obligations to provide refunds to event attendees are the responsibility of that creator. If a creator is unwilling or unable to fulfill their refund obligations, the Company may, at its discretion, provide attendee refunds. Revenue is also presented net of the amortization of creator signing fees. The benefit the Company receives by securing exclusive ticketing and payment processing rights with certain creators from creator signing fees is inseparable from the customer relationship with the creator and accordingly these fees are recorded as a reduction of revenue in the consolidated statements of operations.

Cost of Net Revenue

Cost of net revenue consists primarily of payment processing fees, platform and website hosting fees and operational costs, amortization of acquired developed technology costs, amortization of capitalized internal-use software development costs, field operations costs and allocated customer support costs.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents includes bank deposits and money market funds held with financial institutions. Cash and cash equivalents balances include the face value of tickets sold on behalf of creators and their share of service charges, which amounts are to be remitted to the creators. Such balances were $181.1 million and $257.3 million as of December 31, 2020 and 2019, respectively. Although creator cash is legally unrestricted, the Company does not utilize creator cash for its own financing or investing activities as the amounts are payable to creators on a regular basis. These amounts due to creators are included in accounts payable, creators on the consolidated balance sheets. The Company considers all highly liquid investments, including money market funds with an original maturity of three months or less at the date of purchase, to be cash equivalents.

The Company has issued letters of credit under lease agreements and other agreements which have been collateralized with cash. This cash is classified as noncurrent restricted cash on the consolidated balance sheets. The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of the same amounts shown in the consolidated statements of cash flows (in thousands):

	December 31,		
	2020	2019	2018
Cash and cash equivalents	$ 505,756	$ 420,712	$ 437,892
Restricted cash	2,674	2,228	1,508
Total cash, cash equivalents and restricted cash	$ 508,430	$ 422,940	$ 439,400

Funds Receivable

Funds receivable represents cash-in-transit from third-party payment processors that is received by the Company within approximately five business days from the date of the underlying ticketing transaction. The funds receivable balances include the face value of tickets sold on behalf of creators and their share of service charges, which amounts are to be remitted to the creators. Such amounts were $10.0 million and $51.1 million as of December 31, 2020 and 2019, respectively.

Accounts Receivable, Net

Accounts receivable, net is primarily comprised of invoiced amounts to creators who use a third-party facilitated payment processor (FPP). For customer accounts receivable balances related to FPP, the Company records accounts receivable at the invoiced amount, net of a reserve to provide for potentially uncollectible amounts.

In evaluating the Company's ability to collect outstanding receivable balances, the Company considers various factors including the age of the balance, the creditworthiness of the customer and the customer's current financial condition. Accounts receivable deemed uncollectible are charged against the allowance for doubtful accounts when identified.

Property and Equipment, Net

Property and equipment, including assets acquired through finance leases, are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of assets. Maintenance and repair costs are charged to expense as incurred. The estimated useful lives of the Company's property and equipment are as follows:

	Estimated Useful Life
Building and improvements	30 years
Furniture and fixtures	3-5 years
Computers and computer equipment	1-2 years
Capitalized internal-use software development costs	2 years
Leasehold improvements	Shorter of estimated useful life or remaining lease term

Leases

The Company adopted and began applying ASC 842 on January 1, 2019 in accordance with ASU No. 2018-11, Targeted Improvements to ASC 842 using a modified retrospective approach. The most significant impact of adopting ASC 842 was the derecognition of the Company's build-to-suit asset and improvements, including lessor-owned improvements, with a carrying amount of $26.7 million, and the related lease financing obligation of $28.9 million, related to the Company's San Francisco office lease. As of January 1, 2019, the Company ceased to allocate its lease payments to interest expense and the build-to-suit liability. Under ASC 842, the Company classified this lease as an operating lease and will recognize lease expense in the consolidated statement of operations and lease payments will be recorded as a reduction of the operating lease liability, similar to all of the Company's other real estate leases. The Company recorded additional lease operating expense of $3.7 million, decreased depreciation expense of $0.5 million and decreased interest expense of $3.3 million during the year ended December 31, 2019 compared to the year ended December 31, 2018 related to its San Francisco office lease as a result of adopting ASC 842. The adoption of ASC 842 resulted in the recognition of $25.7 million of operating lease right-of-use assets and operating lease liabilities of $29.7 million on the consolidated balance sheet as of January 1, 2019. The Company reclassified $1.7 million of previously recognized deferred rent obligations and lease incentives to operating lease right-of-use assets upon adoption of ASC 842.

The Company also recorded finance lease right-of-use assets of $0.4 million and total finance lease liabilities of $0.5 million as of January 1, 2019.

The adoption of ASC Topic 842 had no income tax impact to the financial statements. The Company wrote-off its deferred tax asset related to its built-to-suit lease and grossed up its deferred taxes consistent with the new ASC 842 classifications: right-of-use asset and lease liability, recording as a $2.5 million deferred tax liability related to the recognition of right-of-use assets and a $3.0 million deferred tax asset related to the recognition of lease liability upon adoption. The deferred taxes recognized upon the adoption of ASC 842 were offset by a valuation allowance, resulting in no income tax impact to the consolidated financial statements. Furthermore, in conjunction with the adoption entry, the Company adjusted its deferred rent deferred tax asset, fixed asset deferred tax liability and prepaid expenses deferred tax liability through retained earnings, which was offset by a valuation allowance.

The Company elected the package of practical expedients, which allows the Company to not reassess whether any expired or existing contracts contain leases, the lease classification for any expired or existing leases and treatment of initial direct costs for any existing leases. Additionally, the Company elected to combine lease and non-lease components and to exclude leases with a term of 12 months or less on its consolidated balance sheets.

The Company determines if an arrangement is a lease at inception. In calculating the present value of the lease payments, the Company utilizes its incremental borrowing rate, as the rates implicit in the leases were not readily determinable. The incremental borrowing rate is estimated to approximate the interest rate on a collateralized basis with similar terms and payments, and in economic environments where the leased asset is located.

Our lease terms include periods under options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Generally, the operating lease right-of-use asset and associated lease liability do not consider the option to extend the term, as the Company is not reasonably certain of exercising the extension option.

Internal-Use Software Development Costs

The Company capitalizes certain costs associated with website and application development and software developed or obtained for internal use. Costs incurred in the preliminary stages of development are expensed as incurred. Once software has reached the end of the preliminary project stage, internal and external costs, if direct and incremental, are capitalized until the software is substantially complete and ready for its intended use, including stock-based compensation and other employee benefit costs. Capitalization ceases upon completion of all substantial testing. The Company also capitalizes costs related to specific upgrades and enhancements when it is probable the expenditures will result in additional functionality. Capitalized costs are included in property and equipment, net in the consolidated balance sheet.

Capitalized internal-use software and website development costs are amortized on a straight-line basis over their estimated useful life, which is two years. Amortization expense is recorded in cost of revenue within the consolidated statements of operations. Maintenance and training costs are charged to expense as incurred and included in operating expenses.

Fair Value Measurements

The Company measures its financial assets and liabilities at fair value at each reporting date using a fair value hierarchy that requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument’s classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Three levels of inputs may be used to measure fair value:

Level 1 – Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – Other inputs that are directly or indirectly observable in the marketplace.

Level 3 – Unobservable inputs that are supported by little or no market activity.

The Company’s money market funds, funds receivable, accounts receivable, accounts payable and other current liabilities approximate their fair value. All of these financial assets and liabilities are Level 1, except for debt. Refer to Note 10 “Debt” for details regarding the fair value of our term loans and convertible senior notes.

Business Combinations, Goodwill and Acquired Intangible Assets, Net

The Company accounts for business acquisitions using the purchase method of accounting, in accordance with which assets acquired and liabilities assumed are recorded at their respective fair values at the acquisition date. The Company allocates the fair value of purchase consideration to the tangible assets acquired, liabilities assumed and intangible assets acquired based on their estimated fair values. Such valuations require the Company to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from acquired users, acquired technology and trade names from a market participant perspective, useful lives and discount rates. Our estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates.

Goodwill represents the excess of the aggregate fair value of the consideration transferred in a business combination over the fair value of the assets acquired, net of liabilities assumed. Goodwill is not amortized but the Company evaluates goodwill impairment of its single reporting unit annually in the fourth quarter, or more frequently if events or changes in circumstances indicate the goodwill may be impaired.

On January 1, 2020, the Company adopted ASU 2017-04, which eliminates the requirement to calculate the implied fair value of goodwill to measure a goodwill impairment charge. The Company determined that the conditions resulting from the COVID-19 pandemic and the decline in the market value of our common stock warranted an assessment of its goodwill carrying amount. During the year ended December 31, 2020, the Company performed an analysis by comparing our estimated fair value to our carrying amount, including goodwill. Our analysis indicated that its estimated fair value, using the market price of our common stock, exceeded its carrying amount and therefore goodwill was not impaired and no additional steps were necessary.

Acquired intangible assets, net consists of identifiable intangible assets such as developed technology, customer relationships, and trade names resulting from our acquisitions. Acquired intangible assets are recorded at fair value on the date of acquisition and amortized over their estimated economic lives following the pattern in which the economic benefits of the assets will be consumed, which is straight-line. Acquired intangible assets are presented net of accumulated amortization in the consolidated balance sheets.

The Company evaluates the recoverability of their acquired intangible assets for potential impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of these assets is measured by a comparison of the carrying amounts to the future undiscounted cash flows the assets are expected to generate. If such review indicates that the carrying amount of intangible assets is not recoverable, the carrying amount of such assets is reduced to the fair value. We determined that the conditions resulting from the COVID-19 pandemic warranted an assessment of intangible assets carrying amount. During the year ended December 31, 2020, we performed an analysis by comparing the undiscounted future cash flows to the carrying amount and concluded no impairment of the carrying value was required.

Impairment of Long-lived Assets

The carrying amounts of long-lived assets, including property and equipment, capitalized internal-use software, acquired intangible assets and right-of-use operating lease assets are periodically reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable or that the useful life is shorter than originally estimated. Recoverability of assets to be held and used is measured by comparing the carrying amount of an asset to future undiscounted net cash flows the asset is expected to generate over its remaining life.

If the asset is considered to be impaired, the amount of any impairment is measured as the difference between the carrying value and the fair value of the impaired asset. If the useful life is shorter than originally estimated, the Company amortizes the remaining carrying value over the revised shorter useful life.

During the year ended December 31, 2020, the Company determined that conditions resulting from the COVID-19 pandemic warranted an ongoing assessment of its long-lived assets balance. The Company performed a recoverability test and concluded no impairment of the carrying value was required.

Creator Signing Fees, Net

Creator signing fees, net represent contractual amounts paid to creators pursuant to event ticketing and payment processing agreements. Creator signing fees are additional incentives paid by the Company to secure exclusive ticketing and payment processing rights with certain creators. These payments are amortized over the life of the contract to which they relate on a straight-line basis. Creator signing fees are presented net of reserves on the consolidated balance sheets. Reserves are recorded based on the Company's assessment of various factors, including a creator's payment history, the frequency and size of historical and planned future events, and macro-economic conditions and current events that may impact a creator's ability to generate future ticket sales. Amortization of creator signing fees is recorded as a reduction of revenue in the consolidated statements of operations.

Creator Advances, Net

Creator advances, net represent contractual amounts paid to creators pursuant to event ticketing and payment processing agreements. Creator advances provide the creator with funds in advance of the event and are subsequently recovered by withholding amounts due to the Company from the sale of tickets until the creator advance has been fully recovered. Creator advances are presented net of reserves for potentially unrecoverable amounts on the consolidated balance sheets. Reserves are recorded based on the Company's assessment of various factors, including a creator's payment history, the rate and timing of recovery for outstanding advances, the frequency and size of historical and planned future events, and macro-economic conditions and current events that may impact a creator's ability to generate future ticket sales.

Accounts Payable, Creators

Accounts payable, creators consists of unremitted ticket sale proceeds, net of Eventbrite service fees and applicable taxes. Amounts are remitted to creators within five business days subsequent to the completion of the related event. Creators may apply to receive these proceeds prior to their events as creators often need these funds to pay for event-related costs. For qualified creators, the Company passes ticket sales proceeds to the creator prior to the event, subject to certain limitations. The Company refers to these payments as advance payouts. When an advance payout is made, the Company reduces its cash and cash equivalents with a corresponding decrease to its accounts payable, creators. As a result of the COVID-19 pandemic and its effect of causing creators to cancel, postpone or reschedule events, the Company temporarily suspended its advance payouts program on March 11, 2020, at which date the total advance payouts to creators related to future events was approximately $354.0 million. As of December 31, 2020, the advance payouts outstanding had reduced to approximately $226.6 million, as a result of creators fulfilling their refund obligations with creator funds as well as events taking place. The Company is exploring new ways to make advance payouts to qualified creators who meet strict guidelines and has started making advance payouts available to a limited number of low risk creators.

Chargebacks and Refunds Reserve

The terms of the Company's standard merchant agreement obligate creators to reimburse attendees who are entitled to refunds. When the Company provides advance payouts, it assumes risk that the event may be cancelled, fraudulent, or materially not as described, resulting in significant chargebacks and refund requests. If the creator is insolvent or has spent the proceeds of the ticket sales for event-related costs, the Company may not be able to recover its losses from these events, and such unrecoverable amounts could equal the value of the transaction or transactions settled to the creator prior to the event that is disputed, plus any associated chargeback fees not assumed by the creator. The Company records estimates for refunds and chargebacks of its fees as contra-revenue. The Company records estimates for losses related to chargebacks and refunds of the face value of tickets as an operating expense classified within sales, marketing and support. Reserves are recorded based on the Company's assessment of various factors, including the amounts paid and outstanding to creators in conjunction with the advance payout program, the size and nature of future events, the status of and remaining time to event date, macro-economic conditions and actual chargeback and refund activity during the current year. The chargebacks and refunds reserve was $33.2 million and $2.7 million as of December 31, 2020 and December 31, 2019, respectively. The increase in the reserve balance during the year ended December 31, 2020 was the result of estimated losses from the advance payout program and estimated future refunds of its fees, relating largely to the COVID-19 pandemic. Prior to March 31, 2020, the Company included its chargebacks and refunds reserve in other accrued liabilities on the consolidated balance sheets, and has reclassified the balance as of December 31, 2019 on the condensed consolidated balance sheets included in this Annual Report on Form 10-K to be consistent with the presentation as of December 31, 2020.

Advertising

Advertising costs are charged to expense as incurred. The costs of developing advertising creative and trade show expenses are initially deferred and charged to expense in the period in which the advertising is displayed or the period the trade show occurs. Advertising expenses were $1.1 million, $4.6 million and $1.6 million for the years ended December 31, 2020, 2019 and 2018, respectively.

Stock-Based Compensation Expense

Stock-based compensation expense is measured based on the grant-date fair value of the awards and recognized in the consolidated statements of operations over the period during which the award recipient is required to perform services in exchange for the award (the vesting period of the award).

The Company estimates the fair value of stock options granted using the Black-Scholes option pricing model. The Company measures the fair value of RSUs based on the fair value of the underlying shares on the date of grant. Compensation expense is recognized over the vesting period of the applicable award using the straight-line method. The Company estimates forfeitures in order to calculate the stock-based compensation expense.

Deferred Offering Costs

Deferred offering costs, which consist of direct incremental legal, consulting, banking and accounting fees relating to anticipated equity offerings, are capitalized and offset against proceeds upon the consummation of the offerings within stockholders' equity. The Company incurred $5.5 million of offering costs in connection with its IPO, which are recorded within stockholders' equity as a reduction of the IPO proceeds.

Income Taxes

The Company records income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the consolidated financial statements or tax returns. Deferred tax assets and liabilities are measured using enacted tax rates that are expected to apply to taxable income for the years in which those tax assets and liabilities are expected to be realized or settled. Valuation allowances are provided when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company recognizes tax benefits from uncertain tax positions if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. Although the Company believes it has adequately provided for its uncertain tax positions, the Company can provide no assurance that the final tax outcome of these matters will not be materially different. The Company adjusts these allowances when facts and circumstances change, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made and could have a material impact on the Company's consolidated financial statements.

Foreign Currency Remeasurement

The functional currency of the Company's international subsidiaries is the U.S. dollar. Accordingly, monetary balance sheet accounts are remeasured using exchange rates in effect at the balance sheet dates and non-monetary items are stated at historical exchange rates. Revenue and expenses are remeasured at the average exchange rates for the period. Foreign currency remeasurement and transaction gains and losses are included in other income (expense), net in the consolidated statements of operations. The Company recorded foreign currency rate remeasurement losses of $2.6 million, gains of $1.1 million and losses of $7.4 million during the years ended December 31, 2020, 2019 and 2018, respectively.

Redeemable Convertible Preferred Stock Warrants

The Company had issued freestanding warrants to purchase shares of redeemable convertible preferred stock. These warrants were recorded at fair value upon issuance and remeasured to fair value at each reporting period through the consolidated statements of operations up until completion of the Company's IPO in September 2018. All of the Company's outstanding warrants were automatically exercised into shares of the Company's Class B common stock.

Concentrations of Risk

Financial instruments potentially exposing the Company to concentrations of credit risk consist primarily of cash, funds receivable, accounts receivable, payments to creators and creator advance payouts. The Company holds its cash with high-credit-quality financial institutions; however, the Company maintains balances in excess of the FDIC insurance limits. The Company does not require its customers to provide collateral to support accounts receivable and maintains an allowance for accounts receivable balances that are doubtful of collection.

As of December 31, 2020 and 2019, there were no customers that represented 10% or more of the Company's accounts receivable balance, and there were no customers that individually exceeded 10% of the Company's net revenue for any of the years ended December 31, 2020, 2019 or 2018, respectively.

Net Loss Per Share

The Company follows the two-class method when computing net loss per common share when shares are issued that meet the definition of participating securities. The two-class method determines net loss per common share for each class of common stock and participating securities according to dividends declared or accumulated and participation rights in undistributed earnings. The two-class method requires income available to common stockholders for the period to be allocated between common stock and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed. The Company's redeemable convertible preferred stock contractually entitled the holders of such shares to participate in dividends but did not contractually require the holders of such shares to participate in the Company's losses. For periods in which the Company reports net losses, diluted net loss per share is the same as basic net loss per share because potentially dilutive common shares are not assumed to have been issued if their effect is anti-dilutive.

3. Accounts Receivable, Net

Accounts receivable, net is comprised of invoiced amounts to customers who use FPP for payment processing as well as other invoiced amounts. During the year ended December 31, 2020, the Company recorded $1.0 million of incremental allowance for doubtful accounts, including estimated future losses in consideration of the impact of the COVID-19 pandemic. The following table summarizes the Company's accounts receivable balance (in thousands):

	December 31,	
	2020	2019
Accounts receivable, customers	$ 1,494	$ 4,979
Allowance for doubtful accounts	(1,036)	(2,047)
Accounts receivable, net	$ 458	$ 2,932

4. Creator Signing Fees, Net

Creator signing fees are additional incentives paid by the Company to secure exclusive ticketing and payment processing rights with certain creators. Amortization of creator signing fees is recorded as a reduction of revenue in the consolidated statements of operations and was $8.6 million, $10.9 million and $7.1 million for the years ended December 31, 2020, 2019 and 2018, respectively. As of December 31, 2020, these payments are being amortized over a weighted-average remaining contract life of 3.3 years on a straight-line basis. The following table summarizes the activity in creator signing fees for the periods indicated (in thousands):

	December 31,	
	2020	2019
Balance, beginning of period	$ 26,307	$ 17,005
Creator signing fees paid	3,961	21,216
Amortization of creator signing fees	(8,553)	(10,858)
Write-offs and other adjustments	(12,220)	(1,056)
Balance, end of period	$ 9,495	$ 26,307
Creator signing fees, net	$ 3,657	$ 9,597
Creator signing fees, noncurrent	5,838	16,710

5. Creator Advances, Net

Creator advances provide the creator with funds in advance of the event and are subsequently recovered by withholding amounts due to the Company from the sale of tickets for the event until the creator payment has been fully recovered. The following table summarizes the activity in creator advances for the periods indicated (in thousands):

	December 31,	
	2020	2019
Balance, beginning of period	$ 23,204	$ 23,142
Creator advances paid	7,740	36,081
Creator advances recouped	(10,257)	(30,396)
Write-offs and other adjustments	(14,036)	(5,623)
Balance, end of period	$ 6,651	$ 23,204
Creator advances, net	$ 6,651	$ 22,282
Creator advances, noncurrent	—	922

6. Property and Equipment, Net

Property and equipment, net consisted of the following as of the dates indicated (in thousands):

	December 31,	
	2020	2019
Capitalized internal-use software development costs	49,202	44,194
Furniture and fixtures	3,594	3,861
Computers and computer equipment	6,926	14,836
Leasehold improvements	7,690	8,393
Finance lease right-of-use assets	607	1,005
	68,019	72,289
Less: Accumulated depreciation and amortization	(56,445)	(52,554)
Property and equipment, net	$ 11,574	$ 19,735

The Company recorded the following amounts related to depreciation of fixed assets and capitalized internal-use software development costs during the periods indicated (in thousands):

	Year Ended December 31,		
	2020	2019	2018
Depreciation expense	$ 4,194	$ 5,950	$ 5,201
Capitalized internal-use software development costs	5,008	8,993	7,809
Amortization of capitalized internal-use software development costs	7,866	7,562	6,240

7. Leases

Operating leases

The Company leases its office facilities under operating lease arrangements with varying expiration dates through 2028. Operating lease right-of-use assets and operating lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. Right-of-use assets also include adjustments related to prepaid or deferred lease payments and lease incentives. As most of the Company's leases do not provide an implicit interest rate, the Company uses its incremental borrowing rate at the lease commencement date to determine the present value of lease payments. The incremental borrowing rate is calculated based on hypothetical fully-secured borrowings to fund each respective lease over the lease term as of the lease commencement date, based on an assessment of the company's implied credit rating.

Options to extend or terminate a lease are included in the lease term when it is reasonably certain that the Company will exercise such options. As of December 31, 2020, the remaining lease term of the Company's operating leases ranges from less than one year to five years.

The components of operating lease costs for the year ended December 31, 2020 were as follows (in thousands):

Operating lease costs	$ 8,827
Sublease income	(4,207)
Total operating lease costs, net	$ 4,620

The Company made cash payments of $9.7 million for operating lease liabilities during the year ended December 31, 2020, which is included within the operating activities section on the consolidated statements of cash flows.

As of December 31, 2020 the Company's operating leases had a weighted-average remaining lease term of 4.3 years and a weighted-average discount rate of 3.3%.

As of December 31, 2020, maturities of operating lease liabilities were as follows (in thousands):

2021	$	5,402
2022		3,699
2023		3,586
2024		2,291
2025		2,034
Thereafter		862
Total operating lease payments		17,874
Less: Imputed interest		(1,417)
Total operating lease liabilities	$	16,457
Reconciliation of lease liabilities as shown in the consolidated balance sheets		
Operating lease liabilities, current	$	4,940
Operating lease liabilities, noncurrent		11,517
Total operating lease liabilities	$	16,457

8. Acquisitions

2020 Acquisitions

In November 2020, the Company acquired 100% of the equity interests of ToneDen, a self-service social marketing platform company based in Los Angeles, California. The Company expects that this acquisition will enhance its customer engagement capabilities by offering its creators various marketing tools that the Company plans to integrate into its core product with a subscription offering. The acquisition of ToneDen has been accounted for as a business combination. The total purchase consideration of $7.5 million included (i) acquisition-date cash payments of $6.4 million and (ii) a cash holdback of $1.1 million, which the Company is retaining for up to 18 months and will be payable to the previous owners of ToneDen, subject to offset by the Company for any of the previous owners’ indemnification obligations in connection with the acquisition. Acquisition costs directly related to the ToneDen transaction were $0.2 million and are included in general and administrative expenses in the consolidated statements of operations for the year ended December 31, 2020.

The total purchase price of the ToneDen acquisition was allocated to the assets acquired and liabilities assumed based on their fair value as of the acquisition date. The excess of the purchase price over the net assets acquired was recorded as goodwill. The goodwill recorded is deductible for tax purposes and is attributable to the assembled workforce as well as the anticipated synergies from the integration of ToneDen's technology with the Company's technology.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed as of the respective acquisition dates (in thousands):

Goodwill	$	3,828
Intangible assets		3,750
Operating lease right-of-use assets		411
Other assets		104
Operating lease liabilities		(416)
Other current liabilities		(177)
Total purchase price	$	7,500

The following table sets forth the components of identifiable intangible assets acquired (in thousands) and their estimated useful lives (in years) as of the date of acquisition:

	Cost	Estimated useful life
Developed technology	$ 3,300	4
Customer relationships	400	2.5
Trademark	50	2
Total acquired intangible assets	$ 3,750	

The Company made no acquisitions in 2019.

2018 Acquisitions

Picatic

In August 2018, the Company acquired Picatic e-Ticket Inc. (Picatic), a Canadian ticketing company, primarily to bolster its engineering staff and enhance its ticketing solutions. The acquisition of Picatic has been accounted for as a business combination. The acquisition date fair value of the consideration transferred was $2.9 million, which consisted of $1.3 million in cash and 81 thousand shares of the Company's Class B common stock. Acquisition costs directly related to the Picatic transaction were $0.3 million and are included in general and administrative expenses in the consolidated statements of operations for the year ended December 31, 2018.

Ticketea

In April 2018, the Company acquired Ticketea S.L. (Ticketea), a leading Spanish ticketing provider, primarily to enhance its ticketing solutions and expand in the Spanish market. The acquisition of Ticketea has been accounted for as a business combination. The acquisition date fair value of the consideration transferred was $11.4 million, which consisted of $3.6 million in cash and 0.7 million shares of the Company's Class B common stock. Of the 0.7 million shares, 0.1 million shares were held in escrow for adjustments related to working capital requirements and breaches of representations, warranties and covenants. These escrowed shares were released in October 2019, net of adjustments. Acquisition costs directly related to the Ticketea transaction were $0.5 million and are included in general and administrative expenses in the consolidated statements of operations for the year ended December 31, 2018.

The total purchase price of the Picatic and Ticketea acquisitions was allocated to the assets acquired and liabilities assumed based on their fair value as of the acquisition date. The excess of the purchase price over the net assets acquired was recorded as goodwill. The goodwill recorded in connection with the Picatic and Ticketea acquisitions is not deductible for tax purposes and is attributable to the assembled workforce and synergies from the future growth and strategic advantages in the ticketing industry.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed as of the respective acquisition dates (in thousands):

	Picatic	Ticketea	Total
Cash	$ 160	$ 17,852	$ 18,012
Funds and accounts receivable	10	1,058	1,068
Creator advances	—	532	532
Prepaid expenses and other current assets	87	94	181
Property and equipment	—	42	42
Other noncurrent assets	—	28	28
Accounts payable, creators	—	(19,671)	(19,671)
Other current liabilities	(121)	(529)	(650)
Intangible assets	507	3,094	3,601
Goodwill	2,219	8,937	11,156
Total purchase price	$ 2,862	$ 11,437	$ 14,299

The following table sets forth the components of identifiable intangible assets acquired (in thousands) and their estimated useful lives (in years) as of the date of acquisition:

	Picatic	Estimated useful life	Ticketea	Estimated useful life
Customer relationships	$ 507	2.5	$ 2,475	5.0
Developed technology	—		619	1.0
Total acquired intangible assets	$ 507		$ 3,094	

9. Goodwill and Acquired Intangible Assets, Net

The changes in the carrying amounts of goodwill was as follows (in thousands):

At December 31, 2018	170,560
Additions from acquisitions	—
At December 31, 2019	170,560
Additions from acquisitions	3,828
At December 31, 2020	$ 174,388

Acquired intangible assets consisted of the following as of the dates indicated (in thousands):

	December 31, 2020			
	Cost	Accumulated Amortization	Net Book Value	Weighted-average remaining useful life (years)
Developed technology	$ 22,396	$ 19,194	$ 3,202	3.9
Customer relationships	74,884	35,800	39,084	4.4
Tradenames	1,650	1,603	47	1.9
Acquired intangible assets, net	$ 98,930	$ 56,597	$ 42,333	

	December 31, 2019			
	Cost	Accumulated Amortization	Net Book Value	Weighted-average remaining useful life (years)
Developed technology	$ 19,096	$ 19,062	$ 34	0.2
Customer relationships	74,484	25,360	49,124	5.2
Tradenames	1,600	1,600	—	
Acquired intangible assets, net	$ 95,180	$ 46,022	$ 49,158	

The Company recorded amortization expense related to acquired intangible assets as follows (in thousands):

	Year Ended December 31,		
	2020	2019	2018
Cost of net revenue	$ 143	$ 434	$ 11,834
Sales, marketing and support	10,430	10,381	10,236
General and administrative	3	—	1,098
Total amortization of acquired intangible assets	$ 10,576	$ 10,815	$ 23,168

As of December 31, 2020, the total expected future amortization expense of acquired intangible assets by year is as follows (in thousands):

2021	$ 11,217
2022	9,209
2023	8,593
2024	8,300
2025	5,014
Thereafter	—
Total expected future amortization expense	$ 42,333

10. Debt

As of December 31, 2020, long-term debt consisted of the following (in thousands):

	Term Loans	Convertible Notes (2025 Notes)	Total
Outstanding principal balance	$ 125,000	$ 150,000	$ 275,000
Payment in Kind interest	6,784	—	6,784
Less: Unamortized discount	(22,387)	(43,973)	(66,360)
Less: Debt issuance costs	(5,156)	(3,638)	(8,794)
Carrying amount, long-term debt	$ 104,241	$ 102,389	$ 206,630

The Company had no outstanding debt as of December 31, 2019.

The following tables set forth the total interest expense recognized related to the Term Loans and liability component for the 2025 Notes (in thousands):

	Year Ended December 31, 2020		
	Term Loans	Convertible Notes (2025 Notes)	Total
Cash interest expense	3,192	4,083	7,275
Payment in Kind interest	6,784	—	6,784
Amortization of debt discount	5,428	3,277	8,705
Amortization of debt issuance costs	1,250	271	1,521
Total interest expense	$ 16,654	$ 7,631	$ 24,285

As of December 31, 2020, the remaining life of the Term Loans and 2025 Notes is approximately 53 months and 59 months, respectively.

Term Loans

In May 2020, the Company entered into a credit agreement (Credit Agreement) with FP EB Aggregator, L.P. and FP Credit Partners, L.P., as the administrative agent, which Credit Agreement was amended on June 15, 2020 to, among other things, appoint Wilmington Trust, National Association as administrative agent in place of FP Credit Partners, L.P. The Credit Agreement provides for initial term loans (Initial Term Loans) in the aggregate principal amount of $125.0 million, and delayed draw term loans (Delayed Draw Term Loans, and together with the Initial Term Loans, Term Loans) in an aggregate principal amount of $100.0 million. The Delayed Draw Term Loans may only be accessed from December 31, 2020 until September 30, 2021 (Delayed Draw Termination Date), subject to certain conditions. In accordance with the terms of the Credit Agreement, the amount currently available under the Delayed Draw Term Loans is $50.0 million as a result of the Company issuing $150.0 million in convertible senior notes, discussed in further detail below. The full amount of the Initial Term Loans were drawn on

May 19, 2020 (Initial Funding Date). Borrowings under the Credit Agreement bear interest at a rate per annum equal to (i) 4.0% payable in Cash Pay Interest (as defined in the Credit Agreement) and (ii) 8.5% Payment in Kind (PIK) Interest (as defined in the Credit Agreement). PIK interest is payable by increasing the principal amount over the term of the Initial Term Loans. The Initial Term Loans mature on the fifth anniversary of the Initial Funding Date, and there are no periodic payments with respect to the principal of the Initial Term Loans. Cash interest payments are due quarterly on each of June 30, September 30, December 31, and March 31. The Company incurred total cash costs of $13.2 million, of which $7.6 million were debt issuance costs and the remaining $5.6 million debt discount.

In May 2020, in connection with the execution of the Credit Agreement, the Company entered into a stock purchase agreement (Stock Purchase Agreement) with FP EB Aggregator, L.P. (Purchaser) to issue and sell 2,599,174 shares of Class A Common Stock to the Purchaser for a purchase price of $0.01 per share. These shares were purchased on the Initial Funding Date. The Company accounted for these shares at fair value and recorded $27.4 million as additional debt discount, resulting in total debt issuance costs and discount of $40.6 million.

The Company allocated $29.0 million of the total debt discount and issuance costs to the Initial Term Loans and $11.6 million of the total debt discount and issuance costs to the Delayed Draw Term Loans. The amount allocated to the Initial Term Loans is recorded as a reduction to the carrying amount of the debt and is being accreted over the contractual term of the loans using the effective interest rate method. The effective interest rate of the Initial Term Loans is 18.5%. The amount allocated to the Delayed Draw Term Loans is recorded in Other assets on the consolidated balance sheets and is being amortized straight-line through the Delayed Draw Termination Date. Once the Delayed Draw Term Loans are drawn, the Company will derecognize the associated asset and record a discount on Delayed Draw Term Loans equal to the unamortized fee. If the Company borrows a portion of Delayed Draw Term Loans, only a proportionate amount of the asset should be recognized as debt discount.

Optional prepayments of borrowings under the Credit Agreement are permitted at any time, in whole or in part, but are subject to a prepayment premium during the first four years following the Initial Funding Date at a Make-Whole Amount (as defined in the Credit Agreement) in year one, 12% in year two, 10% in year three and 8% in year four as more fully set forth in the Credit Agreement. Subject to certain exceptions, the Company will be required to prepay certain amounts outstanding under the Term Loans with the net cash proceeds (as customarily defined in the Credit Agreement) of certain asset sales, certain casualty events, certain issuances of non-permitted debt and certain excess cash flow (as customarily defined in the Credit Agreement). The Credit Agreement provides for customary events of default including non-payment of obligations, inaccuracy of representations or warranties, non-performance of covenants and obligations, default on other material debt, bankruptcy or insolvency events, material judgments, change of control, material ERISA events and certain customary events of default relating to collateral or guarantees. Upon the occurrence of any event of default, subject to the terms of the Credit Agreement including any cure periods specified therein, customary remedies may be exercised by the lenders under the Credit Agreement against the Company and its properties. The Company was in compliance with all covenants as of December 31, 2020.

As of December 31, 2020, the total estimated fair value of the Term Loans was approximately $148.6 million based on Black-Derman-Toy model. The risk-adjusted discounted rate represents a Level 3 input into this valuation.

Convertible Senior Notes

In June 2020, the Company issued the 2025 Notes, which consisted of $150.0 million aggregate principal amount of 5.000% convertible senior notes due 2025 in a private offering, inclusive of the initial purchaser's exercise in full of their option to purchase additional notes. The 2025 Notes are senior, unsecured obligations of the Company and bear interest at a fixed rate of 5.000% per year. Interest is payable in cash semi-annually in arrears on June 1 and December 1 of each year, beginning on December 1, 2020. The 2025 Notes mature on December 1, 2025 unless earlier repurchased, redeemed or converted. The total net proceeds from the 2025 Notes, after deducting the initial purchasers' discounts and debt issuance costs of $5.7 million, was $144.3 million.

The 2025 Notes are (i) equal in right of payment with the Company’s existing and future senior, unsecured indebtedness; (ii) senior in right of payment to the Company’s existing and future indebtedness that is expressly subordinated to the 2025 Notes; (iii) effectively subordinated to the Company’s existing and future secured indebtedness, to the extent of the value of the collateral securing that indebtedness; and (iv) structurally subordinated to all existing and future indebtedness and other liabilities, including trade payables, and (to the extent the Company is not a holder thereof) preferred equity, if any, of the Company’s subsidiaries.

The terms of the 2025 Notes are governed by an Indenture by and between the Company and Wilmington Trust, National Association, as Trustee (the Indenture). Upon conversion, the 2025 Notes may be settled in cash, shares of Class A common stock, or a combination of cash and shares of Class A common stock, at the Company's election. It is the Company's current intent to settle the principal amount of the 2025 Notes with cash and remaining conversion value, if any, in shares of the Class A common stock.

The 2025 Notes are convertible at an initial conversion rate of 79.3903 shares of Class A common stock per $1,000 principal amount of 2025 Notes, which is equal to an initial conversion price of approximately $12.60 per share of Class A common stock. The conversion rate is subject to adjustment under certain circumstances in accordance with the terms of the Indenture. Holders of the 2025 Notes may convert all or a portion of their 2025 Notes only in multiples of $1,000 principal amount, under the following circumstances:

- during any calendar quarter commencing after the calendar quarter ending on September 30, 2020 (and only during such calendar quarter), if the last reported sale price per share of our Class A common stock exceeds 130% of the conversion price of the 2025 Notes for each of the at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter;
- during the five consecutive business days immediately after any 10 consecutive trading day period in which the trading price per $1,000 principal amount of 2025 Notes for each trading day of that 10 consecutive trading day period was less than 98% of the product of the last reported sale price of Class A common stock and the conversion rate on such trading day;
- upon the occurrence of certain corporate events or distributions on the Company's Class A common stock, as described in the Indenture;
- if the Company calls the 2025 Notes for redemption; or
- at any time from, and including, June 2, 2025 until the close of business on the second scheduled trading day immediately before the maturity date.

Holders of the 2025 Notes who convert their 2025 Notes in connection with certain corporate events that constitute a make-whole fundamental change (as defined in the Indenture) are, under certain circumstances, entitle to an increase in the conversion rate.

The 2025 Notes are redeemable, in whole or in part, at the Company's option at any time and from time to time, on or after June 1, 2023 and on or before the 40th scheduled trading day immediately prior to the maturity date, at a cash redemption price equal to the principal amount of the notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, but only if the last reported sale price per share of Class A common stock exceeds 130% of the conversion price on (1) each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading dates ending on, and including, the trading day immediately before the date the Company sends the related redemption notice; and (2) the trading day immediately before the date the Company sends such notice. Additionally, calling any of the 2025 Notes for redemption will constitute a make-whole fundamental change with respect to that portion of the 2025 Notes, in which case the conversion rate applicable to the conversion of those 2025 Notes will be increased in certain circumstances (as described in the Indenture) if it is converted after it is called for redemption.

If certain corporate events that constitute a “Fundamental Change” (as defined in the Indenture) occur, then, subject to a limited exception for certain cash mergers, note holders may require the Company to repurchase their 2025 Notes at a cash repurchase price equal to the principal amount of the 2025 Notes to be repurchased, plus accrued and unpaid interest, if any, to, but excluding, the Fundamental Change repurchase date. The definition of Fundamental Change includes certain business combination transactions involving the Company and certain de-listing events with respect to the Company’s Class A common stock.

The 2025 Notes have customary provisions relating to the occurrence of "Events of Default" (as defined in the Indenture), which include the following: (i) certain payment defaults on the 2025 Notes; (ii) the Company's failure to send certain notices under the Indenture within specified periods of time; (iii) the Company's failure to comply with certain covenants in the Indenture relating to the Company's ability to consolidate with or merge with or into, or sell, lease or otherwise transfer, in one transaction or a series of transactions, all or substantially all of the assets of the Company and its subsidiaries, taken as a whole, to another person; (iv) a default by the Company in its other obligations or agreements under the Indenture or the 2025 Notes if such default is not cured or waived within 60 days after notice is given in accordance with the Indenture; (v) the rendering of certain judgments against the Company or any of its subsidiaries for the payment of at least $10,000,000, where such judgments are not discharged or stayed within 45 days after the date on which the right to appeal has expired or on which all rights to appeal have been extinguished; (vi) certain defaults by the Company or any of its significant subsidiaries with respect to indebtedness for borrowed money of at least $10,000,000; and (vii) certain events of bankruptcy, insolvency and reorganization involving the Company or any of the Company's significant subsidiaries.

If an Event of Default involving bankruptcy, insolvency or reorganization events with respect to the Company (and not solely with respect to a significant subsidiary of the Company) occurs, then the principal amount of, and all accrued and unpaid interest on, all of the 2025 Notes then outstanding will immediately become due and payable without any further action or notice by any person. If any other Event of Default occurs and is continuing, then, the Trustee, by notice to the Company, or noteholders of at least 25% of the aggregate principal amount of 2025 Notes then outstanding, by notice to the Company and the Trustee, may declare the principal amount of, and all accrued and unpaid interest on, all of the 2025 Notes then outstanding to become due and payable immediately. However, notwithstanding the foregoing, the Company may elect, at its option, that the sole remedy for an Event of Default relating to certain failures by the Company to comply with certain reporting covenants in the Indenture consists exclusively of the right of the noteholders to receive special interest on the 2025 Notes for up to 180 days at a specified rate per annum not exceeding 0.50% on the principal amount of the 2025 Notes.

In accounting for the issuance of the 2025 Notes, the Company separated the 2025 Notes into liability and equity components. The carrying amount of the liability component was calculated measuring the fair value of similar liabilities that do not have associated convertible features. The carrying amount of the equity component representing the conversion option was determined by deducting the fair value of the liability component from the par value of the 2025 Notes. The Company bifurcated the conversion option of the 2025 Notes from the debt instrument, classified the conversion option in equity, and will accrete the resulting debt discount as interest expense over the contractual term of the 2025 Notes using the effective interest rate method. The carrying amount of the equity component representing the conversion option was $47.3 million which is recorded in additional paid-in capital and is not remeasured as long as it continues to meet the conditions for equity classification. The net carrying amount of the equity component of the 2025 Notes as of December 31, 2020 was as follows:

	Convertible Notes (2025 Notes)
Proceeds allocated to the conversion option	$ 47,250
Less: issuance costs	(1,798)
Carrying amount of the equity component	$ 45,452

The effective interest rate of the liability component of the 2025 Notes is 13.9%, which is based on the interest rates of similar liabilities held by other companies with similar credit risk ratings at the time of issuance that did not have associated convertible features.

Total issuance costs of $5.7 million related to the 2025 Notes were allocated between liabilities and equity in the same proportion as the allocation of the total proceeds to the liability and equity components. Issuance costs attributable to the liability component are being amortized to interest expense over the respective term of the 2025 Notes using the effective interest rate method. The issuance costs attributable to the equity component were netted against the respective equity component in Additional paid-in capital. The Company recorded liability issuance costs of $3.9 million and equity issuance costs of $1.8 million.

As of December 31, 2020, the total estimated fair value of the 2025 Notes was approximately $247.1 million based on a binomial model. The volatility and risk-adjusted discount rate represent Level 3 inputs into this valuation. The fair value of the 2025 Notes is also affected by the trading price of the Company's common stock. If the fair value was determined based on the closing trading price of the last available day of trading for the period then it would be considered a Level 2 input in the fair value hierarchy, as they are not actively traded.

Capped Call Transactions

In June 2020, in connection with the offering of the 2025 Notes, the Company entered privately negotiated capped call transactions with certain financial institutions (the Capped Calls). The Capped Calls have an initial strike price of approximately $12.60 per share, which corresponds to the initial conversion price of the 2025 Notes. The Capped Calls cover, subject to anti-dilution adjustments substantially similar to those applicable to the conversion rate of the 2025 Notes, the number of shares of Class A common stock initially underlying the 2025 Notes. The Capped Calls are expected generally to reduce potential dilution to the Company's Class A common stock upon any conversion of the 2025 Notes and/or offset any cash payments the Company is required to make in excess of the principal amount of converted 2025 Notes, as the case may be, with such reduction and/or offset subject to a cap, initially equal to $17.1520, and is subject to certain adjustments under the terms of the Capped Call transactions. The Capped Calls will expire in December 2025, if not exercised earlier.

The Capped Calls are subject to adjustment upon the occurrence of specified extraordinary events affecting the company, including merger events, tender offers and announcement events. In addition, the Capped Calls are subject to certain specified additional disruption events that may give rise to a termination of the Capped Calls, including nationalization, insolvency or delisting, changes in law, failures to deliver, insolvency filings and hedging disruptions. For accounting purposes, the Capped Calls are separate transactions, and not part of the terms of the Notes. As these transactions meet certain accounting criteria, the Capped Calls are recorded in stockholders' equity and are not accounted for as derivatives.

In June 2020, the Company paid an aggregate of $15.6 million for the Capped Calls, which was recorded as a reduction to Additional paid-in capital in the consolidated balance sheets and will not be remeasured as long as they continue to meet certain accounting criteria.

11. Commitments and Contingent Liabilities

The following table summarizes our consolidated contractual cash obligations and rights as of December 31, 2020 (in thousands):

	Payments due by Year						
	Total	**2021**	**2022**	**2023**	**2024**	**2025**	**Thereafter**
Term Loans Due 2025	$ 125,000	$ —	$ —	$ —	$ —	$ 125,000	$ —
Interest obligations on Term Loans[1]	94,629	5,520	6,011	6,546	7,149	69,403	—
Convertible Senior Notes Due 2025	150,000	—	—	—	—	150,000	—
Interest obligations on Convertible Senior Notes[1]	37,521	7,500	7,500	7,500	7,521	7,500	—
Operating lease obligations[2]	17,874	5,402	3,699	3,586	2,291	2,034	862
Sublease income	(1,833)	(1,472)	(240)	(121)	—	—	—
Future creator signing fees and creator advances[3]	21,752	11,320	5,676	4,102	654	—	—
Purchase Commitments[4]	24,150	3,208	4,375	6,038	6,650	3,879	—
Total	$ 469,093	$ 31,478	$ 27,021	$ 27,651	$ 24,265	$ 357,816	$ 862

[1] Represents aggregate interest obligations for the Company's outstanding respective Term loans and Convertible Senior Notes that are payable in cash, excluding non-cash amortization of debt issuance costs. Borrowings under the term loans bear interest at a rate per annum equal to (i) 4.0% payable in Cash Pay Interest and (ii) 8.5% Payment in Kind (PIK) Interest. The Convertible Senior Notes bear interest at a fixed rate of 5.000% per year.

[(2)] Consists of the Company's operating lease obligations (partially offset by sublease income) for office space under non-cancelable agreements. Total payments listed represent total minimum future lease payments.

[(3)] Future creator signing fees and creator advances represent contractual amounts paid in advance to customers pursuant to event ticketing and payment processing agreements. Certain of the Company's contracts include terms where future payments to creators are committed to, based on performance, as part of the overall ticketing arrangement. The Company's contracts state that these future payments require the customer to meet certain revenue milestones or minimum ticket sales provisions in order to earn the payment, and if that milestone or minimum is not met, we are not required to make such payment.

[(4)] Consists of non-cancelable purchase commitments for enterprise support services entered in the ordinary course of business.

Litigation and Loss Contingencies

The Company accrues estimates for resolution of legal and other contingencies when losses are probable and estimable. From time to time, the Company may become a party to litigation and subject to claims incident to the ordinary course of business, including intellectual property claims, labor and employment claims, and threatened claims, breach of contract claims, tax and other matters. The matters discussed below summarize the Company's current ongoing pending litigation.

Refund Policy Litigation

On June 4, 2020, three plaintiffs, seeking to represent a proposed class of individuals who purchased tickets on or after June 3, 2016, filed suit against the Company in the United States District Court for the Northern District of California, in a case captioned Snow, et al. v. Eventbrite, Inc., Case No. 20-cv-03698 (the Class Action). Plaintiffs allege that Eventbrite failed to provide an opportunity for purchasers of tickets to events sold through Eventbrite's platform to obtain a refund where the event is postponed, rescheduled, or canceled. Plaintiffs seek injunctive relief in addition to restitution and monetary damages under California's Consumer Legal Remedies Act, False Advertising Law, and Unfair Competition Law, in addition to claims brought under California common law. The Company denies the allegations and intends to defend the case vigorously. The case is in its early stages. Prior to answering Plaintiffs' complaint, Eventbrite brought a motion to compel arbitration pursuant to its Terms of Service. The Court denied that motion. The Company thereafter answered Plaintiffs' Complaint and brought a second motion to compel arbitration, based in part on facts established via the Company's Answer. That motion remains pending. No other motions have been made, and no other rulings have been issued. The Company is unable to predict the likely outcome at this point.

Stockholder Litigation

Beginning on April 15, 2019, purported stockholders of the Company filed two putative securities class action complaints in the United States District Court for the Northern District of California, and three putative securities class action complaints in the Superior Court of California for the County of San Mateo, against the Company, certain of its executives and directors, and its underwriters for the Company's initial public offering (IPO). Some of these actions also name as defendants venture capital firms that were investors in the Company as of the IPO.

On August 22, 2019, the federal court consolidated the two pending actions (the Federal Action). On October 11, 2019, the lead plaintiffs in the Federal Action filed an amended consolidated complaint. That complaint alleged that the Company misrepresented and/or omitted material information in its IPO offering documents in violation of the Securities Act. It also challenged public statements made after the IPO in violation of the Exchange Act. The amended complaint sought unspecified monetary damages and other relief on behalf of investors. On December 11, 2019, the defendants filed a motion to dismiss the amended complaint. On April 28, 2020, the court granted defendants' motion to dismiss in its entirety with leave to amend and set a deadline of June 24, 2020 for lead plaintiff to file its second amended consolidated complaint. On June 22, 2020, the Court extended lead plaintiff's deadline to file its second amended consolidated complaint to August 10, 2020.

On July 29, 2020, the Company entered into a settlement agreement with the lead plaintiff in the Federal Action. We recorded $1.9 million of expense during the year ended December 31, 2020 related to the expected settlement of the Federal Action.

On August 27, 2020, the lead plaintiff in the Federal Action filed a motion for preliminary approval of the settlement. On October 21, 2020, the Court vacated the preliminary approval hearing and on October 30, 2020, the Court issued an order continuing the preliminary approval hearing, tentatively rescheduling the hearing for March 18, 2021. On January 22, 2021, the Court issued an order denying without prejudice the motion for preliminary approval. On February 9, 2021, the Company gave notice to the lead plaintiff that, in light of the denial of the preliminary approval motion, it was terminating the settlement agreement.

On June 24, 2019, the state court consolidated two state actions pending at that time (the State Action). On July 24, 2019, the two plaintiffs in the State Action filed a consolidated complaint. The consolidated complaint generally alleged that the Company misrepresented and/or omitted material information in the IPO offering documents, in violation of the Securities Act, and sought unspecified monetary damages and other relief on behalf of investors. On August 23, 2019, defendants filed demurrers to the consolidated complaint, which the court sustained with leave to amend at a hearing on November 1, 2019. Plaintiffs filed a first amended consolidated complaint (FAC) on February 10, 2020. Defendants filed demurrers to the FAC on March 26, 2020. On June 23, 2020, the court sustained the demurrers with leave to amend. On November 9, 2020, the plaintiffs filed their second amended consolidated complaint (SAC). On November 20, 2020, defendants filed demurrers to the SAC, which were overruled on December 17, 2020. On January 15, 2021, defendants filed their answers to the SAC. On January 22, 2021, the plaintiffs filed a motion for class certification. On February 11, 2021, the parties stipulated to class certification, and on February 17, 2021, the Court entered an order certifying a class of "all persons and entities who purchased or otherwise acquired Eventbrite, Inc. Class A common stock pursuant or traceable to the Registration Statement and Prospectus issued in connection with Eventbrite's September 2018 Initial Public Offering and who were damaged thereby."

The Company believes that these actions are without merit and intends to vigorously defend them. The Company cannot predict the outcome of or estimate the possible loss or range of loss from the above described matters.

Commercial Contract Litigation

On July 16, 2019, the Company filed two complaints in the United States District Court for the Northern District of California, entitled Eventbrite, Inc. v. MF Live, Inc., et al., 3:19-CV-04084 (the MFL Action) and Eventbrite, Inc. v. Fab Loranger et al., 3:19-CV-04083 (the Loranger Action and, together with the MFL Action, the Roxodus Lawsuits). The Roxodus Lawsuits arose out of MF Live's (MFL) cancellation of the Roxodus music festival in Ontario, Canada, and MFL's and Loranger's subsequent refusals to issue refunds to impacted ticket buyers or to reimburse Eventbrite for payments to such ticket buyers. Eventbrite provided ticketing and payment processing services for the event pursuant to a written contract. When the event was cancelled and MFL refused to issue refunds, Eventbrite issued refunds totaling $4.0 million to ticket buyers who bought tickets on the Eventbrite platform. Pursuant to Eventbrite's Merchant Agreement, MFL was contractually required to reimburse Eventbrite for such refunds, and Loranger had signed a personal guaranty agreement committing to personally honor MFL's obligations if the entity failed to do so. Accordingly, the Roxodus Lawsuits asserted claims for breach of contract, breach of the implied covenant of good faith and fair dealing, fraud, money had and received, and actual and constructive fraudulent transfers.

With respect to the Loranger Action, on November 6, 2020, the Company and the defendants executed a long-form settlement agreement for which the Company received a partial settlement of the refunded amount. On November 6, 2020, the Company and the defendants in the Loranger Action executed a long-form settlement agreement for which the Company received a partial settlement of the refunded amount. In light of that settlement, the Loranger Action was dismissed with prejudice on November 12, 2020, and the MFL Action dismissed without prejudice on January 21, 2021.

On June 18, 2020, the Company filed a Complaint in the United States District Court for the Northern District of California against M.R.G. Concerts Ltd. (MRG) and Matthew Gibbons (Gibbons), asserting claims for breach of contract, breach of the implied covenant of good faith and fair dealing, declaratory judgment, unfair competition, and common counts under California law, arising out of MRG and Gibbons's termination of certain contracts with the Company and their refusal to make various payments to the Company required by those contracts. MRG asserted counterclaims against Eventbrite for breach of one of the contracts in issue, as well as for breach of the implied covenant of good faith and fair dealing, unfair competition, and declaratory judgment. On October 1, 2020, Eventbrite moved to dismiss MRG's counterclaims and certain of MRG and Gibbons's affirmative defenses. The Court denied Eventbrite's motion, and the case is presently in the discovery phase. No other motions have been filed, and no other rulings have issued. The case is in its early stages, and the Company cannot presently predict the likelihood of success.

In addition to the litigation discussed above, from time to time, the Company may be subject to legal actions and claims in the ordinary course of business. The Company has received, and may in the future continue to receive, claims from third parties. Future litigation may be necessary to defend the Company or its creators. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors.

Tax Matters

The Company is currently under audit in certain jurisdictions with regard to indirect tax matters. The Company establishes reserves for indirect tax matters when it determines that the likelihood of a loss is probable, and the loss is reasonably estimable. Accordingly, the Company has established a reserve for the potential settlement of issues related to sales and other indirect taxes in the amount of $13.6 million and $14.8 million as of December 31, 2020 and 2019, respectively. These amounts, which represent management's best estimates of its potential liability, include potential interest and penalties of $1.5 million and $1.4 million as of December 31, 2020 and 2019, respectively.

The Company does not believe that any ultimate liability resulting from any of these matters will have a material adverse effect on its business, consolidated financial position, results of operations or liquidity. However, the outcome of these matters is inherently uncertain. Therefore, if one or more of these matters were resolved against the Company for amounts in excess of management's expectations, the Company's financial statements, including in a particular reporting period in which any such outcome becomes probable and estimable, could be materially adversely affected.

Indemnifications

In the ordinary course of business, the Company enters into contractual arrangements under which the Company agrees to provide indemnification of varying scope and terms to business partners and other parties with respect to certain matters, including, but not limited to, losses arising out of the breach of such agreements, intellectual property infringement claims made by third parties, and other liabilities relating to or arising from the Company's online ticketing platform or the Company's acts or omissions. In these circumstances, payment may be conditional on the other party making a claim pursuant to the procedures specified in the particular contract. Further, the Company's obligations under these agreements may be limited in terms of time and/or amount, and in some instances, the Company may have recourse against third parties for certain payments. In addition, the Company has indemnification agreements with its directors and executive officers that require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers. The terms of such obligations vary.

12. Stockholders' Equity

Common Stock

The Company has two classes of common stock, Class A and Class B. Holders of Class A common stock are entitled to one vote per share and holders of Class B common stock are entitled to ten votes per share. The Company's common stock has no preferences or privileges and is not redeemable. Holders of Class A and Class B common stock are entitled to dividends, if and when declared, by the Company's board of directors.

Equity Incentive Plans

In August 2018, the 2018 Stock Option and Incentive Plan (2018 Plan) was adopted by the board of directors and approved by the stockholders and became effective in connection with the IPO. The 2018 Plan replaces the 2010 Stock Plan (2010 Plan) as the board of directors has determined not to make additional awards under the 2010 Plan. The 2010 Plan will continue to govern outstanding equity awards granted thereunder.

The 2018 Plan allows for the granting of options, stock appreciation rights, restricted stock, restricted stock units (RSUs), unrestricted stock awards, dividend equivalent rights and cash-based awards. Every January 1, the number of shares of stock reserved and available for issuance under the 2018 Plan will cumulatively increase by five percent of the number of shares of Class A and Class B common stock outstanding on the immediately preceding December 31, or a lesser number of shares as approved by the board of directors.

As of December 31, 2020, there were 9,668,594 and 4,006,658 options issued and outstanding under the 2010 Plan and 2018 Plan, respectively (collectively, the Plans). The Company reserved 6,945,206 shares of Class A common stock and are available for grant under the Company's 2018 Plan.

Stock options granted typically vest over a four-year period from the date of grant. Options awarded under the Plans may be granted at an exercise price per share not less than the fair value at the date of grant and are exercisable up to ten years.

Stock Option Activity

Stock option activity under the Plans is as follows:

	Outstanding options	Weighted-average exercise price	Weighted-average remaining contractual term (years)	Aggregate intrinsic value (thousands)
Balance as of December 31, 2018	22,012,597	$ 7.85	7.1	$ 439,382
Granted	1,790,074	17.71		
Exercised	(6,465,360)	6.32		87,544
Cancelled	(1,653,290)	10.88		
Balance as of December 31, 2019	15,684,021	9.28	6.3	170,847
Granted	3,062,634	9.15		
Exercised	(3,255,264)	5.92		23,152
Cancelled	(1,816,139)	11.08		
Balance as of December 31, 2020	13,675,252	9.82	6.4	113,499
Vested and exercisable as of December 31, 2020	8,960,124	8.80	5.2	83,573
Vested and expected to vest as of December 31, 2020	13,371,502	9.78	6.3	111,470

The aggregate intrinsic value in the table above represents the difference between the fair value of common stock and the exercise price of outstanding, in-the-money stock options at December 31, 2020.

As of December 31, 2020, the total unrecognized stock-based compensation expense related to stock options outstanding was $27.5 million, which will be recognized over a weighted-average period of 2.46 years. The weighted-average fair value of stock options granted was $4.74, $8.57 and $8.16 for the years ended December 31, 2020, 2019 and 2018, respectively.

Restricted Stock Units Activity

Restricted stock activity for the year ended December 31, 2020 is presented as follows:

	Outstanding RSUs and RSAs	Weighted-average grant date fair value per share	Weighted-average remaining contractual term (years)	Aggregate intrinsic value (thousands)
Balance at December 31, 2018	670,606	$ 24.71		
Awarded	4,049,368	20.38		
Released	(437,844)			
Cancelled	(490,587)	25.21		
Balance at December 31, 2019	3,791,543	20.44		
Awarded	3,377,338	10.40		
Released	(1,320,719)	16.58		
Cancelled	(2,082,236)	18.03		
Balance at December 31, 2020	3,765,926	14.16	1.4	$ 68,164
Vested and expected to vest as of December 31, 2020	3,346,952	14.05	1.3	60,580

The Company recognized $22.3 million, $14.2 million and $8.7 million of stock-based compensation expense related to RSUs during the year ended December 31, 2020, 2019 and 2018 respectively. As of December 31, 2020, the total unrecognized stock-based compensation expense related to RSUs outstanding was $42.3 million, which will be recognized over a weighted-average period of 2.62 years.

The Company completed its IPO in September 2018 and satisfied the performance condition for all then outstanding RSU awards. The Company recognized $6.9 million of stock-based compensation expense, based on the grant date fair value of a single performance-based award, which is included in general and administrative expenses for the year ended December 31, 2018. There were no performance based awards issued during the years ended December 31, 2020 and 2019.

Employee Stock Purchase plan

In August 2018, the board of directors adopted, and stockholders approved, the 2018 Employee Stock Purchase Plan (ESPP). Subject to any plan limitations, the 2018 ESPP allows eligible employees to contribute, through payroll deductions, up to 15% of their earnings for the purchase of the Company's Class A common stock at a discounted price per share. Except for the initial offering period, the ESPP provides for separate six-month offering periods. Unless otherwise determined by the board of directors, the Company's Class A common stock will be purchased for the accounts of employees participating in the ESPP at a price per share that is the lesser of (1) 85% of the fair market value of the Company's Class A common stock on the first trading day of the offering period, which for the initial offering period is the price at which shares of the Company's Class A common stock were first sold to the public, or (2) 85% of the fair market value of the Company's Class A common stock on the last trading day of the offering period. Every January 1, the number of shares of Class A common stock reserved and available for issuance under the ESPP will be cumulatively increased by the lesser of (1) 1,534,500 shares of Class A common stock, (2) one percent of the number of shares of Class A and Class B common stock of the Company outstanding on the immediately preceding December 31 or (3) a lesser number of shares of Class A common stock as determined by the board of directors.

A total of 171,315 shares were purchased under the ESPP during the year ended December 31, 2020, and as of that date, 2,732,521 shares of Class A common stock were available for future issuance under the ESPP. A total of 271,294 shares were purchased under the ESPP during the year ended December 31, 2019. No shares of Class A common stock were purchased under the ESPP during the year ended December 31, 2018.

The Company recorded $1.4 million, $1.2 million and $0.4 million of stock-based compensation expense related to the ESPP during the years ended December 31, 2020, 2019 and 2018 respectively.

Common Stock Subject to Repurchase

The 2010 Plan and the Company's stock option agreement allow for the early exercise of stock options for certain individuals, as determined by the board of directors. Common stock purchased pursuant to an early exercise of stock options is not deemed to be outstanding for accounting purposes until those shares vest. The consideration received for an exercise of an option is considered to be a deposit of the exercise price and the related dollar amount is recorded as a liability. Upon termination of service, the Company may, at its discretion, repurchase unvested shares acquired through early exercise of stock options at a price equal to the price per share paid upon the exercise of such options. The Company includes unvested shares subject to repurchase in the number of shares of common stock outstanding.

There were no outstanding common stock subject to repurchase at December 31, 2020. At December 31, 2019 and December 31, 2018, outstanding common stock included 18,665 and 55,537 shares, respectively, subject to repurchase related to stock options early exercised and unvested. The Company had a liability of $0.2 million and $0.4 million as of December 31, 2019 and 2018, respectively, related to early exercises of stock options. The liability is reclassified into stockholders' equity as the awards vest.

Sales of the Company's Stock

In May 2018, employees and former employees of the Company sold an aggregate of 1.3 million shares of the Company's common stock to entities affiliated with an existing investor at a purchase price of $13.12 per share, for an aggregate purchase price of $17.2 million. The purchase price was in excess of the fair value of such shares. As a result, during the year ended December 31, 2018, the Company recorded the excess of the purchase price above fair value of $2.2 million as compensation expense.

Redeemable Convertible Preferred Stock

Immediately prior to the closing of the Company's IPO, 41,628,207 shares of outstanding redeemable convertible preferred stock converted into 42,188,624 shares of Class B common stock (including additional shares issuable upon conversion of the Company's Series G redeemable convertible preferred stock based on the IPO price of $23.00 per share). Further, outstanding warrants to purchase 933,269 shares of the Company's Series G redeemable convertible preferred stock automatically exercised into 997,193 shares of Class B common stock based on the IPO price of $23.00 per share.

Stock-based Compensation Expense

All stock-based awards to employees and members of the Company's board of directors are measured based on the grant date fair value of the awards and recognized in the consolidated statements of operations over the period during which the employee is required to perform services in exchange for the award (the vesting period of the award). The Company estimates the fair value of stock options granted using the Black-Scholes option pricing model and records stock-based compensation expense for service-based equity awards using the straight-line attribution method.

The following range of assumptions were used to estimate the fair value of stock options granted to employees:

	Year Ended December 31,		
	2020	2019	2018
Expected dividend yield	—	—	—
Expected volatility	54.7-64.6%	48.8 - 49.7%	43.5 - 48.2%
Risk-free interest rate	0.34 - 0.67%	1.32 - 2.58%	2.96 - 3.09%
Expected term (years)	5.07 - 6.08	5.04 - 6.08	5.28 - 6.08

The following range of assumptions were used to estimate the purchase rights granted under the ESPP on the first day of the offering period:

	Year Ended December 31,		
	2020	2019	2018
Expected dividend yield	—	—	—
Expected volatility	81.2 - 99.9%	43.3 - 58.9%	48.5%
Risk-free interest rate	0.10 - 0.18%	1.62 - 2.31%	2.37%
Expected term (years)	0.5	0.5	0.7

Stock-based compensation expense recognized in connection with stock options, restricted stock and the ESPP during the year ended December 31, 2020, 2019 and 2018 were as follows:

	Year Ended December 31,		
	2020	2019	2018
Cost of net revenue	$ 1,146	$ 1,397	$ 429
Product development	13,244	11,130	5,813
Sales, marketing and support	4,778	5,471	3,570
General and administrative	21,047	19,596	20,419
Total	$ 40,215	$ 37,594	$ 30,231

Stock-based compensation expense included in capitalized internal-use software development costs was $1.3 million for each of the years ended December 31, 2020 and 2019 and $0.6 million for the year ended December 31, 2018.

13. Net Loss Per Share

The Company calculates basic and diluted net loss per share in conformity with the two-class method required for companies with participating securities. Under the two-class method, basic net loss per share is calculated by dividing the net loss by the weighted-average number of shares of common stock outstanding during the period, less shares subject to repurchase. Diluted net loss per share is computed by giving effect to all potentially dilutive common stock equivalents outstanding for the period. For purposes of this calculation, stock options to purchase common stock, early exercised stock options, restricted stock units and ESPP are considered common shares equivalents, but have been excluded from the calculation of diluted net loss per share as their effect is anti-dilutive.

The rights, including the liquidation and dividend rights, of the holders of Class A and Class B common stock are identical, except with respect to voting. As the liquidation and dividend rights are identical, the undistributed earnings are allocated on a proportionate basis and the resulting net loss per share attributed to common stockholders will, therefore, be the same for both Class A and Class B common stock on an individual or combined basis.

The following table sets forth the computation of basic and diluted net loss per share (in thousands, except per share data):

	Year Ended December 31,		
	2020	2019	2018
Net loss	$ (224,718)	$ (68,760)	$ (64,078)
Weighted-average shares used in computing net loss per share, basic and diluted	89,335	81,979	37,540
Net loss per share, basic and diluted	$ (2.52)	$ (0.84)	$ (1.71)

The following outstanding shares of potentially dilutive securities were excluded from the computation of diluted net loss per share because including them would have had an anti-dilutive effect (in thousands):

	December 31,		
	2020	2019	2018
Stock options to purchase common stock	13,675	15,684	22,013
Shares related to convertible senior notes	11,909	—	—
Restricted stock and restricted stock units	3,766	4,347	686
Early exercised options	—	19	56
ESPP	66	—	—
Total shares of potentially dilutive securities	29,416	20,050	22,755

As we expect to settle the principal amount of our convertible senior notes in cash, we use the treasury stock method for calculating any potential dilutive effect on diluted net income per share, if applicable. Despite the average market price of the Company's common stock which exceeds the conversion price of $12.60 per share, the conversion spread of 11.9 million shares does not impact our net loss per share calculation as it would have an anti-dilutive effect.

14. Income Taxes

Loss before the provision for income taxes consisted of the following for the periods indicated (in thousands):

	Year Ended December 31,		
	2020	2019	2018
Domestic	$ (217,874)	$ (60,807)	$ (50,133)
International	(6,924)	(8,145)	(12,795)
Total	$ (224,798)	$ (68,952)	$ (62,928)

The components of the Company's income tax provision (benefit) were as follows for the periods indicated (in thousands):

	Year Ended December 31,		
	2020	2019	2018
Current tax expense (benefit)			
Federal	$ —	$ (17)	$ 234
State	(56)	93	(10)
Foreign	159	112	823
Total current tax expense (benefit)	103	188	1,047
Deferred tax expense (benefit)			
Federal	316	315	317
State	112	171	153
Foreign	(611)	(866)	(367)
Total deferred tax expense (benefit)	(183)	(380)	103
Total income tax provision (benefit)	$ (80)	$ (192)	$ 1,150

The reconciliation of the Federal statutory income tax provision to the Company's effective income tax provision is as follows for the periods indicated (in thousands):

	Year Ended December 31,		
	2020	2019	2018
Federal tax benefit at statutory rate	$ (47,209)	$ (14,480)	$ (13,298)
State tax	56	93	(10)
Foreign rate differential	(153)	136	1,315
Non-deductible permanent items	268	(468)	4,129
Stock-based compensation	(1,550)	(9,850)	(1,178)
Tax credits	(382)	(1,403)	(922)
Change in valuation allowance	48,890	25,780	11,114
Total	$ (80)	$ (192)	$ 1,150

The Company’s deferred tax assets and liabilities as of the dates indicated were as follows (in thousands):

	Year Ended December 31,	
	2020	2019 [1]
Deferred tax assets:		
Net operating losses	$ 108,110	$ 75,415
Accruals and reserves	16,138	3,514
Tax credit carryforward	11,999	11,013
Stock-based compensation	10,501	8,280
Deferred interest	6,163	2,586
Depreciation and amortization	4,014	3,750
Lease liability	2,267	3,181
Total deferred tax assets	159,192	107,739
Valuation allowance	(148,011)	(104,298)
Net deferred tax assets	11,181	3,441
Deferred tax liabilities:		
Depreciation and amortization	(1,778)	(2,550)
Debt	(8,945)	—
Right of use asset	(1,935)	(2,550)
Net deferred taxes	$ (1,477)	$ (1,659)

[1] The prior year amounts presented in the table above have been reclassified to conform with the current year presentation.

The Company regularly assesses the realizability of its deferred tax assets and establishes a valuation allowance if it is more-likely-than-not that some portion of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Due to the Company’s history of net operating losses, the Company believes it is more likely than not that the vast majority of its federal, state, and certain foreign deferred tax assets will not be realized as of December 31, 2020 and 2019. The total valuation allowance recorded as of December 31, 2020 and December 31, 2019 was $148.0 million and $104.3 million respectively.

The activity in the Company's deferred tax asset valuation allowance for the periods indicated was as follows (in thousands):

	Balance, Beginning of Period	Charged to Costs & Expenses	Charged to Other Accounts	Deductions	Balance, end of Period
Year ended December 31, 2020					
Deferred tax asset valuation allowance	$ 104,298	55,533	(11,820)	—	$ 148,011
Year ended December 31, 2019					
Deferred tax asset valuation allowance	$ 75,436	29,576	(714)	—	$ 104,298
Year ended December 31, 2018					
Deferred tax asset valuation allowance	$ 58,748	13,243	3,445	—	$ 75,436

As of December 31, 2020 and 2019, the Company has net operating loss carryforwards for federal income tax purposes of $387.3 million and $251.0 million, respectively, available to reduce future taxable income. The federal net operating loss carryforwards will begin to expire, if not utilized, in 2025. In addition, the Company has $82.8 million and $70.3 million of net operating loss carryforwards available to reduce future taxable income, for California state income tax purposes for the years ended December 31, 2020 and 2019, respectively. The state net operating loss carryforwards will begin to expire, if not utilized, in 2023. The federal and state net operating loss carryforwards are subject to various annual limitations under Section 382 of the Internal Revenue Code and similar state provisions. As of December 31, 2020 and 2019, the Company had foreign net operating loss carryforwards of $13.7 million and $13.5 million, respectively, which will expire at various dates beginning in 2021, if not utilized.

As of December 31, 2020, the Company had Federal and California Research and Development Credits of $11.4 million and $10.6 million, respectively. The Federal Research and Development Credits will begin to expire, if not utilized, in 2031. The California Research and Development Credits do not expire since these attributes have an indefinite life. As of December 31, 2020 and 2019, the Company had California EZ Hiring Tax Credits of $2.1 million. The California Hiring Tax Credits will begin to expire, if not utilized, in 2021. As of December 31, 2020 and 2019, the Company had foreign tax credits of $0.2 million. The foreign tax credits will begin to expire, if not utilized, in 2028.

As of December 31, 2020 and 2019, the Company had unrecognized tax benefits of $11.2 million and $9.8 million, respectively. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

Balance as of December 31, 2017	$	5,496
Gross amount of increases in unrecognized tax benefits for tax positions taken in current year		1,744
Gross amount of decreases in unrecognized tax benefits for tax positions taken in prior year		—
Balance as of December 31, 2018		7,240
Gross amount of increases in unrecognized tax benefits for tax positions taken in current year		2,584
Gross amount of decreases in unrecognized tax benefits for tax positions taken in prior year		—
Balance as of December 31, 2019		9,824
Gross amount of increases in unrecognized tax benefits for tax positions taken in current year		1,333
Gross amount of increases in unrecognized tax benefits for tax positions taken in prior year		7
Balance as of December 31, 2020	$	11,164

The Company classifies uncertain tax positions as non-current income tax liabilities unless expected to be paid within one year or otherwise directly related to an existing deferred tax asset, in which case the uncertain tax position is recorded net of the asset on the consolidated balance sheet. As of December 31, 2020, $0.1 million of the Company’s gross unrecognized tax benefits, if recognized, would affect the effective tax rate and, $11.1 million would result in an adjustment to deferred tax assets with corresponding adjustments to valuation allowance.

The Company’s policy is to recognize interest and penalties accrued on any unrecognized tax benefits as a component of its provision for income taxes. The amount of interest and penalties accrued as of December 31, 2020 and 2019 was zero.

The Company does not anticipate that its total unrecognized tax benefits will significantly change due to settlement of examination or the expiration of statute of limitations during the next 12 months.

The Company files income tax returns in the U.S. federal jurisdiction as well as many U.S. states and certain foreign jurisdictions. Material jurisdictions where the Company is subject to potential examination include the United States, United Kingdom and Netherlands. The Company is subject to examination in these jurisdictions for all years since 2006. Fiscal years outside the normal statute of limitation remain open to audit due to tax attributes generated in the early years which have been carried forward and may be audited in subsequent years when utilized.

15. Geographic Information

The following table presents the Company's total net revenue by geography based on the currency of the underlying transaction (in thousands):

	Year Ended December 31,					
		2020		2019		2018
United States	$	73,350	$	236,845	$	211,705
International		32,656		89,956		79,906
Total net revenue	$	106,006	$	326,801	$	291,611

Except for the United Kingdom, no individual country, included in International net revenue, represents more than 10% of the total consolidated net revenue for any of the periods presented. The increase in the United Kingdom's net revenue in the third quarter of 2020, is primarily attributed to a payment for service fees received from a customer as part of an early termination agreement.

Substantially all of the Company's long-lived assets are located in the United States.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of the end of the period covered by this report.

Based on our evaluation, our principal executive officer and principal financial officer concluded that, as of December 31, 2020, our disclosure controls and procedures were effective to provide reasonable assurance that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Management conducted an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2020 based on the criteria set forth in "Internal Control—Integrated Framework" (2013 framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management has concluded that our internal control over financial reporting was effective as of December 31, 2020 based on those criteria. The effectiveness of our internal control over financial reporting as of December 31, 2020 has been audited by our independent registered public accounting firm, PricewaterhouseCoopers LLP. PricewaterhouseCoopers LLP has issued an attestation report on our internal control over financial reporting, as stated in their report, which appears in Part II, Item 8 of this Annual Report on Form 10-K, and is incorporated herein by reference.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Disclosure Controls and Procedures

In designing and evaluating the disclosure controls and procedures and internal control over financial reporting, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures and internal control over financial reporting must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item will be set forth in our definitive proxy statement to be filed with the Securities and Exchange Commission not later than 120 days after the end of our fiscal year ended December 31, 2020 in connection with our 2021 annual meeting of stockholders (the Proxy Statement), and is incorporated herein by reference.

Codes of Business Conduct and Ethics

Our board of directors has adopted a Code of Business Conduct and Ethics that applies to all officers, directors and employees, which is available on our website at (investor.eventbrite.com) under "Corporate Governance." We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding amendments to, or waiver from, a provision of our Code of Business Conduct and Ethics and by posting such information on the website address and location specified above.

Item 11. Executive Compensation

The information required by this item will be set forth in the Proxy Statement and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item will be set forth in the Proxy Statement and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item will be set forth in the Proxy Statement and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by this item will be set forth in the Proxy Statement and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a)The following documents are filed as part of this report:

1. Financial Statements

See Index to Financial Statements at Item 8 herein.

2. Financial Statement Schedules

Schedules not listed above have been omitted because they are not required, not applicable, or the required information is otherwise included.

3. Exhibits

The exhibits listed below are filed as part of this Annual Report on Form 10-K or are incorporated herein by reference, in each case as indicated below.

Exhibit Index

		Incorporated by Reference		
Exhibit Number	**Description of Exhibits**	**Form**	**Exhibit Number**	**Date Filed**
3.2	Amended and Restated Certificate of Incorporation.	S-1/A	3.2	August 28, 2018
3.4	Amended and Restated Bylaws.	S-1/A	3.4	August 28, 2018
4.1	Form of Class A Common Stock Certificate.	S-1/A	4.1	September 7, 2018
4.2	Description of Securities.			Filed herewith
4.3	Amended and Restated Investors' Rights Agreement, dated August 30, 2017, by and among the Registrant and certain of its stockholders.	S-1	4.2	August 23, 2018
4.4	Indenture, dated as of June 15, 2020, between Registrant and Wilmington Trust, National Association, as Trustee	8-K	4.1	June 15, 2020
4.5	Form of Note, representing the 5.000% Convertible Senior Notes due 2025 (included as Exhibit A to Exhibit 4.4)	8-K	4.1	June 15, 2020
10.1	Lease for 155 5th Street, San Francisco, CA, dated December 6, 2013, by and between the Registrant and University of the Pacific, as amended.	S-1	10.1	August 23, 2018
10.2	Lease for 209 10th Avenue South, Nashville, TN, dated May 12, 2014, by and between the Registrant and Cummins Station, LLC; First Amendment to Lease dated June 24, 2014; Second Amendment to Lease dated May 22, 2016; Third Amendment to Lease dated September 29, 2016; Fourth Amendment to Lease dated January 28, 2018; Fifth Amendment to Lease dated April 25, 2018; Sixth Amendment to Lease dated June 24, 2019; Seventh Amendment to Lease dated December 19, 2019.	10-K	10.2	March 2, 2020
10.3	Credit Agreement, dated May 9, 2020, by and among Registrant, FP EB Aggregator, L.P. and FP Credit Partners, L.P., as administrative agent	8-K	10.1	May 12, 2020
10.4	Stock Purchase Agreement, dated May 9, 2020, by and between Registrant and FP EB Aggregator, L.P.	8-K	10.2	May 12, 2020
10.5	Nomination Agreement, dated May 19, 2020, by and among Registrant, FP EB Aggregator, L.P. and Francisco Partners	8-K	10.1	May 20, 2020
10.6	Successor Agent Agreement, First Amendment to Credit Agreement and Omnibus Amendment to Loan Documents, dated June 15, 2020, by and among Wilmington Trust, National Association, FP Credit Partners, L.P. and Registrant	S-1	10.21	June 18, 2020
10.7	Registration Rights Agreement, dated May 19, 2020, by and between Registrant and FP EB Aggregator, L.P.	8-K	10.2	May 20, 2020

10.8	Form of Capped Call Confirmation	8-K	10.1	June 15, 2020
10.9#	Senior Executive Cash Incentive Bonus Plan.	S-1	10.4	August 23, 2018
10.10#	Non-Employee Director Compensation Policy.	S-1	10.5	August 23, 2018
10.11#	Eventbrite, Inc. (f/k/a Mollyguard Corporation) 2004 Stock Plan, as amended, and forms of agreements thereunder.	S-1	10.7	August 23, 2018
10.6#	Eventbrite, Inc. 2010 Stock Plan, as amended, and forms of agreements thereunder.	S-1/A	10.8	August 28, 2018
10.7#	Eventbrite, Inc. 2018 Stock Option and Incentive Plan and forms of agreements thereunder.	10-K	10.9	March 7, 2019
10.8#	Eventbrite, Inc. 2018 Employee Stock Purchase Plan.	S-1	10.10	August 23, 2018
10.9#	Form of Indemnification Agreement, between the Registrant and each of its directors.	8-K	10.2	December 1, 2020
10.10#	Promotion Letter, dated April 21, 2016, between the Registrant and Julia Hartz.	S-1	10.13	August 23, 2018
10.11#	Offer Letter, dated November 30, 2005, between Mollyguard Corporation and Julia (Steen) Hartz.	S-1	10.14	August 23, 2018
10.12#	Form of Executive Severance and Change in Control Agreement between the Registrant and each of its executives.	S-1/A	10.18	August 28, 2018
10.13#	Non-Employee Directors' Deferred Compensation Program.	S-1/A	10.23	September 7, 2018
10.14#	Offer Letter, dated July 2, 2020 by and between the Registrant and Vivek Sagi			Filed herewith
10.15#	Offer Letter, dated August 7, 2019, by and between the Registrant and Charles Baker.	8-K	10.1	August, 8 2019
10.16#	Strategic Advisory Agreement between the Registrant and Lorrie Norrington, as amended	10-Q	10.1	November 5, 2020
10.17#	Offer letter, dated November 18, 2020, between the Registrant and Xiaojing Fan	8-K	10.1	December 1, 2020
10.18#	Strategic Advisory agreement between the registrant and Randy Befumo, as amended	10-Q	10.1	August 7, 2020
10.19#	Advisory Agreement between the registrant and Patrick Poels, as amended	10-Q	10.2	August 7, 2020
21.1	Subsidiaries of the Registrant			Filed herewith
23.1	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm			Filed herewith
24.1	Power of Attorney (contained on signature page hereto)			Filed herewith
31.1	Certification of the Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			Filed herewith
31.2	Certification of the Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			Filed herewith
32.1*	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			Filed herewith
101.INS	Inline XBRL Instance Document			Filed herewith
101.SCH	Inline XBRL Taxonomy Extension Schema Document			Filed herewith
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document			Filed herewith
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document			Filed herewith
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document			Filed herewith
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document			Filed herewith

104.1	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)	Filed herewith

*The certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Annual Report on Form 10-K and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

# Indicates management contract or compensatory plan, contract or agreement.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

March 1, 2021	**Eventbrite, Inc.**	
	By:	/s/ Julia Hartz
		Julia Hartz
		Chief Executive Officer

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Julia Hartz and Charles Baker, and each of them, as his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his or her substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Julia Hartz **Julia Hartz**	Chief Executive Officer and Director (Principal Executive Officer)	March 1, 2021
/s/ Charles Baker **Charles Baker**	Chief Financial Officer (Principal Financial Officer)	March 1, 2021
/s/ Xiaojing Fan **Xiaojing Fan**	Chief Accounting Officer (Principal Accounting Officer)	March 1, 2021
/s/ Katherine August-deWilde **Katherine August-deWilde**	Director	March 1, 2021
/s/ Roelof Botha **Roelof Botha**	Lead Independent Director	March 1, 2021
/s/ Kevin Hartz **Kevin Hartz**	Chairman and Director	March 1, 2021
/s/ Jane Lauder **Jane Lauder**	Director	March 1, 2021
/s/ Sean P. Moriarty **Sean P. Moriarty**	Director	March 1, 2021
/s/ Helen Riley **Helen Riley**	Director	March 1, 2021
/s/ Steffan C. Tomlinson **Steffan C. Tomlinson**	Director	March 1, 2021
/s/ Naomi Wheeless **Naomi Wheeless**	Director	March 1, 2021

Exhibit 4.2

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

General

As of December 31, 2020, Eventbrite, Inc. ("we," "our" or "us") had one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): our Class A common stock, $0.00001 par value per share. The following description summarizes the most important terms of our securities as set forth in our amended and restated certificate of incorporation and amended and restated bylaws. Because it is only a summary, it does not contain all the information that may be important to you. For a complete description of the matters set forth herein, you should refer to our amended and restated certificate of incorporation, amended and restated bylaws and amended and restated investors' rights agreement ("IRA"), which are included as exhibits to our Annual Report on Form 10-K for the fiscal year ended December 31, 2020, and to the Nomination Agreement (as defined below), which is included as an exhibit to our Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission (the "SEC") on May 20, 2020, and to the applicable provisions of Delaware law. Our authorized capital stock consists of 1,000,000,000 shares of Class A common stock, 100,000,000 shares of Class B common stock, $0.00001 par value per share, and 100,000,000 shares of undesignated preferred stock, $0.00001 par value per share.

As of February 15, 2021, there were 61 holders of record of our Class A common stock and 82 holders of record of our Class B common stock. Because many of our shares of Class A common stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of beneficial owners of our Class A common stock represented by these record holders. Our board of directors is authorized, without stockholder approval except as required by the listing standards of the New York Stock Exchange (the "NYSE"), to issue additional shares of our capital stock.

Class A Common Stock and Class B Common Stock

We have authorized a class of Class A common stock and a class of Class B common stock. In connection with our initial public offering, all outstanding shares of our existing common stock and redeemable convertible preferred stock were reclassified into shares of our Class B common stock. In addition, any options to purchase shares of our capital stock outstanding prior to our initial public offering are eligible to be settled in or exercisable for shares of our Class B common stock.

Dividend Rights

Subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of our common stock are entitled to receive dividends out of funds legally available if our board of directors, in its discretion, determines to issue dividends and then only at the times and in the amounts that our board of directors may determine.

Voting Rights

Holders of our Class A common stock are entitled to one vote for each share, and holders of our Class B common stock are entitled to ten votes per share, on all matters submitted to a vote of stockholders. The holders of our Class A common stock and Class B common stock generally vote together as a single class on all matters submitted to a vote of our stockholders, unless otherwise required by Delaware law or our amended and restated certificate of incorporation. Delaware law could require either holders of our Class A common stock or Class B common stock to vote separately as a single class in the following circumstances:

- if we were to seek to amend our amended and restated certificate of incorporation to increase or decrease the par value of a class of our capital stock, then that class would be required to vote separately to approve the proposed amendment; and
- if we were to seek to amend our amended and restated certificate of incorporation in a manner that alters or changes the powers, preferences or special rights of a class of our capital stock in a manner that affected its holders adversely, then that class would be required to vote separately to approve the proposed amendment.

We do not provide for cumulative voting for the election of directors in our amended and restated certificate of incorporation. Our amended and restated certificate of incorporation and amended and restated bylaws establish a classified board of directors that is divided into three classes with staggered three-year terms. Only the directors in one class are subject to election by a plurality of the votes cast at each annual meeting of our stockholders, with the directors in the other classes continuing for the remainder of their respective three-year terms.

Nomination Agreement

In connection with the execution of our credit agreement (the “Credit Agreement”) with FP EB Aggregator, L.P. (“FP”), as lender, and FP Credit Partners, L.P., as the administrative agent, which Credit Agreement was amended on June 15, 2020 to, among other things, appoint Wilmington Trust, National Association as administrative agent in place of FP Credit Partners, L.P., on May 19, 2020, we entered into the Nomination Agreement (“Nomination Agreement”), with FP and Francisco Partners Management, L.P. (“FP Parent”), pursuant to which, among other things, for so long as a principal amount of at least $62.5 million remains outstanding under the Credit Agreement (“Nomination Threshold”), FP shall have the right to designate a nominee for election to our board of directors as a Class III Director (“FP Designee”) at each meeting of our stockholders at which the Class III Directors are to stand for election, subject to certain provisions as described in the Nomination Agreement, including that the FP Designee be independent of FP Parent and otherwise be acceptable to us in our reasonable discretion. Pursuant to the Nomination Agreement, at any time that the Nomination Threshold is not satisfied, the FP Designee (including any successors designated pursuant to the Nomination Agreement) shall promptly offer to resign from our board of directors. In the event the Nomination Threshold is not satisfied, FP will not regain the right to designate a FP Designee. In addition, under the Nomination Agreement, for so long as the Nomination Threshold is satisfied, FP shall have the right to designate a board observer.

FP has designated Naomi Wheeless as the FP Designee to be voted on at the 2021 annual meeting of stockholders.

No Preemptive or Similar Rights

Our common stock is not entitled to preemptive rights, redemption or sinking fund provisions. Our Class A common stock is not subject to conversion provisions.

Conversion

Each outstanding share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock. In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon any transfer, whether or not for value, except for certain permitted transfers described in our amended and restated certificate of incorporation, including transfers for tax or estate planning purposes or to other Class B stockholders upon the death or incapacity of a Class B stockholder. Once converted or transferred and converted into Class A common stock, the Class B common stock will not be reissued.

All of the outstanding shares of Class B common stock will convert automatically into shares of Class A common stock on the earlier of September 24, 2028 or the date the holders of 66-2/3% of our outstanding Class B common stock elect to convert the Class B common stock to Class A common stock. Following such conversion, each share of common stock will have one vote per share and the rights of the holders of all outstanding common stock will be identical.

Right to Receive Liquidation Distributions

If we become subject to a liquidation, dissolution or winding-up, the assets legally available for distribution to our stockholders would be distributable ratably among the holders of our Class A common stock and Class B common stock, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights and payment of liquidation preferences, if any, on any outstanding shares of preferred stock, unless different treatment of the shares of each such class is approved by the affirmative vote of the holders of a majority of the outstanding shares of Class A common stock and by the affirmative vote of the holders of a majority of the outstanding shares of Class B common stock, each voting separately as a class.

Fully Paid and Non-Assessable

All of the outstanding shares of our Class A and Class B common stock are fully paid and non-assessable.

Preferred Stock

No shares of our preferred stock are outstanding.

Our board of directors is authorized, subject to limitations prescribed by Delaware law, to issue preferred stock in one or more series, to establish from time to time the number of shares to be included in each series and to fix the designation, powers, preferences and rights of the shares of each series and any of its qualifications, limitations or restrictions, in each case without further vote or action by our stockholders. The holders of a majority of the voting power of all of the outstanding shares of our capital stock can also increase or decrease the number of shares of any series of preferred stock, but not below the number of shares of that series then outstanding, without a separate class vote of the holders of our preferred stock, or any separate series votes of any series thereof, unless a vote of any such holders is required pursuant to the terms of any rights designated to the preferred stock. Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in control of our company and might adversely affect the market price of our Class A common stock and the voting and other rights of the holders of our Class A common stock and Class B common stock. We have no current plan to issue any shares of preferred stock.

Registration Rights

Certain holders of our Class B common stock are entitled to rights with respect to the registration of their shares under the Securities Act of 1933, as amended (the “Securities Act”). These registration rights are contained in our IRA. We, along with certain holders of our Class B common stock, are parties to the IRA. The registration rights set forth in the IRA will expire on September 24, 2023. We will pay the registration expenses (other than underwriting discounts and commissions) of the holders of the shares registered pursuant to the registrations described below, including the reasonable fees, not to exceed $50,000, of one counsel for the selling holders. In an underwritten offering, the underwriters have the right, subject to specified conditions, to limit the number of shares such holders may include.

Demand Registration Rights

Certain holders of our Class B common stock are entitled to certain demand registration rights contained in our IRA. We are obligated to effect only two such registrations. If we determine that it would be seriously detrimental to our stockholders to effect such a demand registration, we have the right to defer such registration, not more than once in any 12-month period, for a period of up to 120 days.

Piggyback Registration Rights

Pursuant to our IRA, if we propose to register the offer and sale of our common stock under the Securities Act, in connection with the public offering of such common stock certain holders of our Class B common stock will be entitled to certain “piggyback” registration rights allowing the holders to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, other than with respect to (a) a registration related to a company stock plan, (b) a registration related to an SEC Rule 145 transaction, (c) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the public offering of our common stock or (d) a registration in which the only common stock being registered is common stock issuable upon the conversion of debt securities that are also being registered, the holders of these shares are entitled to notice of the registration and have the right, subject to certain limitations, to include their shares in the registration.

S-3 Registration Rights

Also pursuant to our IRA, certain holders of our Class B common stock may make a written request that we register the offer and sale of their shares on a registration statement on Form S-3 if we are eligible to file a registration statement on Form S-3 so long as the request covers at least that number of shares with an anticipated offering price, net of underwriting discounts and commissions, of at least $3.0 million. These stockholders may make an unlimited number of requests for registration on Form S-3; however, we will not be required to effect a registration on Form S-3 if we have effected two such registrations within the 12 month period preceding the date of the request. Additionally, if we determine that it would be seriously detrimental to our stockholders to effect such a registration during the period that is 30 days before our good faith estimate of the date of filing of our registration, and for 90 days after the effective date of our registration, we have the right to defer such registration.

Anti-Takeover Provisions

The provisions of Delaware law, our amended and restated certificate of incorporation and our amended and restated bylaws, which are summarized below, may have the effect of delaying, deferring or discouraging another person from acquiring control of our company. They are also designed, in part, to encourage persons seeking to acquire control of us to negotiate first with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms.

Delaware Law

We are governed by the provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a public Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. A “business combination” includes mergers, asset sales or other transactions resulting in a financial benefit to the stockholder. An “interested stockholder” is a person who, together with affiliates and associates, owns, or within three years did own, 15% or more of the corporation’s outstanding voting stock. These provisions may have the effect of delaying, deferring or preventing a change in our control.

Amended and Restated Certificate of Incorporation and Amended and Restated Bylaw Provisions

Our amended and restated certificate of incorporation and our amended and restated bylaws include a number of provisions that could deter hostile takeovers or delay or prevent changes in control of our board of directors or management team, including the following:

- ***Dual Class Stock***. Our amended and restated certificate of incorporation provides for a dual class common stock structure, which provides our founders, certain investors, executives and employees with significant influence over all matters requiring stockholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or our assets.

- ***Board of Directors Vacancies***. Our amended and restated certificate of incorporation and amended and restated bylaws authorize only our board of directors to fill vacant directorships, including newly created seats. In addition, the number of directors constituting our board of directors is permitted to be set only by a resolution adopted by a majority vote of our entire board of directors. These provisions would prevent a stockholder from increasing the size of our board of directors and then gaining control of our board of directors by filling the resulting vacancies with its own nominees. This makes it more difficult to change the composition of our board of directors and promotes continuity of management.

- ***Classified Board***. Our amended and restated certificate of incorporation and amended and restated bylaws provide that our board of directors is classified into three classes of directors. A third party may be discouraged from making a tender offer or otherwise attempting to obtain control of us as it is more difficult and time consuming for stockholders to replace a majority of the directors on a classified board of directors.

- ***Stockholder Action; Special Meeting of Stockholders***. Our amended and restated certificate of incorporation provides that our stockholders may not take action by written consent, but may only take action at annual or special meetings of our stockholders. As a result, a holder controlling a majority of our capital stock would not be able to amend our amended and restated bylaws or remove directors without holding a meeting of our stockholders called in accordance with our amended and restated bylaws. Our amended and restated bylaws further provide that special meetings of our stockholders may be called only by a majority of our board of directors, the Chairperson of our board of directors or our Chief Executive Officer, thus prohibiting a stockholder from calling a special meeting. These provisions might delay the ability of our stockholders to force consideration of a proposal or for stockholders controlling a majority of our capital stock to take any action, including the removal of directors.

- ***Advance Notice Requirements for Stockholder Proposals and Director Nominations***. Our amended and restated bylaws provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders or to nominate candidates for election as directors at our annual meeting of stockholders. Our amended and restated bylaws also specify certain requirements regarding the form and content of a stockholder's notice. These provisions might preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.

- ***No Cumulative Voting***. The Delaware General Corporation Law provides that stockholders are not entitled to cumulate votes in the election of directors unless a corporation's certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation does not provide for cumulative voting.

- ***Directors Removed Only for Cause***. Our amended and restated certificate of incorporation provides that stockholders may remove directors only for cause.

- ***Amendment of Charter Provisions***. Any amendment of the above provisions in our amended and restated certificate of incorporation would require approval by holders of at least 66-2/3% of the voting power of the outstanding shares of our capital stock.

- ***Issuance of Undesignated Preferred Stock***. Our board of directors has the authority, without further action by the stockholders, to issue up to 100,000,000 shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by our board of directors. The existence of authorized but unissued shares of preferred stock would enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or other means.

- ***Choice of Forum***. Our amended and restated bylaws provide that a state or federal court located within the State of Delaware be the exclusive forum for: (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a breach of fiduciary duty; (iii) any action asserting a claim against us arising under the Delaware General Corporation Law; (iv) any action regarding our amended and restated certificate of incorporation or our amended and restated bylaws or (v) any action asserting a claim against us that is governed by the internal affairs doctrine. The exclusive forum provision does not apply to claims under the Securities Act or the Exchange Act or any other claim for which the U.S. federal courts have exclusive jurisdiction.

Transfer Agent and Registrar

The transfer agent and registrar for our Class A common stock and Class B common stock is American Stock Transfer & Trust Company. The transfer agent's address is 6201 15th Avenue, Brooklyn, NY 11219.

Listing

Our Class A common stock is listed on the NYSE under the symbol "EB."

eventbrite

155 5th Street
San Francisco, CA 94103

CONFIDENTIAL INFORMATION

Vivek Sagi
13232 Country Trails Ln.
Austin, TX 78732

Re: Employment Offer Letter

Dear Vivek,

It is my pleasure to offer you a position at Eventbrite, Inc. ("Company"), coming on board to assume a primary role in building our business. The details of this offer are as follows:

Location:	Austin, Texas
Position:	Chief Technology Officer
Reporting To:	Julia Hartz
Base Salary:	$375,000/year
Sign-On Bonus:	$375,000
Equity Award Value:	$7,000,000
Start Date:	TBD

This offer is contingent upon reference checks, background checks, clearance of any conflicts of interest, your execution of the Proprietary Information and Invention Assignment Agreement, and your eligibility to work in the United States. The terms of your new position with the Company are as set forth below:

1. Position. We are very pleased to offer you the position set forth above under "Position," in the location set forth above under "Location," reporting directly to the position set forth above under "Reporting To."

2. Start Date. Subject to fulfillment of the conditions imposed by this letter agreement, you will commence this new position with the Company on the above start date.

3. Proof of Right to Work. For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three (3) business days of your start date, or your employment relationship with us may be terminated.

4. Compensation.

(a) Base Salary. If you accept this offer, you will receive the base salary listed above, which will be payable in semi-monthly installments on our regular paydays, as in effect from time to time, less applicable withholdings and deductions.

(b) Benefits. As an employee of the Company, you will be eligible for company benefits as in effect from time to time in accordance with our policies for similarly situated employees.

(c) Sign-On Bonus. Subject to your continued employment with the Company as set forth below, you will earn the Sign-On Bonus listed above. In the event you remain employed by the Company through the six month anniversary of your start date, you will earn fifty percent of the Sign-On Bonus, which will be paid, net of all applicable withholding taxes and other deductions, on the first regular payday following the six month anniversary of your start date (the First Installment). In the event you remain employed by the Company through the one year anniversary of your start date, you will earn fifty percent of the Sign-On Bonus, which will be paid, net of all applicable withholding taxes and other deductions, on the first regular payday following the one-year anniversary of your start date (the Second Installment). Notwithstanding the foregoing, in the event your employment with the Company is terminated by the Company without Cause (as defined below) prior to the one year anniversary of your start date and you execute a Severance Agreement similar to the one enclosed herewith, adapted for Texas law, that becomes effective and irrevocable within sixty (60) days following such termination, then on the first payroll date following such release becoming effective and irrevocable you will be paid any portion of the Sign-On Bonus that remains unpaid as of such date, less required withholding taxes.

(d) Executive Bonus Plan. You will be eligible to participate in the Company's Executive Bonus Plans as approved by the Company's CEO or the Compensation Committee of the Board of Directors each year. The 2020 Bonus Plan provides the opportunity to earn a bonus targeted at 50% of base salary for CEO direct reports upon achievement of certain revenue and adjusted EBIDTA metrics. Any bonus you earn will be paid to you, less any required withholding taxes, at the same time bonuses are paid to executives generally, subject to your continued employment through the date of payment.

5. Equity. In connection with the commencement of your employment, the Company will recommend that its board of directors (or a committee thereof) grant you a number of restricted stock units determined by dividing $2,800,000 (the "RSUs") by the average closing market price of the Company's Class A common stock over the 30-calender day period ending on the last day of the month immediately prior to the month of the grant date. If granted, the RSUs will vest according to a four-year vesting schedule, with 25% of the RSUs vesting at approximately the end of your first year of employment, and the remaining shares vesting ratably on a quarterly basis over the following three years, in each case, subject to your continued employment with the Company through the applicable vesting date.

In connection with the commencement of your employment, the Company will also recommend that its board of directors (or a committee thereof) grant you an option to purchase that number of shares of the Company's Class A common stock (the "Option") necessary for the option to have a grant date fair value of $4,200,000, as determined in accordance with the Company's standard accounting assumptions (i.e., the black-scholes value). If granted, the shares underlying the Option will vest and become exercisable according to a four-year vesting schedule, with 25% vesting and becoming exercisable at approximately the end of your first year of employment, and the remaining shares vesting and becoming exercisable ratably on a monthly basis, in each case, subject to your continued employment with the

Company through the applicable vesting date.

Notwithstanding the foregoing, in the event that your employment with the Company is terminated by the Company without Cause (as defined below) prior to the six month anniversary of your start date, then, subject to your execution of a Severance Agreement similar to the one enclosed herewith, adapted for Texas law, that becomes effective and irrevocable within sixty (60) days following such termination, the vesting and, if applicable, exercisability of your equity awards shall accelerate in respect of 12.5% of the RSUs and shares underlying the Option on the date of such termination. In the event that your employment with the Company is terminated by the Company without Cause (as defined below) between the six and twelve month anniversaries of your start date, then, subject to your execution of a Severance Agreement similar to the one enclosed herewith, adapted for Texas law, that becomes effective and irrevocable within sixty (60) days following such termination, the vesting and, if applicable, exercisability of your equity awards shall accelerate in respect of 25% of the RSUs and shares underlying the Option on the date of such termination.

The equity compensation shall be governed by the terms and conditions of the Company's 2018 Stock Option and Incentive Plan, as amended ("Plan") and the Company's Restricted Stock Unit and Stock Options Agreements (collectively referred to herein as "RSU and Option Agreements"). A copy of the Plan and the form of the RSU and Option Agreements are available for your review. The shares underlying the RSUs and Option issued upon the settlement of the award will be subject to various rights, restrictions and obligations, as provided in the Plan and the RSU and Option Agreements.

6. Cause Definition. For purposes of Paragraphs 4(c) and 5 above, "Cause" shall mean (i) your material act of misconduct in connection with the performance of your duties to the Company, including, without limitation, misappropriation of funds or property of the Company or any of its subsidiaries or affiliates; (ii) your commission of any felony or a misdemeanor involving moral turpitude, deceit, dishonesty or fraud, or any conduct that would reasonably be expected to result in material injury or reputational harm to the Company or any of its subsidiaries or affiliates if you were retained in your position; (iii) your continued material non-performance of your duties to the Company 30 days following written notice thereof from the Company; (iv) your breach of any material provisions of any written agreement between you and the Company, including without limitation, the Proprietary Information and Invention Assignment Agreement; (v) your material violation of the Company's written employment policies; or (vi) your failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate.

7. Proprietary Information and Invention Assignment Agreement. Your acceptance of this offer and commencement of employment with the Company is contingent upon your execution of the Company's "Proprietary Information and Invention Assignment Agreement," signed copies of which must be delivered to an officer of the Company prior to or on your start date.

8. Conflicts of Interest. Your employment pursuant to this offer is contingent upon you having disclosed to the Company any potential conflicts of interest between your past employment and future duties with the Company. By accepting this offer of employment, you are certifying that (i) you are not aware of any impediment to loyal and conscientious employment with the Company, (ii) you have not engaged in any conduct or entered into any agreement that would disqualify you from employment with the Company or in any way restrict your employment with the Company, and (iii) neither your employment with the Company nor the discharge of your employment duties will violate any agreement that you have executed with a third party.

You agree to the best of your ability and experience that you will at all times loyally and conscientiously perform all of the duties and obligations required of and from you in connection with your employment with the Company, and to the reasonable satisfaction of the Company. During the term of your employment, you further agree that you will devote all of your business time and attention to the business of the Company, the Company will be entitled to all of the benefits and profits arising from or incident to all such work services and advice and you will not render commercial or professional services of any nature to any person or organization, whether or not for compensation, without the prior written consent of the Company's General Counsel or her designee and the Chief Executive Officer. By way of illustration, but not limitation, you may not (i) accept or perform work of a nature that conflicts or competes in any way with the business, products or services of the Company, or causes you or has potential to cause you to be disloyal; (ii) use any Company resources including, but not limited to, computer hardware and software, telephones, facsimile machines, and copiers, for or in connection with any non-Company work; (iii) perform any non-Company work on Company premises; or (iv) perform any non-Company work during normal business hours. Nothing in this letter agreement will prevent you from accepting speaking or presentation engagements in exchange for honoraria or from serving on boards of charitable organizations, provided such efforts are not inconsistent with the above principles.

9. At-Will Employment. Notwithstanding any other provision of this letter agreement to the contrary, your employment with the Company will be on an "at will" basis, meaning that either you or the Company may terminate your employment at any time for any reason or no reason, with or without cause. No employee or representative of the Company, other than the Chief Executive Officer has the authority to alter the at-will nature of your employment relationship. The Chief Executive Officer can only do so in a written employment agreement that is signed by both the Chief Executive Officer and yourself.

We are delighted to extend you this offer until 5 pm PDT on July 3rd and look forward to working with you. To indicate your acceptance of the Company's offer, please sign and date this letter agreement in the space provided below and return it to me, along with a signed and dated copy of the Proprietary Information and Invention Assignment Agreement.

This letter, together with the Proprietary Information and Invention Assignment Agreement, sets forth the terms of your employment with the Company and supersedes any prior representations or agreements, whether written or oral. This letter may not be modified or amended except by a written agreement, signed by the Company and by you.

If you have any questions about this offer, please call me. We look forward to a favorable reply and to a rewarding and productive association with you.

Sincerely,

Julia Hartz, CEO

Agreed and Accepted:

DocuSigned by:
Vivek Sagi
73EFEA8527DE4DE

2020-07-02
Date

Enclosures: Proprietary Information and Invention Assignment Agreement; Arbitration Agreement

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Exhibit 21.1

Subsidiaries of Registrant

Name of Subsidiary	**Jurisdiction of Organization**
Eventbrite Payment Processing (IE) Limited	Ireland
Eventbrite UK Limited	United Kingdom
Eventbrite International, Inc.	Delaware
Ticketfly LLC	Delaware
Eventbrite FR SAS	France
TSTM Group Limited	United Kingdom
Eventbrite Operations (IE) Limited	Ireland
Eventbrite Singapore Pte. Ltd.	Singapore
Eventioz Holdings, Inc.	Delaware
Eventioz, Inc.	Delaware
Eventbrite DE GmbH	Germany
Ticketfly Canada Services, Inc.	Canada
Eventbrite NL BV	Netherlands
ticketscript Limited	United Kingdom
Eventbrite ES SL	Spain
Eventbrite BE BVBA	Belgium
Eventbrite Hong Kong Limited	Hong Kong
Eventbrite Mexico Payment Processing S. DE R.L. DE C.V.	Mexico
Eventbrite NZ	New Zealand
Eventbrite AU Pty Limited	Australia
Eventbrite Canada, Inc.	Canada
Picatic E-Ticket Inc.	Canada
Jordiparc S.A.	Uruguay
Eventbrite Brasil Gestao De Eventos Ltda	Brazil
Eventbrite Argentina S.A.	Argentina
Eventioz Chile SPA	Chile
ticketscript GmbH	Germany
Ticketea S.L.	Spain

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-236842, 333-230141 and 333-227433) of Eventbrite, Inc. of our report dated March 1, 2021 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
San Jose, California
March 1, 2021

Exhibit 31.1

Certification of Principal Executive Officer Pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Julia Hartz, certify that:

1. I have reviewed this Annual Report on Form 10-K of Eventbrite, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 1, 2021

/s/ Julia Hartz
Julia Hartz
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of Principal Financial Officer Pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Charles Baker, certify that:

1. I have reviewed this Annual Report on Form 10-K of Eventbrite, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 1, 2021

/s/ Charles Baker
Charles Baker
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Certifications of Principal Executive Officer and Principal Financial Officer
Pursuant to 18 U.S.C. Section 1350
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

I, Julia Hartz, as Chief Executive Officer of Eventbrite, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, the Annual Report on Form 10-K of Eventbrite, Inc. for the year ended December 31, 2020 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Eventbrite, Inc.

/s/ Julia Hartz
Julia Hartz
Chief Executive Officer
(Principal Executive Officer)
March 1, 2021

I, Charles Baker, as Chief Financial Officer of Eventbrite, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, the Annual Report on Form 10-K of Eventbrite, Inc. for the year ended December 31, 2020 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Eventbrite, Inc.

/s/ Charles Baker
Charles Baker
Chief Financial Officer
(Principal Financial Officer)
March 1, 2021