

**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, 2022

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

(State or other jurisdiction of
incorporation or organization)

14-1888467

(I.R.S. Employer
Identification Number)

535 Mission Street, 8th floor,
San Francisco, CA 94105
(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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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, 2022 (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 \$824.2 million.

As of February 21, 2023, 81,935,793 shares of the registrant's Class A common stock and 17,640,167 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, 2022.

EVENTBRITE, INC.
ANNUAL REPORT ON FORM 10-K
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

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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 along with other geopolitical and macroeconomic events, including their impact on us, our operations, or our future financial or operational results; our convertible senior notes, including the intended use of the net proceeds; 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; changes in our business model; our corporate strategy and expectations with respect to our restructuring plan; our advance payout program; the sufficiency of our cash, cash equivalents and investments to meet our liquidity needs; our predictions about industry and market trends; our ability to attract and retain creators and drive consumer demand; our ability to successfully operate internationally; our ability to attract and retain employees; our ability to comply with modified or new laws and regulations applying to our business; our plans to remediate the material weakness in our internal controls over financial reporting; and our ability to successfully defend litigation brought against us and the potential effect of any current litigation on our business, financial position, results of operations or liquidity.

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 corporate strategy and restructuring plan may not be successful.
 - Our success depends on our ability to attract new creators, retain existing creators and drive consumer demand as we transition into a global marketplace.
 - We have a history of losses and we may not be able to generate sufficient revenue to achieve and maintain profitability.
 - 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.
 - If we cannot reach and attract attendees for the events hosted by creators in our marketplace, our business will be harmed.
 - We rely on the experience and expertise of our 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 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.
 - 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 consumers and adversely impact 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.
 - Changes in Internet search engine algorithms and dynamics, our search engine visibility and rankings, search engine disintermediation, changes in marketplace rules or changes in privacy and consumer data access could have a negative impact on traffic for our sites or functionality of our product and ultimately, our business and results of operations.
 - Data loss or security breaches could harm our business, reputation, brand and results of operations.
 - 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.
 - Our payments system depends on third-party providers and is subject to risks that may harm our business.
 - We pay recoupable advances and/or non-recoupable payments to certain creators when we are contractually obligated to do so. We have in the past, and may in the future, pay recoupable advances and/or non-recoupable payments, to certain creators when entering into exclusive ticketing or services agreements. 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 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.
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- 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.
 - 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.
 - 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.
 - We have identified a material weakness in our internal control over financial reporting and, as a result, determined that our disclosure controls and procedures and internal control over financial reporting were not effective as of December 31, 2022, which resulted in the restatement of our previously issued unaudited condensed consolidated financial statements. Failure to remediate the identified material weakness and maintain effective internal control over financial reporting and disclosure controls and procedures in future periods could have a material adverse effect on our financial statements.
 - 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.
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PART I

Item 1. Business

Overview

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 connects event creators - the people who bring others together to share their passions, artistry and causes through live experiences - with their audiences. Through our highly-scalable self-service platform, we enable event creators to plan, promote and sell tickets to their events. Our consumer-facing experiences enable event seekers to find experiences they love and serve as a demand generating engine for event creators. In 2022, more than 800,000 creators held over five million free and paid events using Eventbrite, issuing nearly 285 million tickets to consumers on our global marketplace.

Our event creators are entrepreneurs who express their passions and skills through live events. To meet creators' most pressing needs, we are focused on delivering products that grow their audience reach and generate demand for their events. We are also investing in an enhanced event discovery experience for consumers. As more creators and consumers view Eventbrite as a trusted place for live events, we believe we can drive more ticket sales and enhance our market position as a leading live events marketplace.

The Eventbrite platform empowers creators of free and paid events. Creators of free events currently use our ticketing features for free, and we charge creators of paid events on a per-ticket basis when an attendee purchases a ticket for an event. Today, we derive substantially all of our revenues from ticketing services. We also offer premium marketing tools to help event creators sell more tickets, build their audiences and grow their businesses.

The global COVID-19 pandemic tested our mission, our company and event creators in unprecedented ways. While in 2022, events in our core geographies largely occurred without federal, state or local COVID-19 restrictions, our operations were notably impacted during periods of accelerating case counts, which led to temporary shifts in creator and consumer confidence and behavior. The ongoing effects of COVID-19 and its variants, along with other geopolitical and macroeconomic events, including but not limited to shifts in consumer behavior, inflation, labor challenges, increased labor costs, rising interest rates, economic recession and other factors, may cause creators to scale back events which could materially and adversely affect our paid ticket volume, and consequently our net revenue and financial results. We may implement mitigation actions in response to these factors, including further modifications to our operating strategies, which may have an adverse impact on our business.

Our Platform

We leverage technology to connect live experience creators with consumers looking to discover new things to do or do more of what they love. Our creator and consumer experiences are purpose-built to engage each audience and, collectively, connect them in ways to help maximize the business opportunity for creators and satisfy consumer demand.

Creator Experiences

Event creators are the heart and soul of Eventbrite, and we build our platform with their success in mind. 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 with minimal training, support or professional services. We are committed to continuing to enhance the performance of our platform for frequent creators who drive the majority of ticketing activity and launching tools that help them grow their ticket sales and audience reach, which we believe will propel long-term growth.

In 2022, we released new functionality to deliver improved reliability and usability for creators while positioning our platform for marketing and demand generation expansion. Eventbrite Boost, our suite of marketing tools, and Eventbrite Ads, our promoted listings feature, help creators drive audience growth and attract incremental creator spend to our platform beyond ticketing fee revenue. Powering additional ticket sales for creators via products like Boost and Ads strengthens the overall demand generation value proposition of our platform. As we continue to build features that drive ticket sales and help consumers find their preferred events, we believe demand generation will remain a key differentiator that draws both creators and ticket buyers to our platform.

Consumer Experiences

We aspire to be the trusted choice for event discovery by helping consumers find new experiences and connect them with others who share their passions. When consumers come to Eventbrite, we want to deliver a personalized, easily navigable experience that will connect them with events that resonate. To help us build the demand side of our marketplace, we are

investing in enhancing event discovery, building consumer trust and optimizing checkout conversion. Eventbrite is already a meaningful source of audience growth for many creators, and we believe that as we engage consumers and scale the consumer appeal and audience of our marketplace, we will be able to drive more demand for creators, drive more ticket sales as well as grow our marketing tools business.

Our Technology

Our platform operates on a global scale, and is designed to perform consistently, securely, efficiently and reliably at high loads. Our platform supports transaction volume associated with high-demand and peak volumes, and handles millions of events each year. 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.

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, engage and retain talented employees. We strive to offer a competitive compensation and benefits program tailored to our employees' needs across our global locations. We also work to foster a diverse and inclusive culture.

As of December 31, 2022, we had a total of 881 full-time employees, of which 508 were in the United States and 373 were outside the United States.

Compensation and Benefits Program

Our compensation program is designed to attract and reward talented individuals who possess the skills necessary to drive our business objectives, help achieve our strategic goals and create long-term value for our stockholders. We provide employees with compensation packages that include base salary, cash bonuses, 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 focus on promoting the total wellness of our people through resources, services and programs that support the physical, mental, and financial health of our Britelings and their families. We offer a wide range of benefits, such as comprehensive health insurance, access to certified coaches and therapists, paid time off, paid parental leave, retirement plans and other support. We further support Britelings' wellness through our BriteBreak program, which was established in 2020 to increase productivity, mitigate burnout, and drive increased engagement and retention with designated days off once per month. With the change from a primarily in-office to a primarily remote workforce, we have enhanced our benefit offerings to include home office stipends and have built more virtual, rather than in-office, engagement programs.

Diversity, Equity and Inclusion

We believe 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 ensure we consider a diverse slate of candidates for all mid-level and higher positions and conducting audits to ensure pay equity.

We are also focused on supporting Britelings across the full employee lifecycle and have implemented programs and practices designed to promote inclusion and diversity, employee engagement and employee wellness. For example, 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. We also support employee "BriteBelonging" groups, an important component of our culture, which help to build an inclusive culture through company events and education, networking and mentorship opportunities, participation in our recruitment efforts, and input into our hiring strategies. Further, we are using our platform and marketing channels to amplify creators that promote racial and social justice, equality, equity and civic action. To strengthen the communities we work and live in, we advocated for national policies that promote gender and racial equity including paid family and medical leave and advancing voting rights in the United States.

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 large technology companies who have added products in the events space and whose userbases have substantial event-related activity, such as Facebook, LinkedIn, Spotify and Zoom.

With respect to each of these competitor types, we seek to differentiate ourselves by being an event technology platform first and foremost, and by leveraging the scale of our event discovery platform to more effectively connect creators with consumer demand to help fuel them sell more tickets and fuel the success of their businesses

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. Despite our efforts to protect our intellectual property, unauthorized parties may still copy or otherwise obtain and use our technology. See Part I, Item 1A, Risk Factors - "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."

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 535 Mission Street, 8th floor, San Francisco, California 94105. 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 Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and our Proxy Statements for our annual meetings 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 our Corporate Responsibility Report and 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 the Corporate Responsibility Report or 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 global COVID-19 pandemic led to an unprecedented decline in the number of in-person events and attendance and significant reductions in our revenue and operating income. While in 2022 events in our core geographies occurred largely without federal, state or local COVID-19 restrictions, our operations were notably impacted during periods of accelerating case counts which led to temporary shifts in creator and consumer confidence and behavior. The ongoing effects of COVID-19 and its variants, along with other geopolitical and macroeconomic events, may cause creators to scale back events and attendees to attend fewer events, which could materially and adversely affect our paid ticket volume and consequently our net revenue and financial results. In addition, these factors 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, as well as other periods of economic instability or uncertainty, consumers have historically reduced their discretionary spending. In addition, as a result of increased interest rates, labor and materials shortages and supply chain delays exacerbated by COVID-19, many regions have experienced and are continuing to experience rising consumer prices. With the rise in prices of essential goods and services, consumers have historically reduced their discretionary spending. The impact of economic slowdowns and rising consumer prices 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, such as the mass casualty event at a Houston music festival in November 2021, 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. 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, climate change is expected to continue to cause adverse weather conditions, increased weather variability and natural disasters to become more frequent and less predictable. Adverse weather and climate conditions could impact the number, size and success of events and disrupt our operations in any of our offices or the operations of creators, third-party providers, vendors or partners. If fewer events are held because of adverse weather and climate conditions, our results of operations may be harmed. If an event is cancelled or rescheduled due to weather, attendees may expect and may be entitled to a refund, which may harm our results of operations and those of creators.

Any adverse condition, including those described above, that could lead to unsatisfied event attendees and require refunds or chargebacks or increase complexity and costs for creators and us, would harm our business, results of operations and financial condition.

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.

As a result of the COVID-19 pandemic and its impact on the events industry and global economy, in 2020 we withdrew our first quarter and full year 2020 financial guidance, and we did not provide guidance for 2021. While we have recently provided quarterly revenue guidance and may resume providing more detailed financial guidance, we may withdraw our guidance or discontinue providing guidance if we determine that macroeconomic or other conditions would render such guidance unreliable.

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 and consumer demand;
- new solution introductions and expansions, or challenges with introduction;
- acquisition of companies and the success, or lack thereof, of migration of such companies’ creators and customers;
- 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.

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.

Our corporate strategy and restructuring plan may not be successful.

Our corporate strategy is focused on acquiring and retaining creators who are able to use our platform with limited training, support or professional services, leveraging the scale of our event discovery platform to more effectively connect creators with consumer demand to help them sell more tickets and fuel the success of their businesses, and transitioning from a ticketing platform to a global marketplace. We recently began implementing a restructuring plan that eliminates approximately 8% of our workforce and relocates approximately 30% of remaining roles, which includes moving certain of our development roles from Argentina and the United States to Spain and India and relocating nearly all of our customer support and operations roles to locations outside the United States. The restructuring plan also includes a real estate reduction to reflect the geographic

distribution of our employees as well as other cost-reduction measures. The success of our corporate strategy and our restructuring plan will depend on, among other things, our ability to closely manage our operating expenses, manage international operations and attract and retain senior management and other highly qualified personnel, and the success of our refocused strategy itself. We plan to remain focused on hiring for roles that will accelerate our transition to a marketplace, particularly in our development functions in Spain and India. While we have maintained operations in Spain for over five years, we only recently opened a talent hub in India in 2022, and as a new entrant into the Indian talent market, we may be unable to attract highly qualified personnel. If we are unable to hire and retain highly qualified employees in Spain and India, or if we are unable to do so in a cost effective manner, we may not be able to fully execute our strategy or realize returns on our investment in these geographies. 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, retain existing creators and drive consumer demand as we transition into a global marketplace

Beginning in 2020, we have refocused our strategy on acquiring and retaining creators who are able to use our platform with limited live training, support or professional services, rather than creators who required significant support from our customer success and/or field operations functions, and more recently, on our transition from a ticketing platform to a global marketplace. As part of this effort, we have reduced the size of our sales, customer success and field operations teams, and are increasing our marketing spending to help drive consumer demand. To support our transition to a global marketplace, we are focusing on engaging consumers to scale our platform, and making related changes to our organizational structure and priorities. We may not be successful in implementing this transition, and the changes to our organizational structure and priorities may disrupt our current business.

Our success depends on our ability to attract new creators, retain existing creators and drive consumer demand. In addition to risks related to our focus on self-service creators and changes to our organizational structure and priorities as we transition to a global marketplace, we may fail to attract new creators, retain existing creators and drive consumer demand 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 products and services that are valuable and helpful to creators, which maintenance and enhancements may take place at a slower pace because of our reduced workforce and if we are unable to attract and retain a sufficient number of highly qualified engineering and development personnel;
- our ability to drive consumers to our platform and to generate consumer demand;
- our decisions to sunset or replace features that some creators and consumers find valuable and helpful;
- our ability to offer requisite levels of customer support to creators and consumers, which may be impacted as we move our customer support function outside the United States;
- 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 and consumers;
- the quality and availability of key payment and payout methods;
- our ability to manage fraud risk that negatively impacts creators and consumers; 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 and consumers may seek other solutions and platforms and we may not be able to retain them or acquire additional creators or consumers 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, or our inability to drive consumers to our platform, 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 \$55.4 million and \$139.1 million in the years ended December 31, 2022 and 2021, respectively, and as of December 31, 2022, we had an accumulated deficit of \$789.0 million. Our net revenue for the year ended December 31, 2020 was \$106.0 million, a decrease of \$220.8 million from the year ended December 31, 2019, and our net revenue was \$260.9 million and \$187.1 million for the years ended December 31, 2022 and December 31, 2021, respectively.

You should not rely on any revenue growth of any prior quarterly or annual period as an indication of our future performance. If we are unable to return to revenue growth and manage our expenses effectively, we will not be able to achieve and maintain profitability.

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 and consumers 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 and consumers. We spend substantial time and resources understanding creators' needs and responding to them and on driving consumer demand on our platform. Our corporate strategy is focused on attracting and retaining creators who use our platform with limited training, support or professional services, leveraging the scale of our event discovery platform to more effectively connect creators with consumer demand to help them sell more tickets and fuel the success of their businesses, and our transition from a ticketing platform to a global marketplace. We recently began implementing a restructuring plan that eliminates approximately 8% of our workforce. This decrease in our workforce, coupled with the planned relocation of certain of our development roles from Argentina and the United States to Spain and India, may result in few, more targeted product enhancements and a slower product development timetable than we have experienced in the past. 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 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 and consumer 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.

If we cannot reach and attract attendees for the events hosted by creators in our marketplace, our business will be harmed.

In 2022 events in our core geographies occurred largely without federal, state or local COVID-19 restrictions. However, our operations were notably impacted during periods of accelerating COVID-19 case counts which led to temporary shifts in creator confidence and behavior. As we transition from a ticketing platform to a global marketplace, with an increased focus on generating consumer demand on our platform, the extent to which COVID-19 and other macroeconomic factors including but not limited to shifts in consumer behavior, inflation, labor challenges, increased labor costs, rising interest rates, economic recession and other factors, impact our ability to reach and attract new attendees will depend on future developments, which are highly uncertain and cannot be predicted.

Further, in order to continue to support creators, we need to continue to provide a compelling platform for creators to reach and attract 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 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 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 employees could terminate his or her relationship with us at any time. The loss of any 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. 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.

To execute on our business strategy, we must attract and retain highly qualified personnel. We have had difficulty quickly filling certain open positions in the past, and we expect to have significant future hiring needs. We recently began implementing a restructuring plan that eliminates approximately 8% of our workforce and relocates approximately 30% of remaining roles, which includes moving certain of our development roles from Argentina and the United States to Spain and India and relocating nearly all of our customer support and operations roles to locations outside the United States. These actions may hurt our employer brand and make it more difficult to hire employees in the future. We face significant competition for personnel, specifically for engineers experienced in designing and developing cloud-based platform products. The relocation of a substantial portion of our engineering and development roles to Spain and India and the large part of our customer support function to outside the United States as part of our restructuring plan may add to the complexity and costs of our business operations. Many of the companies with which we compete for experienced personnel have greater resources than we have, and we have had to offer, and believe we will need to continue to offer, increasingly competitive compensation and benefits packages. In addition, prospective and existing employees often consider the value of the equity awards they receive in connection with their employment. If there is limited upside to the value of our equity awards, it may adversely affect our ability to recruit and retain key employees. Further, across many industries, labor costs have risen dramatically in recent months. We may need to increase our employee compensation levels in response to competition, labor market conditions, rising inflation or labor shortages, which would increase our operating expenses and reduce our margins. We may not be able to hire new employees quickly enough to meet our needs, including as a result of labor market shortages. New hires require training and take time before they achieve full productivity and may not become as productive as we expect. This may be more difficult given our shift to a flexible work model. If we fail to effectively manage our hiring needs or successfully integrate new hires, our efficiency and ability to meet forecasts, as well as 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 and our transition to a global marketplace. Our global workforce works primarily remotely, which may impact our corporate culture and result in operational difficulties that could impair our ability to conduct and manage our business effectively. We recently began implementing a restructuring plan that eliminates approximately 8% of our workforce and relocates approximately 30% of remaining roles, which includes moving certain of our development roles from Argentina and the United States to Spain and India and relocating nearly all of our customer support and operations roles to locations outside the United States. 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, we may face challenges in integrating new employees in Spain and India, where we plan to hire a significant number of employees as part of our restructuring plan, or any acquired companies into our corporate 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.

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, or the underlying infrastructure, 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.

In addition, our platform relies on third-party partners for the development tool chain, managed infrastructure, and platform services. These include disciplines like security, payment processing, cloud computing, data processing, and storage, as well as various processes in our software development life cycle. There can be no assurance that the provisions in our agreements with our partners that attempt to limit our exposure to events like downtime, data breaches, and malicious actors would fully protect us from liabilities or damages and could result in a similar impact that we called out in our software section above. Such disruptions in our vendor supply chain would be time-consuming and costly for multiple departments, especially engineering, and result in delays in our product delivery and business strategy.

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 August of 2022, most of our website experienced a 1.9 hour outage due to a failure of internal infrastructure running Eventbrite's primary analytics platform, and in October of 2021, most of our website experienced a 3.7 hour outage because of a datastore issue with our infrastructure partners. 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 the 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. Climate change is expected to continue to cause adverse weather conditions, increased weather variability and natural disasters to become more frequent and less predictable. 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 volume of creators and attendees using the platform and the solutions available to those 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.

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. The legal and compliance landscape in this area is continually evolving and compliance requirements continue to expand. 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, and was recently amended by the California Privacy Rights Act (CPRA), which went into effect on January 1, 2023. The CCPA establishes a privacy framework for covered businesses such as ours and has required, and will likely continue to require, us to modify our data processing practices and policies and incur compliance related costs and expenses. The CCPA provides certain data privacy rights to California residents, such as affording consumers the right to opt out of the sale 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. The CPRA significantly amends the CCPA and imposes additional data protection obligations on covered companies doing business in California, including additional consumer rights such as opt outs for cross-context behavioral advertising and the right to limit the use and disclosure of sensitive data in certain contexts. It also creates a new California data protection agency specifically tasked to enforce the law, which will likely result in increased regulatory scrutiny of California businesses in the areas of data protection and security. Moreover, the state of Nevada enacted a law that went into force on October 1, 2019 and was amended and expanded in 2021 that requires companies to honor consumers' requests to no longer sell their data. Violators may be subject to injunctions and civil penalties. Further, similar laws have passed in Virginia, Colorado, Connecticut, and Utah and have been proposed in other states and at the federal level, reflecting a trend toward more stringent privacy legislation in the United States. The enactment of such laws could have potentially conflicting requirements that would make compliance challenging.

Additionally, the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act, and regulations promulgated thereunder (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, security and breach notification 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 2021 and 2022, 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 PHI subject to HIPAA. As a result, Eventbrite may meet the definition of a business associate under HIPAA. HIPAA establishes privacy and security standards that limit the use and disclosure of PHI, and requires the implementation of administrative, physical and technological safeguards to protect the privacy of PHI and ensure the confidentiality, integrity and availability of electronic PHI. HIPAA also imposes certain notification requirements in the event of a breach of unsecured PHI.

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.

On January 30, 2023, the Biden Administration announced its intent to end the COVID-19 public health emergency on May 11, 2023, at which time the Notification of Enforcement Discretion will also likely terminate. As such, upon the termination of the Notification of Enforcement Discretion, or if Eventbrite's activities were to fall outside the scope of the Notification of Enforcement Discretion, or 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.

Furthermore, the Federal Trade Commission (the FTC) and many state Attorneys General continue to enforce federal and state consumer protection laws against companies for online collection, use, dissemination and security practices that appear to be unfair or deceptive. For example, according to the FTC, failing to take appropriate steps to keep consumers' personal information secure can constitute unfair acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act. The FTC expects a company's data security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business, and the cost of available tools to improve security and reduce vulnerabilities.

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 and rigorous than those in the United States. In particular, the European Union and the European Economic Area (EEA) and their member states traditionally have taken broad 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. In the EEA, we are subject to the General Data Protection Regulation 2016/679 (GDPR), which 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.

Further, following the withdrawal of the United Kingdom from the European Union and the expiry of the transition period, from January 1, 2021, we are required to comply with the GDPR as implemented in the United Kingdom, which together with the amended United Kingdom Data Protection Act 2018 (together, the UK GDPR), retains in large part the GDPR in United Kingdom national law. The UK GDPR mirrors the fines under the GDPR, e.g. we could be fined 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 following the UK government's recent consultation on proposals for wide-ranging reform to the UK GDPR, and how data transfers to and from the United Kingdom will be regulated in the long term after expiry of the EU-UK adequacy decision in June 2025. These changes may lead to additional compliance costs and could increase our overall risk exposure.

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 that imposes strict obligations related to data processing that are similar to those in the GDPR. The penalties for non-compliance with this law became 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 and the United Kingdom 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 an alternative mechanism, the standard contractual clauses (a standard form of contract approved by the European Commission as an adequate personal data transfer mechanism), 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 laws governing rights of individuals and additional measures and/or contractual provisions may need to be put in place; the nature of these additional measures, however, is currently uncertain. Additionally, the European Commission has published revised standard contractual clauses for data transfers from the EEA: the revised clauses must be used for relevant new data transfers from September 27, 2021; existing standard contractual clauses arrangements must be migrated to the revised clauses by December 27, 2022. The revised standard contractual clauses apply only to the transfer of personal data outside of the EEA and not the United Kingdom; the UK's Information Commissioner's Office issued its own standard form of contract for international data transfers. The new UK clauses must be used for new data transfers from September 21, 2022; existing data transfers must be migrated to the new UK clauses by March 21, 2024. These recent developments will require us to review and amend the legal mechanisms by which we transfer and/or receive personal data to/from 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. While the text of the ePrivacy Regulation is still under development, recent European court decisions and regulators' recent guidance, are driving increased attention to cookies and tracking technologies. For example, in December 2022, the CNIL fined Microsoft EUR 60 million for cookie consent violations. Further, in December 2022, the Irish data protection authority fined Meta EUR 210 million and Instagram EUR 180 million for unlawful behavioral advertising activities, including the failure to have a legitimate legal basis for processing and failure to provide sufficient transparency in processing. Any of these changes to European data protection law or its interpretation, including if the trend of increased enforcement by regulators of the strict approach in recent guidance and decisions continues, 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.

Any failure(s) by us and/or 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 interpretations of the GDPR, UK GDPR, U.S. state data protection and privacy

laws, and other regulatory requirements requires time and resources and a review of the technology and systems currently in use against the requirements of GDPR, UK GDPR, U.S. state data protection and privacy laws, and other regulations.

Changes in Internet search engine algorithms and dynamics, our search engine visibility and rankings, search engine disintermediation, changes in marketplace rules or changes in privacy and consumer data access could have a negative impact on traffic for our sites or functionality of our product 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 introduced commission fees as part of its App Store rules that would have required us to start paying fees on in-app purchases of tickets to online events. To avoid paying high commission fees, we removed paid online events from our mobile product, which may 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.

In addition, changes to third-parties' privacy and consumer data access policies have in the past, and may in the future, negatively impact the functionality of our product. For example, in late 2021, Apple and Facebook made a series of policy changes that significantly impacted the ability of advertisers, including creators using Boost, to target ads. In response to these changes, we launched a new dynamic events product in November 2021, although there can be no assurances that this product will effectively address these third-party policy changes or the extent to which it will do so. Such third parties' changes may render our products less effective, obsolete or require us to divert engineering resources to retool our products rather than releasing new functionality. This may ultimately harm our business, results of operations and financial condition.

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 our transition to a primarily remote workforce, 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. For example, we have experienced in the past, and could experience in the future, credential stuffing attacks in which malicious third parties used or attempted to use credentials compromised in data breaches suffered by other companies to access accounts on our platform. These credential stuffing attacks have in the past, and may in the future, result in the unauthorized takeover of a customer's account and the illegal abuse of account privileges to misdirect funds to bank accounts owned or controlled by such criminal actors, which may subject us to liability for illegal transactions. It is possible that incidents of account takeover fraud could increase in the future. The misuse of our products or services for illegal or improper purposes could subject us to claims, individual and class action lawsuits, and government and regulatory investigations, prosecutions, enforcement actions, inquiries, or requests that could result in liability and reputational harm for us. While we employ security measures to prevent, detect, and mitigate potential for harm to our users from the theft of or misuse of user credentials on our network, these security measures may not be effective in every instance and may require significant costs. 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. We incurred costs related to responding to and remediating this incident and suffered a loss of revenue for the period during which the Ticketfly platform was disabled. 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 cybersecurity incidents. 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 cybersecurity incidents.

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

finances, remediation efforts, investigation costs, changes or augmentation of our security measures and the expense of taking additional system protection measures.

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.

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 was 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. Such unrecoverable amounts and third-party fees 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.

We make advanced payouts to paid creators who qualify and accept the Company's standard or negotiated terms and conditions. As of December 31, 2022, advance payouts outstanding was approximately \$193.1 million.

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.

The pricing and composition 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 the pricing and composition of our pricing packages based on prior experience, feedback from creators and data insights, and we may periodically adjust the pricing and composition of our packages, including a recent price increase that was our first price adjustment since 2018. 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 and composition. Such changes to our pricing model, package composition 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.

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. In 2023, we plan to begin onboarding and facilitating payouts for creators through Stripe, Inc. in certain geographies as part of our EPP offering. 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). We plan to transition creators to EPP and consider discontinuing FPP in the near- to medium-term (except in global markets where we do not support EPP). While we do not believe transitioning creators to EPP will have a material impact on creators' or consumers' user experience, it is possible that creators currently using FPP will choose to leave our platform rather than transition to EPP, which would harm our business, results of operations and financial condition.

As a complex, multi-vendor system with proprietary technology added, EPP relies on banks and third-party payout partners and third-party payment processors, including payment facilitators to process payment transactions through various channels including by accessing various payment card networks. These features are designed to enable creators to manage payments in an easy and efficient manner. Any of our payment providers and vendors that do not operate well with our platform could adversely affect these payments services and, in turn, EPP and our business. We have multiple integrations in place at one time allowing for back up processing alternatives 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, including new features such as Apple Pay, Google Pay, and "buy now, pay later" functionality provided by third-party platforms. 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 specific to the types of payments services that we support or couple interpret or re-interpret existing rules in ways that might restrict or prohibit us from providing or enabling certain payments services to creators, or could be costly or difficult to implement. We have agreed to reimburse our payment processors for fines they are assessed by payment card networks if we or creators using our platform are deemed to have violated these rules, including, for example, in the event that our processing of certain types of transactions is interpreted as a violation of applicable payment card network operating rules.

In addition, payment card networks and payment processing partners could increase the fees they charge us for their services, including in connection with an attendee's use of certain payment cards or other payment methods, 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.

We pay recoupable advances and/or non-recoupable payments to certain creators when we are contractually obligated to do so. We have in the past, and may in the future, pay recoupable advances and/or non-recoupable payments to certain creators when entering into exclusive ticketing or services agreements. 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 pay recoupable advances and/or non-recoupable payments to certain creators when entering into exclusive ticketing or services agreements or when we are contractually obligated to do so. We have in the past, and may in the future, pay recoupable advances (also referred to as creator advances) and non-recoupable payments (also referred to as creator signing fees) to certain creators in order to incentivize them to organize certain events on our platform or obtain exclusive rights to ticket their events. In contrast to advance payouts, non-recoupable payments and recoupable advances (together, upfront payments) involve provision of Eventbrite's own capital from our operating accounts rather than an advance payment to creators of attendees' funds from our trust accounts prior to the completion of the events to which such attendees purchased tickets.

Upfront payments are common practice in certain segments of the ticketing industry and are typically made to a creator upon entering into or renewing a multi-year exclusive ticketing or services contract with us, or upon meeting annual contractual requirements. A creator who has received a non-recoupable payment keeps the entire upfront payment, so long as the creator complies with the terms of the creator's contract with us, including but not limited to performance of an event and achievement of certain ticket sale minimums. For recoupable 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. If a creator does not comply with the terms of the contract or perform an event, generally the creator is obligated to repay all or a portion of the upfront payment to us, although there is no guarantee that we will be able to collect such repayment.

In March 2020, in light of the COVID-19 pandemic, we limited the circumstances under which we would agree to provide upfront payments to creators entering into new or renewed contracts. We also renegotiated the upfront payment portion

of some of our existing contracts with certain creators when such creators have missed contractual minimums to qualify for upfront payments, when such creators have experienced material adverse changes to their business or operations, or as part of contract renewal or restructuring discussions. We are continuing to evaluate our practices on upfront payments, and we do not know when, or if, we will expand the circumstances under which we offer upfront payments to new or renewing creators in the future. We believe any lack of upfront payments will put us at a competitive disadvantage to ticketing solutions that offer speculative cash incentives to newly acquired or renewing creators.

The multi-year exclusive arrangements that we entered into between 2017 and 2022 had an average term of 36 months and were typically for exclusive ticketing rights. Creator signing fees, net, including noncurrent balances, were \$1.7 million and \$3.4 million as of December 31, 2022 and December 31, 2021, respectively, and, as of December 31, 2022, these payments were being amortized over a weighted-average remaining life of 3.6 years on a straight-line basis.

Creator advances, net, including noncurrent balances, were \$0.7 million and \$0.9 million as of December 31, 2022 and December 31, 2021, 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 customarily include commercial and legal protections in our contracts that 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 canceled, our return on these advances will not be realized and our business, results of operations and financial condition could be harmed.

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, 2022, we had cash and cash equivalents of \$539.3 million, of which \$309.3 million was cash held on behalf of and due to our creators. Our net revenue for the year ended December 31, 2020 was \$106.0 million, a decrease of \$220.8 million from the year ended December 31, 2019. Our net revenues were \$260.9 million and \$187.1 million for the year ended December 31, 2022 and 2021, respectively, and the net cash provided by operating activities was \$8.6 million and \$85.8 million for the year ended December 31, 2022 and 2021, respectively.

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 June 2020, we issued \$150.0 million aggregate principal amount of 5.000% convertible senior notes due 2025 (2025 Notes), and in March 2021, we issued \$212.75 million aggregate principal amount of 0.750% convertible senior notes due 2026 (2026 Notes and, together with the 2025 Notes, the Convertible Notes) The Convertible 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 factor 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.”

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.

We have substantial outstanding debt, and we may incur additional indebtedness to meet future financing needs. Our substantial levels of indebtedness 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;
- diluting the interests of our existing stockholders as a result of issuing shares of our Class A common stock upon conversion of the Convertible Notes; and
- a competitive disadvantage compared to our competitors that have less debt or have better access to capital.

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not generate sufficient funds, and we may otherwise be unable to maintain sufficient cash reserves, to pay amounts due under our indebtedness, including the Convertible Notes, and our cash needs may increase in the future. In addition, any future indebtedness that we may incur may contain financial and other restrictive covenants that limit our ability to operate our business, raise capital or make payments under our other indebtedness. If we fail to comply with these covenants or to make payments under our indebtedness when due, then we would be in default under that indebtedness, which could, in turn, result in that and our other indebtedness becoming immediately payable in full.

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

Subject to limited exceptions, holders of the Convertible Notes have the right to require us to repurchase their Convertible Notes upon the occurrence of a fundamental change (as defined in the indenture governing the Convertible Notes) at a cash repurchase price generally equal to the principal amount of the Convertible 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 Convertible 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 Convertible 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 Convertible Notes surrendered therefor or pay the cash amounts, if any, due upon conversion. In addition, our ability to repurchase the Convertible Notes or to pay cash upon conversions of the Convertible Notes may be limited by applicable law, by regulatory authorities or by agreements governing our future indebtedness. Our failure to repurchase the Convertible Notes at a time when such repurchase is required by the indenture governing the Convertible Notes or settle future conversions of the Convertible 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 Convertible Notes or make cash payments due, if any, upon conversions thereof.

The accounting method for the Convertible Notes could adversely affect our reported financial condition and results.

The accounting method for reflecting the Convertible Notes on our balance sheet, accruing amortized interest expense for the Convertible 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.

For the fiscal year beginning January 1, 2021, we have elected to early adopt new accounting guidance that was recently released that simplifies the accounting for convertible debt that may be settled in cash. As a result, we expect to record the Convertible Notes entirely as a liability on our balance sheet, net of issuance costs incurred, with interest expense reflecting the cash coupon plus the amortization of the capitalized issuance costs. Additionally, the new guidance modifies the treatment of convertible debt securities that may be settled in cash or shares by requiring the use of the “if-converted” method. Under that method, diluted earnings per share would generally be calculated assuming that all the Convertible 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. In addition, in the future, we may, in our sole discretion, irrevocably elect to settle the conversion value of the Convertible Notes in cash up to the principal amount being converted. Following such an irrevocable election, if the conversion value of the Convertible Notes exceeds their principal amount for a reporting period, then we will calculate our diluted earnings per share by assuming that all of the Convertible Notes were converted at the beginning of the reporting period and that we issued shares of our Class A common stock to settle the excess, unless the result would be anti-dilutive. The application of the if-converted method may reduce our reported diluted earnings per share.

Furthermore, if any of the conditions to the convertibility of the Convertible Notes are satisfied, then, under certain conditions, we may be required under applicable accounting standards to reclassify the liability carrying value of the Convertible Notes as a current, rather than a long-term, liability. This reclassification could be required even if no noteholders convert their Convertible Notes and could materially reduce our reported working capital.

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

In connection with the offering of the 2025 Convertible Notes, we entered into the 2025 Capped Calls, and in connection with the offering of the 2026 Notes, we entered into the 2026 Capped Calls (collectively, the Capped Calls, and the financial institutions party thereto, the Option Counterparties). The Capped Calls are expected generally to reduce potential dilution to our Class A common stock upon any conversion of the Convertible Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted Convertible 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 relevant Convertible 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 relevant Convertible Notes (and are likely to do so following any conversion of the relevant Convertible Notes, any repurchase of the relevant Convertible Notes by us on any fundamental change repurchase date, any redemption date or any other date on which the relevant Convertible Notes are repurchased by us, in each case if we exercise our option to terminate the relevant portion of the relevant Capped Calls). 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 Convertible 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.

Provisions in the indentures governing the Convertible Notes could delay or prevent an otherwise beneficial takeover of us.

Certain provisions in the Convertible Notes and the indentures governing the Convertible Notes could make a third-party attempt to acquire us more difficult or expensive. For example, if a takeover constitutes a fundamental change (as defined in the indenture governing the Convertible Notes), then noteholders will have the right to require us to repurchase their Convertible Notes for cash. In addition, if a takeover constitutes a make-whole fundamental change (as defined in the indentures governing the Convertible Notes), then we may be required to temporarily increase the conversion rate. In either case, and in other cases, our obligations under the Convertible Notes and the indentures governing the Convertible Notes could increase the cost of

acquiring us or otherwise discourage a third-party from acquiring us or removing incumbent management, including in a transaction that noteholders or holders of our common stock may view as favorable.

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 on-site 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 escalations from creators who did not receive advance payout 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 escalations from creators for whom we are no longer providing certain services, which may harm our business, results of operations and financial condition. We have in the past, and may in the future, also face legal escalations from creators who did not meet contractual minimums or other contractual conditions to receive upfront payments or other creator advances, 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 and February 2023 global workforce reductions, 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 subject us 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. Regardless of whether or not there is merit to the claims underlying any 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.

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, Spotify and Zoom, have products in the 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 Ticketfly and 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.

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.

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

In 2022 and 2021 we derived 25% and 24%, respectively, of our net revenue from outside of the United States. We currently have various offices outside the United States, including offices in the United Kingdom, India, Ireland, Spain, Australia and Argentina. We have concentrated engineering and business development teams in Argentina, India 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;
- difficulties in managing and staffing international operations, including due to differences in employment laws and regulations and collective bargaining processes;
- 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, including challenges attracting and retaining talent in Argentina as a result of hyperinflation;

- 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 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.

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, 2022, we had a total of 158 employees located in Argentina, of which 120 are engineers. If high inflation rates together with current foreign exchange currency controls continue, 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, since September 2019, the Argentine government has enacted a series of 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 have become stricter during the pandemic; currently it is challenging, and at times not possible for citizens in Argentina to formally access the exchange market, and strategies available for the purchase of foreign currency outside of the exchange market are largely cost prohibitive. This situation has rendered it more difficult to fund our operations in Argentina, including cash compensation programs for our employees based there. We are also currently unable to offer our Employee Stock Purchase Plan (ESPP) program to our employees in Argentina. The increase of the local inflation rates and the local currency devaluation have exacerbated these issues, drastically reducing the purchasing power of our local employees' salaries, because the purchase of certain goods and services in Argentina remains tied to the market value of the US dollar. In addition, it is possible that the Argentine government may 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 tightly constrained.

Additionally, Argentina's economy and legal and regulatory framework have at times suffered radical changes, due to significant political influence and uncertainties. Currently, Argentina's federal government is conducting negotiations with

respect to the restructuring of their sovereign debt. Such policies, and the ongoing restructuring negotiations, could destabilize the country and, consequently, its provinces, and adversely affect 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. Among these, the ability to retain employees without the possibility to offer alternatives that enable them to regain their salary value have been particularly challenging, and said difficulties are expected to continue or even increase. Argentina's fragile economic environment has been challenged by the COVID-19 pandemic. From March 2020 through December 2021, the Argentine government introduced several measures designed to address the COVID-19 pandemic, which resulted in a significant slowdown in economic activity that adversely affected economic growth in 2020 and may continue to adversely affect economic growth in 2023 although this 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. 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, protocols, 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. In addition we are dependent on protocols like email and push notification to communicate with our customers. Any changes, bugs or technical issues in such systems, devices, protocols 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.

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, or restrictions on sales.

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. While 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, 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. 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, 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 and payments laws and regulations could harm our business and results of operations.

Our platform uses payments services for ticket purchases and to make payments to event organizers. We rely upon third-party payment services providers to provide key aspects of these payment services. 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 these laws, rules and regulations, including in their interpretation and application, have occurred and may occur in the future, which may impact our business practices. There have recently been several ongoing efforts in the United States to expand anti-money laundering regulations to cover additional businesses and payment services, and changes to these laws and regulations can happen quickly. Given the complex and constantly evolving nature of these laws and regulations, we are required to spend significant time, resources, and effort to assess their application and any compliance measures needed.

If we are deemed to be subject to any anti-money laundering or payments regulatory regime, we may need to make changes to our business practices or compliance programs, which may require significant resources and may impact our business and results of operations. This may also require us to obtain licenses and registrations in multiple jurisdictions in order to continue some or all of current business operations in those jurisdictions. If we are deemed to be subject to any of these regulations and not in compliance with them, we may need to change our business practices and may become subject to investigation, civil or criminal actions, fines, penalties, forfeiture, remedial measures, costs, legal fees, reputational damage, or

other negative consequences in one or more jurisdictions by federal, state, or local regulators, all of which may harm our business, results of operations, and financial condition. In addition, any noncompliance with anti-money laundering or payments regulations or laws by our third-party payment services providers or other partners in performing services for us could impact our reputation, divert substantial resources, result in liabilities, force us to restructure, or require changes in payments options, which may harm our business and results of operations.

Additionally, we and our third party payment service providers are subject to the Payment Card Industry Data Security Standard (PCI-DSS), and if we or they 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 and may be subject to penalties.

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 and Australian Dollar. 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 or other indirect 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 net operating losses (“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.

We have identified a material weakness in our internal control over financial reporting and, as a result, determined that our disclosure controls and procedures and internal control over financial reporting were not effective as of December 31, 2022, which resulted in the restatement of our previously issued unaudited condensed consolidated financial statements. Failure to remediate the identified material weakness and maintain effective internal control over financial reporting and disclosure controls and procedures in future periods could have a material adverse effect on our financial statements.

On February 27, 2023, the Audit Committee of our Board of Directors, after discussion with management, determined that the previously filed unaudited condensed consolidated statements of cash flows for the six months ended June 30, 2022 and the nine months ended September 30, 2022 as included in the Quarterly Reports on Form 10-Q for the quarterly periods ended June 30, 2022 and September 30, 2022, respectively, should no longer be relied upon as a result of an error in the presentation in our condensed consolidated statements of cash flows primarily related to cash balances held on behalf of creators that are denominated in currencies other than the functional currency. The effect of exchange rate changes on cash balances were not disclosed as a separate item in the reconciliation of beginning and ending balances of cash. Additionally, the unrealized foreign currency transaction gains and losses were not disclosed as a reconciliation of net loss and net cash flow from operating activities. As a result, we amended and restated the condensed consolidated statements of cash flows for the six months ended June 30, 2022 and the nine months ended September 30, 2022.

In evaluating the root cause for the misstatements, we identified a material weakness in internal control over financial reporting and, as a result, determined that our disclosure controls and procedures and internal control over financial reporting were not effective as of December 31, 2022. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. Effective internal control over financial reporting is necessary for us to provide reliable financial reports and prevent or detect material misstatements in our interim or annual consolidated financial statements due to error or fraud.

The identified material weakness in our internal control over financial reporting relates to the lack of an effectively designed control activity over the presentation of unrealized foreign currency transaction gains and losses and effects of exchange rate changes on cash, cash equivalents and restricted cash within the consolidated statements of cash flows. The material weakness resulted in a restatement of the Company’s previously filed consolidated financial statements as of and for each of the periods ended June 30, 2022 and September 30, 2022 and a revision to the consolidated financial statements as of and for the year ended December 31, 2021, including the quarterly periods therein, as of and for the year ended December, 31 2020 and for the quarterly period ended March 31, 2022. We are in the process of remediating the material weakness. If our plans to remediate the material weakness are not sufficient, or if we identify additional control deficiencies that individually or in the aggregate constitute one or more material weaknesses or we otherwise fail to maintain effective disclosure controls and procedures or internal control over financial reporting in the future, our ability to accurately record, process, and report financial information and consequently, our ability to prepare financial statements within required time periods, could be adversely affected, which may negatively impact the confidence level of our stockholders and other market participants as well as our ability to remain listed on the New York Stock Exchange (NYSE). Failure to properly remediate the material weakness or the discovery of additional material weaknesses 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. Even if we are

successful in strengthening our controls and procedures, in the future those controls and procedures may not be adequate to prevent or detect material misstatements in our interim or annual consolidated financial statements due to fraud or errors.

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, and the price of our Class A common stock has been volatile and has decreased significantly. The COVID-19 pandemic and other geopolitical events have had, and are 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. 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, 2022, 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 21, 2023, we had 81,935,793 shares of Class A common stock outstanding and 17,640,167 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.

If we issue additional capital stock in connection with financings, acquisitions, investments, equity incentive plans or otherwise, our existing stockholders could experience significant dilution. For example, in connection with the execution of the credit agreement we entered into in May 2020, 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. In addition, the conversion of some or all of our Convertible Notes may dilute the ownership interests of existing stockholders to the extent we deliver shares upon any conversion of the Convertible 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. The existence of the Convertible Notes also may encourage short selling by market participants because the conversion of the Convertible Notes could be used to satisfy short positions. The anticipated conversion of the Convertible 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 certain state or federal courts 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, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, in the event that the Court of Chancery does not have jurisdiction, the federal district court or other state courts located within the State of Delaware) will be the exclusive forum for:

- any derivative action, suit or proceeding brought on our behalf;
- any action, suit or proceeding 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.

Our amended and restated bylaws also provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act.

These provisions are intended to benefit and may be enforced by us, our officers and directors, the underwriter for any offering giving rise to such complaint, and any other professional or entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying this offering. Notwithstanding the foregoing, these provisions do not apply to suits brought to enforce any liability or duty created by the Exchange Act, or any other claim for which the federal courts of the United States have exclusive jurisdiction.

These provisions 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.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We lease approximately 13,335 square feet of space in San Francisco, California for our headquarters under a lease agreement that expires in September 2023. We also lease facilities in Nashville, Tennessee and Los Angeles, California, as well as offices in Argentina, Australia, India, Ireland, Spain and the United Kingdom to support our global team.

Item 3. Legal Proceedings

Refer to 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 21, 2023, there were 51 holders of record of our Class A common stock and 59 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.

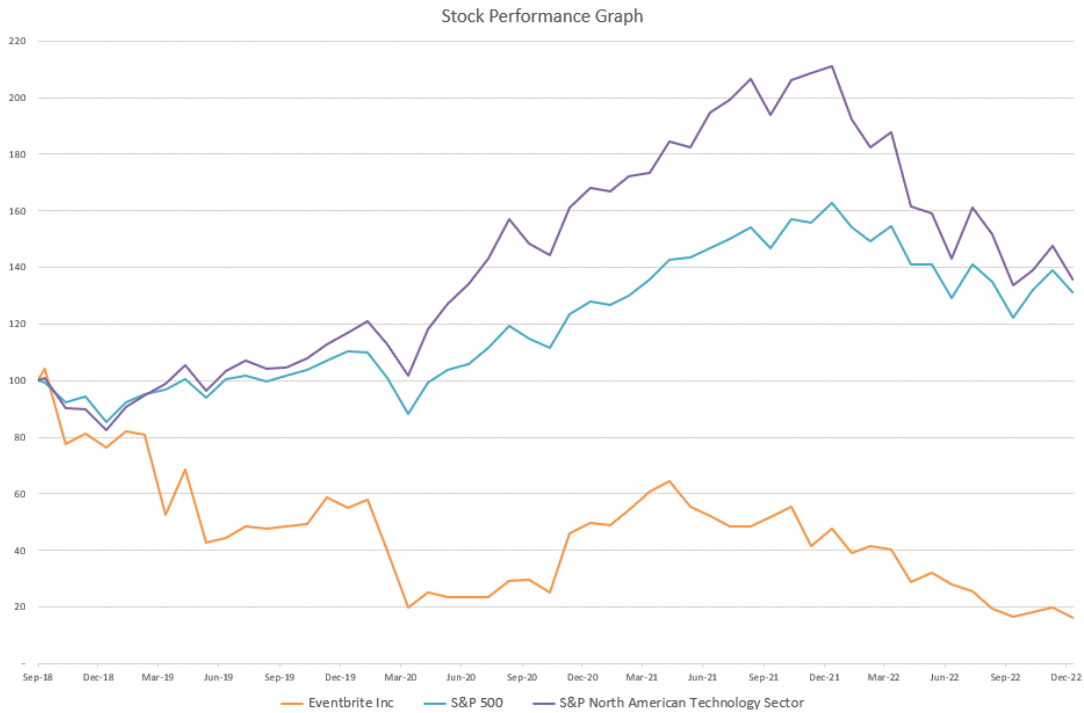
Securities Authorized for Issuance Under Equity Incentive Plans

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

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, 2022. The returns shown are based on historical results and are not intended to suggest future performance.



Item 6. [Reserved]

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.

Revision of Previously Issued Consolidated Financial Statements

This "Management's Discussion and Analysis of Financial Condition and Results of Operations" gives effect to the revision of our consolidated statements of cash flows for the years ended December 31, 2021 and 2020, as more fully described in Note 1 to the Notes to Consolidated Financial Statements – Revision of Previously Issued Consolidated Financial Statements, included in Part II, Item 8, "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

Overview

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 connects event creators - the people who bring others together to share their passions, artistry and causes through live experiences - with their audiences. Through our highly-scalable self-service platform, we enable event creators to plan, promote and sell tickets to their events. Our consumer-facing experiences enable event seekers to find experiences they love and serve as a demand generating engine for event creators. In 2022, more than 800,000 creators held over five million free and paid events using Eventbrite, issuing nearly 285 million tickets to consumers on our global marketplace.

Our event creators are entrepreneurs who express their passions and skills through live events. To meet creators' most pressing needs, we are focused on delivering products that grow their audience reach and generate demand for their events. We are also investing in an enhanced event discovery experience for consumers. As more creators and consumers view Eventbrite as a trusted place for live events, we believe we can drive more ticket sales and enhance our market position as a leading live events marketplace.

The Eventbrite platform empowers creators of free and paid events. Creators of free events currently use our ticketing features for free, and we charge creators of paid events on a per-ticket basis when an attendee purchases a ticket for an event. Today, we derive substantially all of our revenues from ticketing services. We also offer premium marketing tools to help event creators sell more tickets, build their audiences and grow their businesses.

The global COVID-19 pandemic tested our mission, our company and event creators in unprecedented ways. While in 2022, events in our core geographies largely occurred without federal, state or local COVID-19 restrictions, our operations were notably impacted during periods of accelerating case counts, which led to temporary shifts in creator and consumer confidence and behavior. The ongoing effects of COVID-19 and its variants, along with other geopolitical and macroeconomic events, including but not limited to shifts in consumer behavior, inflation, increased labor costs, rising interest rates, economic recession and other factors, may cause creators to scale back events which could materially and adversely affect our paid ticket volume, and consequently our net revenue and financial results. We may implement mitigation actions in response to these factors, including further modifications to our operating strategies, which may have an adverse impact on our business.

Resource Reduction and Global Reallocation Plan

On February 27, 2023, our Board of Directors approved a restructuring plan (the "Plan") that is designed to reduce operating costs, drive efficiencies by consolidating development and support talent into regional hubs, and enable investment in key opportunities for long-term growth. The Plan eliminates approximately 8% of existing roles and relocates approximately 30% of remaining roles to lower cost locations. The Plan also includes a real estate reduction to reflect the geographic distribution of our employees as well as reductions in vendor and other costs.

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 tables set 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 performance. 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, making operating decisions, evaluating performance and performing strategic planning and annual budgeting. This 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.

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 our business.

	Year Ended December 31,		
	2022	2021	2020
	(in thousands)		
Paid ticket volume	87,056	67,427	47,092
Paid ticket volume change (%)	29 %	43 %	(57)%

Our paid ticket volume for events outside of the United States represented 39%, 35% and 39% for the years ended December 31, 2022, 2021 and 2020, 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, 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,		
	2022	2021	2020
	(in thousands)		
Net loss	\$ (55,384)	\$ (139,080)	\$ (224,718)
Add:			
Depreciation and amortization	14,860	18,716	22,610
Stock-based compensation	53,356	47,523	40,215
Interest expense	11,269	16,267	24,586
Loss on debt extinguishment	—	49,977	—
Direct and indirect acquisition related costs ⁽¹⁾	—	—	190
Employer taxes related to employee equity transactions	849	2,544	1,190
Other (income) expense, net	(2,753)	3,630	1,932
Income tax provision (benefit)	126	1,428	(80)
Adjusted EBITDA	<u>\$ 22,323</u>	<u>\$ 1,005</u>	<u>\$ (134,075)</u>

(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 noncash 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.

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, 2021 and 2020, please refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of the 2021 Annual Report on Form 10-K filed with the SEC on February 18, 2022. 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,		
	2022	2021	2020
(in thousands)			
Consolidated Statements of Operations			
Net revenue	\$ 260,927	\$ 187,134	\$ 106,006
Cost of net revenue	90,746	70,294	62,330
Gross profit	170,181	116,840	43,676
Operating expenses:			
Product development	86,346	66,303	54,551
Sales, marketing and support	49,292	35,916	84,259
General and administrative	81,285	82,399	103,146
Total operating expenses	216,923	184,618	241,956
Loss from operations	(46,742)	(67,778)	(198,280)
Interest expense	(11,269)	(16,267)	(24,586)
Loss on debt extinguishment		(49,977)	—
Other income (expense), net	2,753	(3,630)	(1,932)
Loss before income taxes	(55,258)	(137,652)	(224,798)
Income tax provision (benefit)	126	1,428	(80)
Net loss	\$ (55,384)	\$ (139,080)	\$ (224,718)

	Year Ended December 31,		
	2022	2021	2020
Consolidated Statements of Operations, as a percentage of net revenue			
Net revenue	100 %	100 %	100 %
Cost of net revenue	35	38	59
Gross profit	65	62	41
Operating expenses:			
Product development	33	35	51
Sales, marketing and support	19	19	79
General and administrative	31	44	97
Total operating expenses	83	98	227
Loss from operations	(18)	(36)	(186)
Interest expense	(4)	(9)	(23)
Loss on debt extinguishment	—	(27)	—
Other income (expense), net	1	(2)	(2)
Loss before income taxes	(21)	(74)	(211)
Income tax provision (benefit)	—	1	—
Net loss	(21)%	(73)%	(211)%

Comparison of the years ended December 31, 2022 and 2021

Net Revenue

We generate revenues primarily from service fees and payment processing fees from the sale of paid tickets on our platform. We also derive a smaller portion of revenues from marketing services comprised of Eventbrite Boost, our suite of marketing tools, and Eventbrite Ads, our promoted listings feature, which help creators drive audience growth and increase reach to attendees. Our fee structure typically consists of a flat 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 is when the ticket is sold for service fees and payment processing fees. 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.

	Year Ended December 31,		Change	
	2022	2021	\$	%
	(in thousands, except percentages)			
Net revenue	\$ 260,927	\$ 187,134	\$ 73,793	39 %

The increase in net revenue during 2022 compared to 2021 was primarily driven by an increase in revenue from service fees and payment processing fees attributed to the growth in our paid ticket volume which increased by 19.6 million or 29%. Additionally, there was a decrease in refunds reserves of \$2.4 million during the year ended December 31, 2022. This was attributable to lower cancellations and a decline in refund activity compared to 2021. The remainder of the increase in net revenue during 2022 consisted of a \$1.6 million decrease in amortization of creator signing fees and \$1.3 million increase in revenue from marketing services.

Net revenue per paid ticket was \$3.00 in the year ended December 31, 2022 compared to \$2.78 in 2021. The increase in net revenue per paid ticket during the year was primarily driven by the increase in our average ticket price and lower refunds per paid ticket reflecting a reduced impact of COVID-related event cancellations.

Cost of Net Revenue

Cost of net revenue consists of variable costs related to payment processing fees and fixed costs related to making our platform generally available. 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, on-site operations costs and 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.

Generally, we expect cost of net revenue to fluctuate as a percentage of net revenue in the near- to mid-term primarily driven by the fixed costs absorption relative to total net revenue and our geographical revenue mix. 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, we expect that our payment processing costs will decline as a percentage of revenue. As our total net revenue increases or decreases and our fixed costs are unaffected, our cost of net revenue as a percentage of net revenue will similarly fluctuate.

	Year Ended December 31,		Change	
	2022	2021	\$	%
	(in thousands, except percentages)			
Cost of net revenue	\$ 90,746	\$ 70,294	\$ 20,452	29 %
Percentage of total net revenue	35 %	38 %		
Gross margin	65 %	62 %		

The increase in cost of net revenue during the year ended December 31, 2022 compared to 2021 was primarily due to an increase of \$20.7 million in payment processing costs associated with the increase in paid ticket volume and an increase in website hosting fees of \$1.8 million, partially offset by a \$2.2 million decrease in amortization of capitalized internal-use software development costs.

Our gross margin improved during the year ended December 31, 2022 compared to 2021 primarily due to improved fixed cost absorption as ticket volume and revenue increased.

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.

Creator related expenses, which consist primarily of reserves for estimated advance payout losses and recoverability of upfront payments, were significantly higher at the onset of the COVID-19 pandemic.

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.

Product development.

Product development expenses consist primarily of employee-related costs including salaries, bonuses, benefits, and stock-based compensation, and third-party infrastructure expenses incurred in developing our platform including software subscription costs. Generally, we expect our product development expenses to increase in absolute dollars as we focus on enhancing and expanding the capabilities of our platform. Over the long term, we anticipate our product development expenses will decrease as a percentage of net revenue, as we expect our revenue to grow at a faster pace compared to product development expenses and as we continue to expand our development staff in lower cost markets.

	Year Ended December 31,		Change	
	2022	2021	\$	%
	(in thousands, except percentages)			
Product development	\$ 86,346	\$ 66,303	\$ 20,043	30 %
Percentage of total net revenue	33 %	35 %		

The increase in product development costs during 2022 compared to 2021 was primarily driven by \$19.1 million employee-related costs, of which \$3.2 million related to increased stock-based compensation. The increase in employee-related costs was due to headcount growth in our product development and engineering organization, as we continue to focus our investment in building technology products on our platform.

Sales, marketing and support.

Sales, marketing and support expenses consist primarily of costs associated with our employees involved in selling and marketing our products and in public relations and communication activities, in addition to marketing programs spend. 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, and improve the customer experience. Additionally, we classify certain creator-related expenses, such as refunds of the ticket price paid by us on behalf of a creator and reserves for estimated advance payout losses, as sales, marketing and support expenses.

Reserves for estimated advance payout losses were lower in 2022 compared to 2021, due to the lower loss trends observed and easing of COVID-19 related government restrictions. Due to the nature of the COVID-19 pandemic and ongoing variants, 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.

	Year Ended December 31,		Change	
	2022	2021	\$	%
	(in thousands, except percentages)			
Sales, marketing and support	\$ 49,292	\$ 35,916	\$ 13,376	37 %
Percentage of total net revenue	19 %	19 %		

The increase in sales, marketing and support expenses during 2022 compared to 2021 consisted of increases of \$6.7 million employee-related costs of which \$2.7 million related to increased stock-based compensation, primarily due to headcount growth. Additionally, we recorded a \$7.0 million reserve decrease during the year ended December 31, 2022, compared to a \$10.0 million decrease recorded in 2021, which resulted in a \$3.0 million increase in our expense driven by the advance payout reserve. The further reduction in advance payout reserve is attributed to continued improvements in the overall COVID-19 situation and the lower than anticipated losses since the start of the pandemic. The remaining increase was attributable to expenses for marketing our product and building brand awareness.

General and administrative.

General and administrative expenses consist of personnel costs, including stock-based compensation, and professional fees for finance, accounting, legal, risk, human resources and other corporate functions. Our general and administrative expenses also include accruals for sales and business taxes, as well as reserves and impairment charges related to creator upfront payments. 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.

	Year Ended December 31,		Change	
	2022	2021	\$	%
	(in thousands, except percentages)			
General and administrative	\$ 81,285	\$ 82,399	\$ (1,114)	(1)%
Percentage of total net revenue	31 %	44 %		

The decrease in general and administrative expenses during 2022 compared to 2021 consisted of a \$6.6 million decrease to creator upfront reserves, attributable to improvements since the start of the pandemic and repayments received on outstanding creator upfront balances. There was a \$3.8 million decrease to creator upfront reserves during the year ended December 31, 2022 compared to a \$2.8 million increase in creator upfront reserve recorded in 2021.

Additionally, there was a \$4.3 million decrease in litigation settlement expenses. This was offset by a \$5.4 million increase in employee-related costs due to headcount growth and a \$1.5 million increase in consulting services. The remaining fluctuation is due to increases in various administrative expenses, including recruitment, and bank fees.

Interest Expense

Interest expense for the year ended December 31, 2022 consists primarily of cash interest expense and amortization of debt issuance costs on our 2025 Notes and 2026 Notes. Interest expense for the year ended December 31, 2021 also included cash interest expense, payment in kind interest expense and amortization of debt discount and issuance costs on our term loan under the May 2020 credit agreement, which was terminated on March 11, 2021.

In March 2021, we issued the 2026 Notes, which consisted of \$212.75 million aggregate principal amount of 0.750% convertible senior notes due 2026. In June 2020, we issued the 2025 Notes, which consisted of \$150.0 million aggregate principal amount of 5.000% senior notes due 2025.

	Year Ended December 31,		Change	
	2022	2021	\$	%
	(in thousands, except percentages)			
Interest expense	\$ 11,269	\$ 16,267	\$ (4,998)	(31)%
Percentage of total net revenue	4 %	9 %		

The decrease in interest expense during 2022 compared to 2021 was primarily due to a \$5.4 million decrease in interest on the term loans which were repaid in the first quarter of 2021.

Loss on debt extinguishment

In March 2021, we repaid in full the outstanding indebtedness under our May 2020 credit agreement by making payments of \$125.0 million of principal, a \$18.2 million make-whole premium, \$9.0 million payment in kind interest and \$1.0 million of accrued interest.

	Year Ended December 31,		Change	
	2022	2021	\$	%
	(in thousands, except percentages)			
Loss on debt extinguishment	\$ —	\$ 49,977	\$ (49,977)	100%
Percentage of total net revenue	— %	27 %		

We recorded a loss on debt extinguishment of \$50.0 million during the year ended December 31, 2021. The loss primarily related to the write-off of unamortized debt discount and issuance costs of \$31.8 million and make-whole premiums of \$18.2 million. Unamortized debt discounts primarily related to 2,599,174 shares of Class A common stock issued to the FP EB Aggregator, L.P. for a purchase price of \$0.01 per share. We accounted for these shares at fair value and recorded \$27.4 million as debt discount at issuance. The remaining unamortized discounts and issuance costs relate to the cash costs incurred during the issuance of the term loan.

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.

	Year Ended December 31,		Change	
	2022	2021	\$	%
	(in thousands, except percentages)			
Other income (expense), net	\$ 2,753	\$ (3,630)	\$ 6,383	176 %
Percentage of total net revenue	1 %	(2)%		

The increase in other income during 2022 compared to 2021 was driven by a \$6.4 million increase in interest income primarily due to rising interest rates in 2022. Additionally, there was a \$2.7 million increase related to the employee retention credit recorded during the year ended December 31, 2022, which is a refundable credit against certain employment taxes incurred during COVID-19 for companies that meet certain requirements. The credit recorded in 2022 reflects the total amount the Company expects to recover for eligible expenses. See Note 2 "Employee Retention Credit". This was offset by a \$2.7 million decrease due to foreign currency rate remeasurement fluctuations. We recognized foreign currency rate remeasurement losses during the year ended December 31, 2022, as a result of the strengthening of the U.S. dollar compared to the currencies with which we operate and process transactions.

Income Tax Provision (Benefit)

Income tax provision 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 in certain jurisdictions including the United States.

	Year Ended December 31,		Change	
	2022	2021	\$	%
	(in thousands, except percentages)			
Income tax provision (benefit)	\$ 126	\$ 1,428	\$ (1,302)	(91)%
Percentage of total net revenue	— %	1 %		

The provision for income taxes decreased by \$1.3 million in 2022 compared to 2021 and was primarily attributable to insignificant non-routine tax benefits and changes in our year-over-year jurisdictional mix of taxable earnings.

Liquidity and Capital Resources

As of December 31, 2022, we had cash and cash equivalents of \$539.3 million, short-term investments of \$84.2 million and funds receivable of \$43.5 million. Our cash and cash equivalents includes bank deposits, U.S. Treasury bills, and money market funds held by financial institutions. Our short-term investment portfolio, which consists of U.S. Treasury bills, is designed to preserve principal and provide liquidity. 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. As of December 31, 2022, approximately 27% of our cash was held outside of the United States. We do not expect to incur significant taxes related to these amounts. The cash was held primarily to fund our foreign operations and on behalf of, and to be remitted to, creators. Collectively, our cash and cash equivalents, short term investments and funds receivable balances represent a mix of cash that belongs to us and cash that is due to creators.

The amounts due to creators, which was \$309.3 million as of December 31, 2022, are captioned on our consolidated balance sheets as accounts payable, creators. These ticketing proceeds are legally unrestricted, and beginning in the fourth quarter we invested a portion of creator cash in high quality U.S. Treasury bills. For qualified creators, we pass ticket sales proceeds to the creator prior to the event, subject to certain limitations. Internally, we refer to these payments as advance payouts. When an advance payout is made, we reduce the cash and cash equivalents held for creators with a corresponding decrease to our accounts payable, creators, which reflects the release of the amount due to creators after ticket proceeds are remitted to the creator. As of December 31, 2022, advance payouts outstanding was approximately \$193.1 million.

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. The terms of our standard merchant agreement obligate creators to repay us for ticket sales advanced under such circumstances. 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. The COVID-19 pandemic has increased the likelihood that we will not recover the losses from ticket sales advanced prior to the COVID-19 pandemic. Such unrecoverable amounts could equal up to the value of the ticket sales or amounts settled to the creator prior to the event that has been postponed or cancelled or is otherwise disputed. We record estimates for losses related to chargebacks and refunds based on various factors, including the amounts paid and outstanding to creators in conjunction with the advance payout program, the nature of future events, the remaining time to event date, macro-economic conditions and current events, and actual chargeback and refund activity during the current year. The exposure on advance payouts issued since the third quarter of 2020 has typically experienced quicker resolution with more events being completed on time, which is attributed to lower-than-anticipated losses since the start of the COVID-19 pandemic. However, due to the nature of the COVID-19 pandemic and ongoing variants, 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 of, or a greater amount than the \$13.1 million provision recorded as of December 31, 2022.

In June 2020, we issued the 2025 Notes and received aggregate net proceeds of \$144.3 million. In March 2021, we issued the 2026 Notes, and received aggregate net proceeds of \$207.0 million. We used \$153.2 million of the proceeds from this offering to repay in full the outstanding indebtedness under our May 2020 credit agreement. The 2025 Notes mature on December 1, 2025 and the 2026 Notes mature on September 15, 2026. Under certain circumstances, holders may surrender their

notes of a series for conversion prior to the applicable maturity date. Upon conversion, the 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 our election.

We believe that our existing cash and short-term investments, 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.

Cash Flows

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

	Year Ended December 31,		
	2022	2021	2020
	(in thousands)		
Net cash provided by (used in):			
Operating activities	\$ 8,610	\$ 85,834	\$ (157,957)
Investing activities	(89,502)	(2,533)	(12,657)
Financing activities	(2,079)	51,181	255,039
Effect of exchange rate changes on cash, cash equivalents and restricted cash	\$ (13,014)	\$ (6,753)	\$ 1,065
Net increase (decrease) in cash, cash equivalents and restricted cash	\$ (95,985)	\$ 127,729	\$ 85,490

For a discussion and comparison of the years ended December 31, 2021 and 2020, please refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of the 2021 Annual Report on Form 10-K filed with the SEC on February 18, 2022.

Comparison of Years Ended December 31, 2022 and 2021

Cash Flows from Operating Activities

The net cash provided by operating activities for the year ended December 31, 2022 was \$8.6 million, which primarily resulted from our net loss of \$55.4 million, adjusted for noncash charges primarily consisting of \$53.4 million stock-based compensation expense, \$14.9 million depreciation and amortization, and \$3.4 million noncash operating lease expense. Additional cash was provided by changes in working capital consisting of a \$31.4 million increase in accounts payable to creators due to an increase in paid ticket volume, offset by a \$25.6 million decrease in funds receivable, \$16.4 million cash paid for refunds and chargebacks and \$12.3 million decrease in other accrued liabilities.

The net cash provided by operating activities for the year ended December 31, 2021 was \$85.8 million, which primarily resulted from our net loss of \$139.1 million, adjusted for noncash charges primarily consisting of \$50.0 million loss on debt extinguishment, \$47.5 million stock-based compensation expense, \$18.7 million depreciation and amortization, and \$4.6 million noncash operating lease expense. Additional cash was provided by changes in working capital consisting of a \$97.9 million increase in accounts payable to creators due to an increase in paid ticket volume and \$15.0 million other accrued liabilities, offset by \$18.3 million cash paid for refunds and chargebacks.

Cash Flows from Investing Activities

The net cash used in investing activities of \$89.5 million for the year ended December 31, 2022 consisted of \$83.9 million purchases of short-term investments \$3.0 million capitalized internal-use software development costs, \$1.4 million purchases of property and equipment and \$1.1 million holdback consideration associated with ToneDen acquisition.

The net cash used in investing activities of \$2.5 million for the year ended December 31, 2021 consisted of \$1.5 million capitalized internal-use software development costs and \$1.0 million purchases of property and equipment.

Cash Flows from Financing Activities

The net cash used in financing activities of \$2.1 million during the year ended December 31, 2022 was primarily due to \$3.1 million proceeds from the exercise of stock options, offset by \$6.6 million taxes paid related to net share settlement of equity awards.

The net cash provided by financing activities of \$51.2 million during the year ended December 31, 2021 was primarily due to \$207.0 million proceeds from issuing the 2026 Notes, net of issuance costs, and \$18.5 million proceeds from the exercise of stock options, partially offset by \$143.2 million repayment of term loans including prepayment premium, \$18.5 million

purchase of the 2026 Capped Calls in connection with the issuance of the 2026 Notes and \$13.7 million in taxes paid related to the net share settlement of equity awards.

Effect of exchange rate changes on cash, cash equivalents and restricted cash

The effect of exchange rate changes on cash, cash equivalents, and restricted cash on our consolidated statements of cash flows relates to certain of our assets, primarily cash balances held on behalf of creators that are denominated in currencies other than the functional currency. These cash assets held for creators are directly offset by a corresponding liability to creators. During the year ended December 31, 2022 and 2021, the effect of exchange rate changes on cash, cash equivalents, and restricted cash, resulted in reductions of \$13.0 million and \$6.8 million, respectively, primarily due to the strengthening of the U.S. dollar against certain currencies. The reductions are primarily attributed to the effect of exchange rate changes on cash balances held on behalf of creators, which can serve as a natural hedge for the effect of exchange rates on Accounts payable, creators presented within operating activities.

Concentrations of Credit Risk

As of December 31, 2022 there were no customers that represented 10% or more of our accounts receivable balance. As of December 31, 2021, one customer accounted for 11% of net accounts receivables. There were no customers that individually exceeded 10% of our net revenue during the years ended December 31, 2022 and 2021. We hold our cash with high-credit-quality financial institutions and manages credit risk of its short-term investments by investing its cash in high quality and highly liquid money market instruments and U.S. Treasury bills.

Contractual Obligations and Commitments

Our principal commitments consist of obligations under the 2025 Notes and 2026 Notes (including principal and coupon interest), operating leases for office space, 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.

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, certain assumptions used in the valuation of equity awards, assumptions used in determining the fair value of business combinations, the allowance for credit losses, and indirect tax reserves. Due to the ongoing COVID-19 pandemic, along with other geopolitical and macroeconomic events, including inflation, rising interest rates and economic recession, 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 reserves due to cancelled or postponed events. 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.

Chargebacks and Refunds Reserve

Critical estimates. The terms of our standard merchant agreement obligate creators to reimburse attendees who are entitled to refunds. We record estimates for refunds and chargebacks of our fees as contra-revenue. 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 reserves for estimated advance payout losses as an operating expense classified within sales, marketing and support.

Assumptions and judgment. 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 nature of future events, the remaining time to event date, macro-economic conditions and current events, and actual chargeback and refund activity during the current year.

Impact if actual results differ from assumptions. The chargebacks and refunds reserve was \$13.1 million and \$21.4 million which primarily includes reserve balances for estimated advance payout losses of \$11.2 million and \$18.5 million as of December 31, 2022 and 2021, respectively. The decrease in the reserve balance during the year ended December 31, 2022 was the result of lower estimated losses from the advance payout program and estimated future refunds of fees, which were previously higher at the onset of the COVID-19 pandemic. Due to the nature of the COVID-19 pandemic and ongoing variants, it is possible that the reserve 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.

Recoverability of creator signing fees and creator advances

Critical estimates. We offer incentives such as creator signing fees and creator advances, which are intended to increase ticket sales and revenue. Creator signing fees are incentives that we offer and pay in order to secure exclusive ticketing and payment processing rights with certain creators. Creator advances are incentives that we offer, which provide the creator with funds in advance of the event. These are subsequently recovered by withholding amounts due to us from the sale of tickets for the event until the creator payment has been fully recovered.

We record a reserve for creator signing fees and creator advances taking into consideration the recoverability of outstanding balances and changing facts and circumstances for each reporting period. Creator signing fees and creator advances are presented net of reserves on the consolidated balance sheets and were \$1.7 million and \$0.7 million respectively, as of December 31, 2022.

Assumptions and judgment. 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, recent ticket sales activity, the frequency and size of historical and planned future events, and macroeconomic conditions and current events that may impact a creator's ability to generate future ticket sales. As of December 31, 2022, reserves relating to creator signing fees and creator advances were \$6.9 million and \$9.2 million, respectively.

Impact if actual results differ from assumptions. Creator signing fees and creator advances are presented net of reserves on the consolidated balance sheets. In the event our reserve estimates differ from actuals, such amounts are not expected to have a material effect on our financial condition, results of operations or cash flows.

Business Combinations, Goodwill and Acquired Intangible Assets

Critical estimates. 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. 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. Such valuations require us to make significant estimates and assumptions, especially with respect to intangible assets.

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. Goodwill is not amortized but we evaluate goodwill impairment annually in the fourth quarter, or more frequently if events or changes in circumstances indicate the goodwill may be impaired.

We evaluate the recoverability of our acquired intangible assets for potential impairment whenever events or circumstances indicate that the carrying amount of the asset group may not be recoverable. Recoverability of the asset group is measured by a comparison of the carrying amounts to the undiscounted net cash flows the asset group is expected to generate. If such review indicates that the carrying amount of intangible assets is not recoverable, the carrying amount of the asset group is reduced to the fair value.

Assumptions and judgment. 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. Significant judgment and estimates are required in assessing impairment of long-lived assets, and goodwill including identifying whether events or changes in circumstances require an impairment assessment, estimating future cash flows, and determining appropriate discount rates. There was no impairment loss recorded on goodwill and acquired intangible assets for the years ended December 31, 2022 and 2021.

Impact if actual results differ from assumptions. As a result of the goodwill impairment assessment, management concluded goodwill was not impaired as of December 31, 2022 and does not believe that its reporting unit is at risk of failing the impairment test since the fair value of the reporting unit substantially exceeded the carrying value. 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. Actual future operating results and the remaining economic lives of our intangible assets could differ from the estimates used in assessing the recoverability of these assets. These differences could result in impairment charges, which could have a material adverse impact on our results of operations.

Stock-Based Compensation Expense

Critical estimates. We estimate the fair value of stock options and certain performance-based restricted stock units granted using the Black-Scholes option pricing model and Monte Carlo valuation model respectively. Determining the grant-date fair value of equity awards using either the Black-Scholes option-pricing model or the Monte Carlo method requires management to make assumptions and judgments. These estimates involve inherent uncertainties and, if different assumptions had been used, stock-based compensation expense could have been materially different from the amounts recorded. As we do not have sufficient historical stock price information to meet the expected life of the stock option grants, we use a blended volatility that includes our common stock trading history and supplements the remaining historical information with the trading history from the common stock of a set of comparable publicly-traded companies. We will continue to apply this process until a sufficient amount of historical information regarding the volatility of our stock price becomes available. The expected term of stock options granted has been determined using the simplified method, which uses the midpoint between the vesting date and the contractual term. Volatility used by the Monte Carlo valuation model is based on our common stock trading history for the past three years. The expected term of market-based restricted stock uses a contractual term of three years.

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.

Assumptions and judgment. Refer to Note 12, "Stockholders' Equity", of our Notes to our Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K for the range of assumptions used to estimate the fair value of stock options granted to employees.

Impact if actual results differ from assumptions. Although we believe that our estimates and judgments are reasonable, actual results may differ from these estimates which could have a material adverse effect on our financial results.

Indirect Tax Reserves

Critical estimates. Eventbrite is subject to indirect taxes such as sales and use tax, payroll tax, value-added tax, and goods and services tax in the U.S. and certain foreign jurisdictions. The evaluation of our indirect tax reserves involves significant judgment in the interpretation and application of GAAP and complex domestic and international tax laws.

Assumptions and judgment. Reserves are adjusted considering changing facts and circumstances, such as the closing of a tax examination or the refinement of an estimate. We recognize losses from such reserves if it is estimable and probable that our position would not be sustainable upon examination by the taxing authorities.

Impact if actual results differ from assumptions. Although management believes our reserves are reasonable, no assurance can be given that the final tax outcome of these matters will not be different from that which is reflected in our reserves. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences could have a material impact on our consolidated financial statements.

Recent Accounting Pronouncements

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

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Sensitivity

We are exposed to market risk for changes in interest rates related primarily to balances of our financial instruments including cash and cash equivalents and short-term investments. As of December 31, 2022, we had cash and cash equivalents of \$539.3 million and short-term investments of \$84.2 million, which consisted primarily of money market funds and U.S. Treasury bills. The primary objective of our investment approach is to preserve capital principal and provide liquidity. Our primary exposure to market risk is interest income sensitivity, which is affected by changes in the general level of interest rates in the United States. A 10% change in the level of market interest rates would not have a material effect on our business, financial conditions or results of operations. In addition, our 2025 Notes and 2026 Notes (collectively referred to as "Notes") are subject to fixed annual interest charges. These Notes therefore are not exposed to financial or economic risk associated with changes in interest rates. However, the fair value of these Notes may fluctuate when interest rates change or can be affected when the market price of our Class A common stock fluctuates. We carry the convertible senior notes at face value less unamortized issuance cost on our balance sheet, and we present the fair value for required disclosure purposes only.

Foreign Currency Risk

Many 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 and Australian Dollar. Our international revenue, as well as costs and expenses denominated in foreign currencies, expose us to the risk of fluctuations in foreign currency exchange rates against the U.S. dollar. Accordingly, we are subject to foreign currency risk, which may adversely impact our financial results. The functional currency of our international subsidiaries is the U.S. dollar. Movements in foreign exchange rates are recorded in other income (expense), net in our consolidated statements of operations. We have experienced and will continue to experience fluctuations in foreign exchange gains and losses related to changes in exchange rates. If our foreign-currency denominated assets, liabilities, revenues, or expenses increase, our results of operations may be more significantly impacted by fluctuations in the exchange rates of the currencies in which we do business. A 10% increase or decrease in individual currency exchange rates would not have a material impact on our consolidated results of operations.

Item 8. Financial Statements and Supplementary Data

**Eventbrite, Inc.
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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, 2022 and 2021, and the related consolidated statements of operations, of stockholders’ equity (deficit) and of cash flows for each of the three years in the period ended December 31, 2022, 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, 2022, 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, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO because a material weakness in internal control over financial reporting existed as of that date related to the lack of an effectively designed control activity over the presentation of unrealized foreign currency transaction gains and losses and effects of exchange rate changes on cash, cash equivalents and restricted cash within the consolidated statements of cash flows.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weakness referred to above is described in Management’s Report on Internal Control Over Financial Reporting appearing under Item 9A. We considered this material weakness in determining the nature, timing, and extent of audit tests applied in our audit of the 2022 consolidated financial statements, and our opinion regarding the effectiveness of the Company’s internal control over financial reporting does not affect our opinion on those consolidated financial statements.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it accounts for convertible debt in 2021.

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 referred to above. 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 matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates 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 matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Chargebacks and refunds reserve - Reserves for estimated advance payout losses

As described in Note 2 to the consolidated financial statements, for qualified creators, the Company passes ticket sales proceeds to the creator prior to the event, subject to certain limitations, which the Company refers to as advance payouts. 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 during the first quarter of 2020. The Company started making advance payouts available to a limited number of qualified creators during the third quarter of 2020. In the second quarter of 2021, the Company launched Scheduled Payouts, an updated advance payouts program, to paid creators who qualify and accept the Company's terms and conditions. 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 reserves for estimated advance payout losses 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 nature of future events, the remaining time to event date, macro-economic conditions and current events, and actual chargeback and refund activity during the current year. As of December 31, 2022, the Company's reserves for estimated advance payout losses was \$11.2 million.

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

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 advance payouts, including controls over the development of reserves for estimated advance payout losses. These procedures also included, among others, (i) evaluating management's process for developing the reserves for estimated advance payout losses; (ii) evaluating the reasonableness of management's assessment of amounts paid and outstanding to creators in conjunction with the advance payout program, the nature of future events, the remaining time to event date, macro-economic conditions and current events, and actual chargeback and refund activity during the current year; (iii) testing the completeness and accuracy of data provided by management for a sample of events; and (iv) evaluating chargeback and refund activity subsequent to year end.

/s/ PricewaterhouseCoopers LLP
San Francisco, California
February 28, 2023

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,	
	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 539,299	\$ 634,378
Funds receivable	43,525	18,197
Short-term investments, at amortized cost	84,224	—
Accounts receivable, net	2,266	1,110
Creator signing fees, net	645	1,184
Creator advances, net	721	862
Prepaid expenses and other current assets	12,479	17,877
Total current assets	683,159	673,608
Property and equipment, net	6,348	7,162
Operating lease right-of-use assets	5,179	10,940
Goodwill	174,388	174,388
Acquired intangible assets, net	21,907	31,116
Restricted cash	875	1,781
Creator signing fees, noncurrent	1,103	2,225
Other assets	2,420	1,756
Total assets	\$ 895,379	\$ 902,976
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable, creators	\$ 309,313	\$ 285,222
Accounts payable, trade	1,032	1,083
Chargebacks and refunds reserve	13,136	21,395
Accrued compensation and benefits	11,635	10,910
Accrued taxes	12,515	11,068
Operating lease liabilities	2,810	4,149
Other accrued liabilities	10,538	24,139
Total current liabilities	360,979	357,966
Accrued taxes, noncurrent	8,820	12,868
Operating lease liabilities, noncurrent	3,345	8,677
Long-term debt	355,580	353,564
Other liabilities	100	1
Total liabilities	728,824	733,076
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, 2022 or 2021	—	—
Common stock, \$0.00001 par value; 1,100,000,000 shares authorized, 99,169,432 shares issued and outstanding as of December 31, 2022; 1,100,000,000 shares authorized, 97,246,465 shares issued and outstanding as of December 31, 2021	1	1
Additional paid-in capital	955,509	903,470
Accumulated deficit	(788,955)	(733,571)
Total stockholders' equity	166,555	169,900
Total liabilities and stockholders' equity	\$ 895,379	\$ 902,976

(See accompanying Notes to Consolidated Financial Statements)

EVENTBRITE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)

	Year Ended December 31,		
	2022	2021	2020
Net revenue	\$ 260,927	\$ 187,134	\$ 106,006
Cost of net revenue	90,746	70,294	62,330
Gross profit	170,181	116,840	43,676
Operating expenses:			
Product development	86,346	66,303	54,551
Sales, marketing and support	49,292	35,916	84,259
General and administrative	81,285	82,399	103,146
Total operating expenses	216,923	184,618	241,956
Loss from operations	(46,742)	(67,778)	(198,280)
Interest expense	(11,269)	(16,267)	(24,586)
Loss on debt extinguishment		(49,977)	—
Other income (expense), net	2,753	(3,630)	(1,932)
Loss before income taxes	(55,258)	(137,652)	(224,798)
Income tax provision (benefit)	126	1,428	(80)
Net loss	\$ (55,384)	\$ (139,080)	\$ (224,718)
Net loss per share, basic and diluted	\$ (0.56)	\$ (1.47)	\$ (2.52)
Weighted-average number of shares outstanding used to compute net loss per share, basic and diluted	98,305	94,303	89,335

(See accompanying Notes to Consolidated Financial Statements)

EVENTBRITE, INC.

Consolidated Statements of Stockholders' Equity (Deficit)

(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, 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	<u>69,475,511</u>	<u>\$ 1</u>	<u>23,179,274</u>	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>	<u>\$ 913,115</u>	<u>\$ (597,544)</u>	<u>\$ 315,572</u>

EVENTBRITE, INC.
Consolidated Statements of Stockholders' Equity (Deficit) (continued)

(in thousands, except share data)

	Common Stock-Class A		Common Stock-Class B		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount			
Balance at December 31, 2020	69,475,511	\$ 1	23,179,274	\$ —	\$ 913,115	\$ (597,544)	\$ 315,572
Cumulative effect adjustment upon adoption of ASU 2020-06	—	—	—	—	(45,452)	3,053	(42,399)
Issuance of common stock upon exercise of stock options	1,833,041	—	1,500,000	—	18,526	—	18,526
Issuance of restricted stock awards	19,240	—	—	—	—	—	—
Cancellation of restricted stock awards	(73,829)	—	—	—	—	—	—
Issuance of common stock for settlement of RSUs	1,882,750	—	—	—	—	—	—
Shares withheld related to net share settlement	(676,225)	—	—	—	(13,705)	—	(13,705)
Issuance of common stock for ESPP Purchase	106,703	—	—	—	1,430	—	1,430
Conversion of common stock from Class B to Class A	6,956,921	—	(6,956,921)	—	—	—	—
Purchase of convertible senior notes capped calls	—	—	—	—	(18,509)	—	(18,509)
Stock-based compensation	—	—	—	—	48,065	—	48,065
Net loss	—	—	—	—	—	(139,080)	(139,080)
Balance at December 31, 2021	79,524,112	\$ 1	17,722,353	\$ —	\$ 903,470	\$ (733,571)	\$ 169,900
Issuance of common stock upon exercise of stock options	417,083	—	—	—	3,146	—	3,146
Issuance of restricted stock awards	60,075	—	—	—	—	—	—
Issuance of common stock for settlement of RSUs	1,947,992	—	—	—	—	—	—
Shares withheld related to net share settlement	(685,723)	—	—	—	(6,591)	—	(6,591)
Issuance of common stock for ESPP Purchase	183,540	—	—	—	1,437	—	1,437
Conversion of common stock from Class B to Class A	82,186	—	(82,186)	—	—	—	—
Stock-based compensation	—	—	—	—	54,047	—	54,047
Net loss	—	—	—	—	—	(55,384)	(55,384)
Balance at December 31, 2022	81,529,265	\$ 1	17,640,167	\$ —	\$ 955,509	\$ (788,955)	\$ 166,555

(See accompanying Notes to Consolidated Financial Statements)

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

	Year Ended December 31,		
	2022	2021	2020
Cash flows from operating activities			
Net loss	\$ (55,384)	\$ (139,080)	\$ (224,718)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	14,860	18,716	22,610
Stock-based compensation expense	53,356	47,523	40,215
Noncash operating lease expense	3,423	4,647	8,827
Amortization of debt discount and issuance costs	2,016	3,917	10,226
Payment in Kind interest	—	2,178	6,784
Loss on debt extinguishment	—	49,977	—
Unrealized (gain) loss on foreign currency exchange	6,013	3,470	(224)
Accretion on short-term investments	(298)	—	—
Amortization of creator signing fees	1,189	2,817	8,553
Adjustments related to creator advances, creator signing fees, and allowance for credit losses	(2,727)	2,771	29,942
Provision for chargebacks and refunds	8,126	6,489	61,016
Other	835	745	3,495
Changes in operating assets and liabilities, net of impact of acquisitions:			
Accounts receivable	(2,221)	(591)	(2,505)
Funds receivable	(25,550)	(8,183)	43,727
Creator signing fees and creator advances	4,405	6,227	(149)
Prepaid expenses and other assets	4,734	(8,310)	4,862
Accounts payable, creators	31,358	97,926	(117,194)
Accounts payable, trade	(57)	(842)	171
Chargebacks and refunds reserve	(16,385)	(18,319)	(30,398)
Accrued compensation and benefits	725	6,930	(2,367)
Accrued taxes	(3,170)	6,108	(3,173)
Operating lease liabilities	(4,301)	(5,332)	(9,663)
Other accrued liabilities	(12,337)	15,012	(7,994)
Payment in Kind interest	—	(8,962)	—
Net cash provided by (used in) operating activities	8,610	85,834	(157,957)
Cash flows from investing activities			
Purchase of short-term investments	(83,926)	—	—
Purchases of property and equipment	(1,425)	(985)	(1,699)
Capitalized internal-use software development costs	(3,026)	(1,548)	(4,583)
Cash paid for acquisitions, net of cash acquired	(1,125)	—	(6,375)
Net cash used in investing activities	(89,502)	(2,533)	(12,657)
Cash flows from financing activities			
Proceeds from issuance of debt	—	212,750	275,000
Debt issuance costs	—	(5,738)	(18,901)
Principal repayment of debt obligations and prepayment premium	—	(143,247)	—
Purchase of convertible notes capped calls	—	(18,509)	(15,600)
Proceeds from exercise of stock options	3,146	18,526	19,282
Purchases under employee stock purchase plan	1,437	1,429	1,292
Taxes paid related to net share settlement of equity awards	(6,591)	(13,705)	(5,517)
Other	(71)	(325)	(517)
Net cash (used in) provided by financing activities	(2,079)	51,181	255,039
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(13,014)	(6,753)	1,065
Net (decrease) increase in cash, cash equivalents and restricted cash	(95,985)	127,729	85,490
Cash, cash equivalents and restricted cash			
Beginning of period	636,159	508,430	422,940
End of period	\$ 540,174	\$ 636,159	\$ 508,430

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

	Year Ended December 31,		
	2022	2021	2020
Supplemental cash flow data			
Interest paid	\$ 9,236	\$ 9,595	\$ 6,751
Income taxes paid, net of refunds	748	135	835
Noncash investing and financing activities			
Reduction of operating lease right-of-use asset due to modification and termination	\$ 2,223	\$ —	\$ —
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	\$ —	\$ 1,806	\$ 2,688
Indemnity holdback consideration associated with ToneDen acquisition	—	—	1,125
Vesting of early exercised stock options	—	—	241
Purchases of property and equipment, accrued but unpaid	63	70	43

(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 in-person and online live experiences. The Company's platform integrates components needed to seamlessly plan, promote and produce live events. To further enhance the value of the creators' self-service experience, the Company is working to reframe the Eventbrite product around the ongoing operational needs of creators in addition to the requirements of individual events. To this end, the Company has improved events calendaring, streamlined the event creation process and launched tools to assist creators in promoting multiple events and increasing audience size for their events.

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.

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. Certain prior period amounts have been reclassified to conform to the current period presentation.

Revision of Previously Issued Consolidated Financial Statements

The Company identified errors within the consolidated statements of cash flows for the years ended December 31, 2021 and December 31, 2020, primarily related to cash balances held on behalf of creators that are denominated in currencies other than the functional currency. In connection with the error identified, the accompanying consolidated financial statements have been revised to correct for the error. The Company evaluated the error and concluded that it was not material to the 2021 and 2020 consolidated financial statements previously issued. These revisions have no impact on the Company's 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.

The following tables summarize the impact of these adjustments for the periods presented:

	Year Ended December 31, 2021		
	As Reported	Adjustments	As Revised
Net cash provided by operating activities	\$ 79,081	\$ 6,753	\$ 85,834
Net cash used in investing activities	(2,533)	—	(2,533)
Net cash provided by financing activities	51,181	—	51,181
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	(6,753)	(6,753)
Change in cash and cash equivalents	\$ 127,729	\$ —	\$ 127,729

	Year Ended December 31, 2020		
	As Reported	Adjustments	As Revised
Net cash used in operating activities	\$ (156,892)	\$ (1,065)	\$ (157,957)
Net cash used in investing activities	(12,657)	—	(12,657)
Net cash provided by financing activities	255,039	—	255,039
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	1,065	1,065
Change in cash and cash equivalents	\$ 85,490	\$ —	\$ 85,490

Revision of Previously Issued Unaudited Quarterly Information

The identified error, as discussed above in this Note 1 to the Notes to Consolidated Financial Statements – Revision of Previously Issued Consolidated Financial Statements, did not have a material impact on the financial statements for the three months ended March 30, 2022 and March 31, 2021. The Company will revise the condensed consolidated statements of cash flows for the three months ended March 31, 2022 in the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023 as follows:

	Three Months Ended March 31, 2022 (Unaudited)		
	As Reported	Adjustments	As Revised
Net cash provided by operating activities	\$ 76,219	\$ 1,235	\$ 77,454
Net cash used in investing activities	(831)	—	(831)
Net cash used in financing activities	(278)	—	(278)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	(1,235)	(1,235)
Change in cash and cash equivalents	\$ 75,110	\$ —	\$ 75,110

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, certain assumptions used in the valuation of equity awards, assumptions used in determining the fair value of business combinations, the allowance for credit losses, 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.

Impact of COVID-19 and Macroeconomic Conditions on our Business

The global COVID-19 pandemic has tested our mission, our company and event creators in unprecedented ways. While events in our core geographies occurred without federal, state or local COVID-19 restrictions in 2022 our operations were notably impacted during periods of heightened case counts which led to temporary shifts in creator and consumer confidence and behavior. The full extent and duration of the impact of the COVID-19 pandemic on our business, results of operations and financial condition remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the introduction and spread of new variants or mutant strains of the virus, the reinstatement or implementation of new government restrictions, and the extent of containment actions taken on event gatherings in general, and the impact of these and other factors on the Company's business in particular, which may result in a reduction in events and an increase in event cancellation losses. The effect of and uncertainties surrounding the COVID-19 pandemic have caused the Company to make significant estimates in its consolidated financial statements as of and for the year ended December 31, 2022, specifically related to chargebacks and refunds due to cancelled or postponed events, which impact 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. Significant uncertainty remains regarding the extent and duration of the impact that the COVID-19 pandemic will have on the Company's business, and the impact of COVID-19 may persist for an extended period of time or become more pronounced.

Furthermore, as a result of economic pressures, including inflation, labor challenges, rising interest rates, economic recession and other factors, creators may scale back events which could materially and adversely affect the Company's paid ticket volume, and consequently the Company's net revenue and financial results.

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	<u>\$ 9,521</u>

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 reportable segment.

2. Significant Accounting Policies

Recently Adopted Accounting Pronouncements

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 Company early adopted ASU 2020-06 on January 1, 2021 using the modified retrospective transition method. Adoption of ASU 2020-06 resulted in a decrease to additional paid-in capital of \$45.5 million, an increase to retained earnings of \$3.1 million, and a net increase to long-term debt of \$42.4 million. Refer to Note 10, "Debt", for more details. The Company will use the if-converted method to calculate diluted EPS unless it makes an irrevocable election to settle the principal of the notes in cash and the excess conversion spread in shares, in which case the Company can continue to use the Treasury stock method. Since the Company had a net loss for the year ended December 31, 2022 and 2021, its convertible senior notes were determined to be anti-dilutive and therefore had no impact to basic or diluted net loss per share for the period as a result of adopting ASU 2020-06.

Revenue Recognition

The Company derives its revenues primarily from ticketing and payment processing. The Company also derives a smaller portion of revenues from marketing services. The Company's customers are event creators who use the Company's platform to sell tickets and market events 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.

Transaction Revenue

For ticketing services, the Company's service provides a platform to the event creator and attendee to transact. The Company's performance obligation is to facilitate and process that transaction and issue the ticket, and revenue is recognized by the Company when the ticket is sold. The amount that the Company earns for its services is fixed which typically consists of a flat fee and a percentage based fee per ticket. As a result, the Company records revenue on a net basis related to its ticketing service fees.

For payment processing services, the Company's service provides the event creator with 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. For EPP services, 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 in establishing the price of its service. As a result, the Company records revenue on a gross basis related to its EPP service fees. Costs incurred for processing the ticketing transactions are included in cost of net revenues in the consolidated statements of operations. Under the FPP option, the Company is not responsible for processing the transaction or collecting the face value of the ticket and associated fees. In this case, the Company records revenue on a net basis related to its FPP service fees.

Revenue is presented net of indirect taxes, customer refunds, payment chargebacks, estimated uncollectible amounts, creator royalties, and amortization of creator signing fees. Previously, the Company offered upfront payments to creators entering into new or renewed ticketing arrangements. However, the Company is shifting from upfront payment incentives to performance based incentives on a limited basis.

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.

Marketing Revenue

Revenue from marketing services is primarily derived from providing creators with access to various marketing tools and functionalities for a monthly or annual subscription fee. The Company considers that it satisfies its performance obligation as it provides the services to customers and recognizes revenue ratably over the service term which varies from one month to a year. In the third quarter of 2022, the Company also introduced advertising services. Advertising services enable creators to display featured content on the Eventbrite platform or mobile application. We recognize advertising revenue as advertisements are displayed to users through impressions.

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, customer support costs including stock based compensation and allocated expenses.

Creator Signing Fees, Net and Creator Advances, 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. Amortization of creator signing fees is recorded as a reduction of revenue in the consolidated statements of operations.

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 management's assessment of various factors, including a creator's payment history, the rate and timing of recovery for outstanding advances, recent ticket sales activity, 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 consist 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, which reflects the release of the amount due to creators after ticket proceeds are remitted to the creator.

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. The Company started making advance payouts available to a limited number of qualified creators during the third quarter of 2020. In the second quarter of 2021, the Company launched Scheduled Payouts, an updated advance payouts program, to paid creators who qualify and accept the Company's standard or negotiated terms and conditions. As of December 31, 2022 and 2021, advance payouts outstanding was approximately \$193.1 million and \$319.3 million, respectively.

Chargebacks and Refunds Reserve

The terms of the Company's standard merchant agreement obligate creators to reimburse attendees who are entitled to refunds. The Company records estimates for refunds and chargebacks of its fees as contra-revenue. When the Company provides advance payouts, it assumes risk that the event may be cancelled, fraudulent, or materially not as described, resulting in potential 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 reserves for estimated advance payout losses 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 nature of future events, the 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 \$13.1 million and \$21.4 million which primarily includes reserve balances for estimated advance payout losses of \$11.2 million and \$18.5 million as of December 31, 2022 and December 31, 2021, respectively.

The decrease in the reserve balance during the year ended December 31, 2022 was the result of lower estimated losses from the advance payout program and estimated future refunds of fees, which were previously higher at the onset of the COVID-19 pandemic.

Due to the nature of the COVID-19 pandemic and ongoing variants, it is possible that this amount will not be sufficient and the Company's actual losses could be materially different from its current estimates. The Company will adjust reserves in the future to reflect best estimates of future outcomes. The Company cannot predict the outcome of or estimate the possible recovery or range of recovery from these matters.

Cash, Cash Equivalents and Restricted Cash

The Company considers all highly liquid financial instruments, including bank deposits, money market funds and U.S. Treasury securities with an original maturity of three months or less at the date of purchase, to be cash equivalents. Due to the short-term nature of the instruments, the carrying amounts reported in the consolidated balance sheets approximate their fair value.

Cash and cash equivalents 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 \$269.4 million and \$268.6 million as of December 31, 2022 and 2021, respectively. These ticketing proceeds are legally unrestricted, and beginning in the fourth quarter the Company invested a portion of ticketing proceeds in high quality U.S. Treasury bills. These amounts due to creators are included in accounts payable, creators on the consolidated balance sheets.

The Company has issued letters of credit relating to contracts entered into with other parties 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,		
	2022	2021	2020
Cash and cash equivalents	\$ 539,299	\$ 634,378	\$ 505,756
Restricted cash	875	1,781	2,674
Total cash, cash equivalents and restricted cash	<u>\$ 540,174</u>	<u>\$ 636,159</u>	<u>\$ 508,430</u>

Short-term Investments

The Company invests certain of its excess cash in short-term debt instruments which consist of U.S. Treasury bills with original maturities greater than three months and less than one year. All short-term investments are classified as held-to-maturity and are recorded and held at amortized cost. Investments are considered to be impaired when a decline in fair value is deemed to be other-than-temporary. Once a decline in fair value is determined to be other-than-temporary, the carrying value of an instrument is adjusted to its fair value on a non-recurring basis. No such fair value impairment was recognized during the year ended December 31, 2022.

The following table summarizes the Company's financial instruments that were measured at fair value on a non-recurring basis at December 31, 2022.

Description	Classification	Amortized cost	Gross unrecognized holding gains	Gross unrecognized holdings losses	Aggregate fair value
Saving deposits	Cash equivalents	\$ 31,288	\$ —	\$ —	\$ 31,288
US Treasury securities	Cash equivalents	85,201	17	—	85,218
US Treasury securities	Short-term investments	84,224	10	(5)	84,229
		<u>\$ 200,713</u>	<u>\$ 27</u>	<u>\$ (5)</u>	<u>\$ 200,735</u>

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 cash equivalents, short-term investments, 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 the Company's convertible senior notes.

Concentrations of Risk

Financial instruments potentially exposing the Company to concentrations of credit risk consist primarily of cash and cash equivalents, short-term investments, funds receivable, accounts receivable, payments to creators and creator advance payouts. In relation to the capped call transactions, the Company is subject to counterparty risk of default with financial institutions (option counterparties). The Company's exposure to the credit risk of the option counterparties under the capped call transactions is not secured by any collateral. The Company holds its cash with high-credit-quality financial institutions and manages credit risk of its short-term investments by investing its cash in high-quality money market instruments and U.S. Treasury bills; 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, 2022 there were no customers that represented 10% or more of accounts receivable balance. As of December 31, 2021, one customer accounted for 11% of net accounts receivables. There were no customers that individually exceeded 10% of net revenue during the years ended December 31, 2022, 2021 and 2020.

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 balance includes 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 \$39.9 million and \$16.7 million as of December 31, 2022 and 2021, 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 credit losses when identified.

Employee Retention Credit

The employee retention credit ("ERC"), as originally enacted through the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") on March 27, 2020, is a refundable credit against certain employment taxes equal to 50% of the qualified wages an eligible employer pays to employees from March 17, 2020 to December 31, 2020. The Disaster Tax Relief Act, enacted on December 27, 2020, extended the employee retention credit for qualified wages paid from January 1, 2021 to June 30, 2021 and the credit was increased to 70% of qualified wages an eligible employer pays to employees during the extended period. The American Rescue Plan Act of 2021, enacted on March 11, 2021, further extended the employee retention credit through December 31, 2021.

The Company qualified for the employee retention credit for the period between March 17, 2020 and September 30, 2021. The Company recognizes government credits for which there is a reasonable assurance of compliance with credit conditions and receipt of credits. As of December 31, 2022, the Company's expected credit was \$2.7 million, which was recorded as other income on the consolidated statement of operations and as a current asset on the consolidated balance sheets. The Company expects to receive the employee retention credit within the next twelve months.

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
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 has operating leases primarily for office space. The determination of whether an arrangement is a lease or contains a lease is made at inception by evaluating whether the arrangement conveys the right to use an identified asset and whether the Company obtains substantially all of the economic benefits from and has the ability to direct the use of the asset.

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 prepayments and lease incentives. 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.

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. 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.

The Company recognizes lease expense for its operating leases on a straight-line basis over the term of the lease. The Company's lease agreements may contain variable costs such as common area maintenance, operating expenses or other costs. Variable lease costs are expensed as incurred on the consolidated statements of operations. Additionally, the Company elected to combine lease and non-lease components as a single lease component.

Leases with an initial term of twelve months or less are not recognized on the consolidated balance sheets. The Company recognizes lease expense for these leases on a straight-line basis over the term of the lease.

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.

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.

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. During the year ended December 31, 2022, the Company performed an analysis by comparing its estimated fair value to the carrying amount, including goodwill. The Company's analysis indicated that its estimated fair value, using the market price of its 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 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. There were no impairment charges in any of the periods presented in the consolidated financial statements.

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 the asset group may not be recoverable or that the useful life is shorter than originally estimated. Recoverability of the asset group is measured by a comparison of the carrying amounts to the undiscounted cash flows the asset group is expected to generate over its remaining life. If such review indicates that the carrying amount of intangible asset group is not recoverable, the carrying amount of such assets is reduced to the fair value.

If the useful life is shorter than originally estimated, the Company amortizes the remaining carrying value over the revised shorter useful life. If the asset group 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 group. For the periods presented, the Company had recorded no impairment charges of long-lived assets.

Stock-Based Compensation Expense

Stock-based compensation expense is measured based on the grant-date fair value of the awards. The Company uses the market closing price of its common stock as reported on the New York Stock Exchange for the fair value of equity awards. The grant-date fair value of stock options is estimated using the Black-Scholes option pricing model. Compensation expense is recognized over the vesting period of the stock options and awards using the straight-line method. The Company estimates forfeitures in order to calculate the stock-based compensation expense.

For performance-based restricted stock units ("PSU") that vest based upon continued service and achievement of certain financial performance conditions, the fair value is determined based upon the market closing price of our common stock on the date of the grant. Compensation expense is recognized over the requisite service period if it is probable that the performance condition will be satisfied. The number of PSUs issued could range from 0% up to 200% of the target amount. For market-based PSUs that vest based upon continued service and achievement of certain market conditions, the fair value is determined using the Monte Carlo valuation model. The Company recognizes compensation expense for such awards over the requisite service period using the accelerated attribution method.

Determining the grant-date fair value of options and awards using the Black-Scholes option-pricing model or Monte Carlo simulation model requires management to make assumptions and judgments. The Company uses a blended volatility that includes its common stock trading history and supplements the remaining historical information with the trading history from the common stock of a set of comparable publicly-traded companies. The expected term of stock options granted has been determined using the simplified method, which uses the midpoint between the vesting date and the contractual term. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

Advertising Costs

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 \$4.3 million, \$2.4 million and \$1.1 million for the years ended December 31, 2022, 2021 and 2020, respectively.

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 loss of \$6.3 million, loss of \$3.7 million and loss of \$2.6 million during the years ended December 31, 2022, 2021 and 2020, respectively.

Net Loss Per Share

Prior to the adoption of ASU 2020-06, the Company used the treasury stock method for calculating any potential dilutive effect of the common shares outstanding on net loss per share, if applicable, including stock options, restricted stock units and shares underlying the conversion option of the convertible senior notes. After the adoption of ASU 2020-06 on January 1, 2021, the Company used the if-converted method for calculating any potential dilutive effect of its common equivalent shares and convertible senior notes. The potential impact upon the conversion of the convertible senior notes and common equivalent shares are excluded from the calculation of diluted net loss per share in periods for which they have an anti-dilutive effect. 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. 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 credit losses when identified. The following table summarizes the Company's accounts receivable balance (in thousands):

	December 31,	
	2022	2021
Accounts receivable, customers	\$ 2,967	\$ 2,085
Allowance for credit losses	(701)	(975)
Accounts receivable, net	<u>\$ 2,266</u>	<u>\$ 1,110</u>

4. Creator Signing Fees, Net

Creator signing fees are incentives that are offered and paid by the Company to secure exclusive ticketing and payment processing rights with certain creators. 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 creators and accordingly the amortization of these fees is recorded as a reduction of revenue in the consolidated statements of operations.

As of December 31, 2022, the balance of creator signing fees, net is being amortized over a weighted-average remaining contract life of 3.6 years on a straight-line basis. The following table summarizes the activity in creator signing fees for the periods indicated (in thousands):

	December 31,	
	2022	2021
Balance, beginning of period	\$ 3,409	\$ 9,495
Creator signing fees paid	6	35
Amortization of creator signing fees	(1,189)	(2,817)
Write-offs and other adjustments	(478)	(3,304)
Balance, end of period	<u>\$ 1,748</u>	<u>\$ 3,409</u>
Creator signing fees, net	\$ 645	\$ 1,184
Creator signing fees, noncurrent	1,103	2,225

5. Creator Advances, Net

Creator advances are incentives that are offered by the Company which provide the creator with funds in advance of the event. These 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,	
	2022	2021
Balance, beginning of period	\$ 862	\$ 6,651
Creator advances paid	335	75
Creator advances recouped	(3,645)	(4,770)
Write-offs and other adjustments	3,169	(1,094)
Balance, end of period	<u>\$ 721</u>	<u>\$ 862</u>

6. Property and Equipment, Net

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

	December 31,	
	2022	2021
Capitalized internal-use software development costs	55,009	51,292
Furniture and fixtures	869	1,298
Computers and computer equipment	6,854	6,854
Leasehold improvements	4,243	4,841
Finance lease right-of-use assets	597	605
	67,572	64,890
Less: Accumulated depreciation and amortization	(61,224)	(57,728)
Property and equipment, net	<u>\$ 6,348</u>	<u>\$ 7,162</u>

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,		
	2022	2021	2020
Depreciation expense	\$ 2,255	\$ 1,917	\$ 4,194
Capitalized internal-use software development costs	3,717	2,090	5,008
Amortization of capitalized internal-use software development costs	3,396	5,592	7,866

7. Leases**Operating leases**

The Company leases its office facilities under operating lease arrangements with varying expiration dates through 2026. As of December 31, 2022, the remaining lease term of the Company's operating leases ranges from less than one year to four years.

The components of operating lease costs for the year ended December 31, 2022 were as follows (in thousands):

	Year Ended December 31,	
	2022	2021
Operating lease costs	\$ 3,423	\$ 4,647
Sublease income	(203)	(1,427)
Total operating lease costs, net	\$ 3,220	\$ 3,220

The Company made cash payments of \$4.3 million for operating lease liabilities during the year ended December 31, 2022, which is included within the operating activities section on the consolidated statements of cash flows.

As of December 31, 2022 the Company's operating leases had a weighted-average remaining lease term of 2.6 years and a weighted-average discount rate of 3.5%.

As of December 31, 2022, maturities of operating lease liabilities were as follows (in thousands):

2023	\$ 3,053
2024	1,647
2025	1,689
2026	141
2027	—
Thereafter	—
Total operating lease payments	6,530
Less: Imputed interest	(375)
Total operating lease liabilities	\$ 6,155
Reconciliation of lease liabilities as shown in the consolidated balance sheets	
Operating lease liabilities, current	\$ 2,810
Operating lease liabilities, noncurrent	3,345
Total operating lease liabilities	\$ 6,155

8. Acquisitions

The Company made no acquisitions in 2022 and 2021.

2020 Acquisition

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 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 paid to the previous owners of ToneDen, in May 2022. 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	<u>\$ 7,500</u>

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	4.0
Customer relationships	400	2.5
Trademark	50	2.0
Total acquired intangible assets	<u>\$ 3,750</u>	

9. Goodwill and Acquired Intangible Assets, Net

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

At December 31, 2020	174,388
Additions from acquisitions	—
At December 31, 2021	174,388
Additions from acquisitions	—
At December 31, 2022	<u>174,388</u>

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

	December 31, 2022			Weighted-average remaining useful life (years)
	Cost	Accumulated Amortization	Net Book Value	
Developed technology	\$ 22,396	\$ 20,854	\$ 1,542	1.9
Customer relationships	74,884	54,519	20,365	2.6
Tradenames	1,650	1,650	—	0.0
Acquired intangible assets, net	<u>\$ 98,930</u>	<u>\$ 77,023</u>	<u>\$ 21,907</u>	
	December 31, 2021			Weighted-average remaining useful life (years)
	Cost	Accumulated Amortization	Net Book Value	
Developed technology	\$ 22,396	\$ 20,029	\$ 2,367	2.9
Customer relationships	74,884	46,157	28,727	3.6
Tradenames	1,650	1,628	22	0.9
Acquired intangible assets, net	<u>\$ 98,930</u>	<u>\$ 67,814</u>	<u>\$ 31,116</u>	

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

	Year Ended December 31,		
	2022	2021	2020
Cost of net revenue	\$ 825	\$ 825	\$ 143
Sales, marketing and support	8,362	10,357	10,430
General and administrative	22	25	3
Total amortization of acquired intangible assets	<u>\$ 9,209</u>	<u>\$ 11,207</u>	<u>\$ 10,576</u>

As of December 31, 2022, the total expected future amortization expense of acquired intangible assets by year is as follows (in thousands):

2023	\$ 8,593
2024	8,300
2025	5,014
2026	—
2027	—
Thereafter	—
Total expected future amortization expense	<u>\$ 21,907</u>

10. Debt

As of December 31, 2022 and 2021, long-term debt consisted of the following (in thousands):

	December 31, 2022			December 31, 2021		
	2026 Notes	2025 Notes	Total	2026 Notes	2025 Notes	Total
Outstanding principal balance	\$ 212,750	\$ 150,000	\$ 362,750	\$ 212,750	\$ 150,000	\$ 362,750
Less: Debt issuance costs	(3,896)	(3,274)	(7,170)	(4,915)	(4,271)	(9,186)
Carrying amount, long-term debt	<u>\$ 208,854</u>	<u>\$ 146,726</u>	<u>\$ 355,580</u>	<u>\$ 207,835</u>	<u>\$ 145,729</u>	<u>\$ 353,564</u>

The following tables set forth the total interest expense recognized related to the term loans and the convertible notes for the year ended December 31, 2022 and 2021 (in thousands):

	Year Ended December 31,	
	2022	2021
Cash interest expense	\$ 9,096	\$ 9,806
Payment in Kind interest	—	2,178
Amortization of debt discount	—	1,750
Amortization of debt issuance costs	2,016	2,167
Total interest expense	<u>\$ 11,112</u>	<u>\$ 15,901</u>

As of December 31, 2022, the remaining life of the 2025 Notes and 2026 Notes is approximately 35 months and 44 months, respectively.

The following table summarizes the Company's contractual obligation to settle commitments related to the 2026 Notes and 2025 Notes as of December 31, 2022 (in thousands):

	Payments due by Year						
	Total	2023	2024	2025	2026	2027	Thereafter
Convertible Senior Notes Due 2026	\$ 212,750	\$ —	\$ —	\$ —	\$ 212,750	\$ —	\$ —
Interest obligations on 2026 Notes ⁽¹⁾	6,383	1,596	1,596	1,596	1,595		
Convertible Senior Notes Due 2025	150,000	—	—	150,000	—	—	—
Interest obligations on 2025 Notes ⁽¹⁾	22,500	7,500	7,500	7,500			

⁽¹⁾ The 2026 Notes and 2025 Notes bear interest at a fixed rate of 0.750% and 5.000% per year, respectively.

Convertible Senior Notes

2025 Notes

In June 2020, the Company issued \$150.0 million aggregate principal amount of 5.000% convertible senior notes due 2025 (the 2025 Notes) 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.

Prior to the adoption of ASU 2020-06, the Company separated the conversion option of the 2025 Notes from the debt instrument and classified the conversion option in equity. The 2025 Notes were not issued at a substantial premium. ASU 2020-06 eliminates the cash conversion model in ASC 470-20, no longer requiring the Company to account for the embedded conversion feature as a component of equity. As a result, the Company now accounts for the 2025 Notes as a single unit of account.

The adoption of ASU 2020-06 primarily had the following impact on the Company's financial statements:

- Recognition of additional \$45.5 million in long term debt on the consolidated balance sheet as of January 1, 2021. This relates to the derecognition of the conversion option which was previously classified as equity.
- A cumulative effect adjustment was recognized to the opening balance of retained earnings of \$3.1 million. This relates to the decreased interest expense on the 2025 Notes for fiscal 2020 due to the elimination of the discount resulting from the recognition of the equity component.
- The deferred taxes previously recognized upon the issuance of the 2025 Notes were reversed upon the adoption of ASU 2020-06 through equity and were offset by a valuation allowance, resulting in no income tax impact to the consolidated financial statements.

The effective interest rate of the 2025 Notes is 5.8%. During the year ended December 31, 2022, the Company recorded cash interest of \$7.5 million, and amortization of debt issuance costs of \$1.0 million. During the year ended December 31, 2021, the Company recorded cash interest of \$7.5 million, and amortization of debt discount and issuance costs of \$0.9 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, entitled 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.

The fair value of the 2025 Notes, which the Company have classified as a Level 2 instrument, was \$138.7 million as of December 31, 2022. The fair value of the 2025 Notes is determined using observable market prices on the last business day of the period.

2026 Notes

In March 2021, the Company issued \$212.75 million aggregate principal amount of 0.750% convertible senior notes due 2026 (the 2026 Notes) in a private offering to qualified institutional buyers, inclusive of the initial purchaser's exercise in full of its option to purchase additional notes. The 2026 Notes bear interest at a fixed rate of 0.750% per year. Interest is payable in cash semi-annually in arrears on March 15 and September 15 of each year, beginning on September 15, 2021. The 2026 Notes mature on September 15, 2026 unless earlier repurchased, redeemed or converted. The total net proceeds from the 2026 Notes, after deducting debt issuance costs of \$5.7 million, was \$207.0 million.

The 2026 Notes are the Company's senior, unsecured obligations and 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 2026 Notes and effectively subordinated to the Company's existing and future secured indebtedness, to the extent of the value of the collateral securing that indebtedness; and (iii) 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.

Before March 15, 2026, noteholders will have the right to convert their 2026 Notes under the following circumstances:

- during any calendar quarter commencing after the calendar quarter ending on June 30, 2021 (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 for each of 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 notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price per share of our Class A common stock on such trading day and the conversion rate on such trading day;
- upon the occurrence of certain corporate events or distributions on our Class A common stock, as described in the Indenture and
- if the Company call such notes for redemption;

From and after March 15, 2026, noteholders may convert their 2026 Notes at any time at their election until the close of business on the second scheduled trading day immediately before the maturity date. Upon conversion, the 2026 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. The Company may irrevocably elect a settlement in cash, shares of Class A common stock, or a combination of cash and shares of Class A common stock.

The 2026 Notes are convertible at an initial conversion rate of 35.8616 shares of Class A common stock per \$1,000 principal amount of 2026 Notes, which is equal to an initial conversion price of approximately \$27.89 per share of Class A common stock. The conversion rate and conversion price will be subject to customary adjustments upon the occurrence of certain events. In addition, if certain corporate events that constitute a "Make-Whole Fundamental Change" (as defined in the Indenture) occur, then the conversion rate will, in certain circumstances, be increased for a specified period of time.

No sinking fund is provided for the 2026 Notes. The 2026 Notes will be redeemable, in whole or in part, at the Company's option at any time, and from time to time, on or after March 15, 2024 and on or before the 40th scheduled trading

day immediately before the maturity date, at a cash redemption price equal to the principal amount of the 2026 Notes to be redeemed, plus accrued and unpaid interest, if any, but only if the last reported sale price per share of the Company's 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 days 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. In addition, calling any 2026 Note for redemption will constitute a Make-Whole Fundamental Change with respect to that Note, in which case the conversion rate applicable to the conversion of that 2026 Note will be increased in certain circumstances 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, noteholders may require the Company to repurchase their 2026 Notes at a cash repurchase price equal to the principal amount of the 2026 Notes to be repurchased, plus accrued and unpaid interest, if any. 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 2026 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 Notes (which, in the case of a default in the payment of interest on the Notes, will be subject to a 30-day cure period); (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 Notes if such default is not cured or waived within 60 days after notice is given in accordance with the Indenture; (v) 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 (vi) 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 2026 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 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 2026 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 2026 Notes for up to 180 days at a specified rate per annum not exceeding 0.50% on the principal amount of the 2026 Notes.

In accounting for the issuance of the 2026 Notes, total issuance costs of \$5.7 million related to the 2026 Notes are being amortized to interest expense over the term of the 2026 Notes using the effective interest rate method.

The effective interest rate of the 2026 Notes is 1.3%. During the year ended December 31, 2022, the Company recorded cash interest of \$1.6 million, and amortization of debt issuance costs of \$1.0 million.

The fair value of the 2026 Notes, which the Company have classified as a Level 2 instrument, was \$147.4 million as of December 31, 2022. The fair value of the 2026 Notes is determined using observable market prices on the last business day of the period.

Capped Call Transactions

In March 2021, in connection with the offering of the 2026 Notes, the Company entered into privately negotiated capped call transactions (2026 Capped Calls) with certain financial institutions (2026 Option Counterparties). The 2026 Capped Calls cover, subject to anti-dilution adjustments substantially similar to those applicable to the conversion rate of the 2026 Notes, the number of shares of Class A common stock initially underlying the 2026 Notes. The 2026 Capped Calls are expected generally to reduce potential dilution to the Class A common stock upon any conversion of 2026 Notes and/or offset any potential cash payments the Company is required to make in excess of the principal amount of such converted 2026 Notes, as the case may be, with such reduction and/or offset subject to a cap, initially equal to \$37.5375, and is subject to certain customary adjustments under the terms of the 2026 Capped Calls. The 2026 Capped Calls will expire in September 2026, if not exercised earlier.

The 2026 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 2026 Capped Calls are subject to certain specified additional disruption events that may give rise to a termination of the 2026 Capped Calls, including nationalization, insolvency or delisting, changes in law, failures to deliver, insolvency filings and hedging disruptions.

The 2026 Capped Call Transactions do not meet the criteria for separate accounting as a derivative. The aggregate premium paid for the purchase of the 2026 Capped Calls of \$18.5 million was recorded as a reduction to additional paid-in capital on the consolidated balance sheets.

In June 2020, in connection with the offering of the 2025 Notes, the Company entered privately negotiated capped call transactions with certain financial institutions (2025 Capped Calls). The 2025 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 2025 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 2025 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 2025 Capped Call transactions. The 2025 Capped Calls will expire in December 2025, if not exercised earlier.

The 2025 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 2025 Capped Calls are subject to certain specified additional disruption events that may give rise to a termination of the 2025 Capped Calls, including nationalization, insolvency or delisting, changes in law, failures to deliver, insolvency filings and hedging disruptions. For accounting purposes, the 2025 Capped Calls are separate transactions, and not part of the terms of the Notes.

The 2025 Capped Call Transactions do not meet the criteria for separate accounting as a derivative. The aggregate premium paid for the purchase of the 2025 Capped Calls of \$15.6 million was recorded as a reduction to additional paid-in capital on the consolidated balance sheets.

Term Loans

On March 11, 2021, the Company repaid all borrowings outstanding under the Credit Agreement, dated as of May 9, 2020 (and as amended on June 15, 2020), by and among the Company, FP EB Aggregator, L.P. (FP) and Wilmington Trust, National Association, as the administrative agent (the May 2020 credit agreement), and subsequently terminated the May 2020 credit agreement. In connection with the early termination of the borrowings outstanding under the May 2020 credit agreement, the Company paid \$153.2 million, which consisted of \$125.0 million in principal payments, a \$18.2 million make-whole premium, \$9.0 million payment in kind interest and \$1.0 million of accrued cash interest.

The Company recorded a loss on debt extinguishment of \$50.0 million during year ended December 31, 2021. The loss primarily related to the write-off of unamortized debt discount and issuance costs of \$31.8 million and a \$18.2 million make-whole premium.

During the year ended December 31, 2021, the Company recorded \$2.2 million payment in kind interest, \$2.2 million amortization of debt discount and issuance costs, and \$1.0 million cash interest.

11. Commitments and Contingent Liabilities

The Company's principal commitments consist of obligations under the 2025 Notes and 2026 Notes (including principal and coupon interest), operating leases for office space, as well as non-cancellable purchase commitments. See Note 10, "Debt" and Note 7 "Leases" for contractual obligations to settle commitments relating to the 2025 Notes, 2026 Notes and operating leases for office space.

As of December 31, 2022, the Company had purchase commitments of \$20.5 million under the fixed fee contracts and minimum \$4.5 million under variable fee contracts, primarily related to enterprise support services entered in the ordinary course of business. The Company expects to pay \$7.3 million in 2023, \$8.3 million in 2024, and \$5.0 million in 2025 under fixed fee contracts, and \$4.5 million minimum variable fees will be paid during 2023 to 2026 based on volume usage.

Litigation and Loss Contingencies

In addition to the litigation discussed below, 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, breach of contract claims, tax and other matters. 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.

The Company accrues estimates for resolution of legal and other contingencies when losses are probable and estimable. The Company's assessment of losses is re-evaluated each accounting period and is based on all available information, including impact of negotiations, settlements, rulings, advice of legal counsel and other information and events pertaining to each case. Nevertheless, it is possible that additional future legal costs including settlements, judgments, legal fees and other related defense costs could have a material adverse effect on the Company's business, consolidated financial position, results of operations or liquidity.

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. 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. The Court granted that motion on September 2, 2021, and stayed the suit pending the results of arbitration. The parties thereafter agreed to amicably resolve their dispute on confidential terms, without any admission of liability.

Securities 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 plaintiffs to file their second amended consolidated complaint. On June 22, 2020, the Court extended lead plaintiffs' deadline to file their second amended consolidated complaint to August 10, 2020.

On July 29, 2020, the Company entered into a settlement agreement with the lead plaintiffs in the Federal Action. The Company 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 plaintiffs 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 plaintiffs that, in light of the denial of the preliminary approval motion, it was terminating the settlement agreement. On June 27, 2022, the Court dismissed the Federal Action with prejudice.

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.”

On October 26, 2021, the Company entered into a binding settlement agreement with the plaintiffs in the State Action. In connection with the settlement, the Company and its insurers have paid \$19.3 million.

The settlement was preliminarily approved on November 5, 2021, and, on June 10, 2022, the Court entered judgment and ordered final approval of the settlement. The deadline to file an appeal in connection with the judgment and order of final settlement approval was August 9, 2022, and no such appeal was filed.

Commercial Contract Litigation

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' 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 the Company 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. A jury trial commenced on May 16, 2022. On May 23, 2022, the jury issued a verdict in Eventbrite’s favor and awarded the Company \$11.0 million in damages. Defendants filed a motion seeking to reduce the verdict or hold a new trial, and the Company filed a motion for pre-judgment and post-judgment interest as well as to recover its attorneys’ fees and costs of suit per the parties’ contracts. On November 1, 2022, the Court denied Defendants' motion, and granted the Company’s motion. Defendants have since filed a notice of appeal and, in response, the Company filed a notice of conditional cross-appeal. No briefing has yet been submitted. The Company cannot predict the likelihood of success on Defendants’ appeal or the Company’s conditional cross-appeal. The Company has not recorded any gain in relation to this verdict for the year ended December 31, 2022.

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 \$6.0 million and \$11.1 million as of December 31, 2022 and 2021, respectively. These amounts, which represent management’s best estimates of its potential liability, include potential interest and penalties of \$2.0 million and \$2.2 million as of December 31, 2022 and 2021, 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, performance-based stock units, 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, 2022, there were 5,920,296 and 6,637,862 options issued and outstanding under the 2010 Plan and 2018 Plan, respectively (collectively, the Plans). The Company reserved 4,025,388 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 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, 2020	13,675,252	\$ 9.82	6.4	\$ 113,499
Granted	1,050,665	20.70		
Exercised	(3,360,280)	5.51		41,241
Cancelled	(104,849)	10.78		
Balance as of December 31, 2021	11,260,788	12.11	6.7	63,862
Granted	1,868,692	12.77		
Exercised	(389,844)	8.07		1,974
Cancelled	(181,478)	14.33		
Balance as of December 31, 2022	12,558,158	12.30	6.4	93
Vested and exercisable as of December 31, 2022	12,389,042	12.28	6.3	93
Vested and expected to vest as of December 31, 2022	9,336,563	\$ 11.92	5.7	\$ 93

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, 2022.

As of December 31, 2022, the total unrecognized stock-based compensation expense related to stock options outstanding was \$21.2 million, which will be recognized over a weighted-average period of 2.2 years. The weighted-average fair value of stock options granted was \$7.13, \$11.87 and \$4.74 for the years ended December 31, 2022, 2021 and 2020, respectively.

Stock Award Activity

Stock award activity includes Restricted Stock Units (RSUs), Performance Stock Units (PSUs), and Restricted Stock Awards (RSAs).

In July 2022, the Company awarded PSUs to certain senior executives, pursuant to the 2018 Plan. The awards vest based upon continued service and achievement of certain financial performance goals and market conditions established by the board of directors or Compensation Committee for a predetermined period.

Stock award activity under the Plans is as follows:

	Outstanding RSUs, RSAs and PSUs	Weighted-average grant date fair value per share	Weighted-average remaining contractual term (years)	Aggregate intrinsic value (thousands)
Balance at December 31, 2020	3,765,926	\$ 14.16		
Awarded	3,377,457	20.56		
Released	(1,894,966)	14.42		
Cancelled	(894,780)	17.07		
Balance at December 31, 2021	4,353,637	18.40		
Awarded ⁽¹⁾	10,103,197	10.26		
Released	(2,008,067)	17.24		
Cancelled	(1,684,570)	15.56		
Balance at December 31, 2022	10,764,197	11.46	1.7	\$ 63,059
Vested and expected to vest as of December 31, 2022	9,385,981	\$ 11.50	1.7	\$ 55,002

⁽¹⁾ Includes approximately 1.4 million of PSUs granted during the third quarter of 2022.

The Company recognized \$38.7 million, \$30.6 million and \$22.3 million of stock-based compensation expense related to stock awards during the year ended December 31, 2022, 2021 and 2020 respectively. As of December 31, 2022, the total unrecognized stock-based compensation expense related to stock awards outstanding, was \$95.2 million, which will be recognized over a weighted-average period of 3.0 years.

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 183,540 shares were purchased under the ESPP during the year ended December 31, 2022, and as of that date, 4,341,214 shares of Class A common stock were available for future issuance under the ESPP. A total of 106,703 shares were purchased under the ESPP during the year ended December 31, 2021.

The Company recorded \$0.5 million, \$0.5 million and \$1.4 million of stock-based compensation expense related to the ESPP during the years ended December 31, 2022, 2021 and 2020 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, 2022 and 2021.

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,		
	2022	2021	2020
Expected dividend yield	—	—	—
Expected volatility	57.6 - 60.0%	57.0 - 64.3%	54.7 - 64.6%
Risk-free interest rate	2.4 - 3.7%	1.0 - 1.1%	0.3 - 0.7%
Expected term (years)	5.5 - 6.1	5.5 - 6.1	5.1 - 6.1

The Company determines expected volatility for the ESPP based on the historical volatility of its common stock. 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,		
	2022	2021	2020
Expected dividend yield	—	—	—
Expected volatility	59.9 - 61.3%	45.4 - 55.7%	81.2 - 99.9%
Risk-free interest rate	1.6 - 4.7%	— - 0.1%	0.1 - 0.2%
Expected term (years)	0.5	0.5	0.5

Stock-based compensation expense recognized in connection with stock options, restricted stock and the ESPP during the years ended December 31, 2022, 2021 and 2020 were as follows:

	Year Ended December 31,		
	2022	2021	2020
Cost of net revenue	\$ 809	\$ 904	\$ 1,146
Product development	19,686	16,384	13,244
Sales, marketing and support	8,302	5,627	4,778
General and administrative	24,559	24,608	21,047
Total	\$ 53,356	\$ 47,523	\$ 40,215

Stock-based compensation expense included in capitalized internal-use software development costs was \$0.7 million for the year ended December 31, 2022, and \$0.5 million and \$1.3 million for the years ended December 31, 2021 and 2020 respectively.

13. Net Loss Per Share

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. Diluted net loss per share is computed by giving effect to all potentially dilutive securities outstanding for the period. As the Company had net losses for the years ended December 31, 2022, 2021 and 2020, all potentially issuable shares of common stock were determined to be anti-dilutive.

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,		
	2022	2021	2020
Net loss	\$ (55,384)	\$ (139,080)	\$ (224,718)
Weighted-average shares used in computing net loss per share, basic and diluted	98,305	94,303	89,335
Net loss per share, basic and diluted	\$ (0.56)	\$ (1.47)	\$ (2.52)

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,		
	2022	2021	2020
Shares related to convertible senior notes	19,538	19,538	11,909
Stock options to purchase common stock	12,558	11,261	13,675
Restricted stock and restricted stock units	10,710	4,323	3,766
ESPP	150	83	66
Total shares of potentially dilutive securities	42,956	35,205	29,416

For the 2025 Notes and 2026 Notes, the conversion spread of 11.9 million shares and 7.6 million shares, respectively, will have a dilutive impact on diluted net income per share of common stock when the average market price of the Company's Class A common stock for a given period exceeds the conversion price of \$12.60 per share for the 2025 Notes and \$27.89 per share for the 2026 Notes.

14. Income Taxes

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

	Year Ended December 31,		
	2022	2021	2020
Domestic	\$ (50,659)	\$ (133,891)	\$ (217,874)
International	(4,599)	(3,761)	(6,924)
Total	\$ (55,258)	\$ (137,652)	\$ (224,798)

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

	Year Ended December 31,		
	2022	2021	2020
Current tax expense (benefit)			
Federal	\$ —	\$ (7)	\$ —
State	(118)	305	(56)
Foreign	353	713	159
Total current tax expense (benefit)	235	1,011	103
Deferred tax expense (benefit)			
Federal	329	234	316
State	322	118	112
Foreign	(760)	65	(611)
Total deferred tax expense (benefit)	(109)	417	(183)
Total income tax provision (benefit)	\$ 126	\$ 1,428	\$ (80)

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,		
	2022	2021	2020
Federal tax benefit at statutory rate	\$ (11,604)	\$ (28,906)	\$ (47,209)
State tax	204	422	56
Foreign rate differential	557	1,001	(153)
Non-deductible permanent items	23	38	268
Stock-based compensation	3,899	(7,055)	(1,550)
Tax credits	(956)	(882)	(382)
Change in valuation allowance	8,003	36,810	48,890
Total	\$ 126	\$ 1,428	\$ (80)

The Company has not provided U.S. income taxes or foreign withholding taxes on the undistributed earnings of its profitable foreign subsidiaries as of December 31, 2022 because it intends to permanently reinvest such earnings in foreign operations. If these foreign earnings were to be repatriated in the future, the related U.S. tax liability may be reduced by any foreign income taxes previously paid on these earnings.

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

	Year Ended December 31,	
	2022	2021
Deferred tax assets:		
Net operating losses	\$ 132,579	\$ 133,220
Capitalized research and development expenditures	15,969	—
Deferred interest	19,540	19,342
Stock-based compensation	16,541	12,642
Tax credit carry-forward	15,512	13,662
Accrual and reserves	9,300	15,928
Depreciation and amortization	2,019	3,377
Lease liability	1,368	2,232
Total deferred tax assets	212,828	200,403
Valuation allowance	(212,536)	(199,380)
Net deferred tax assets	292	1,023
Deferred tax liabilities:		
Depreciation and amortization	(952)	(1,053)
Right of use asset	(1,122)	(1,860)
Net deferred taxes	\$ (1,782)	\$ (1,890)

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, 2022 and 2021. The total valuation allowance recorded as of December 31, 2022 and 2021 was \$212.5 million and \$199.4 million respectively. Under the Tax Cuts and Jobs Act of 2017, research and development costs are no longer fully deductible and are required to be capitalized and amortized for U.S. tax purposes effective January 1, 2022. We have considered this requirement in computing our deferred tax assets in the table above.

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, 2022					
Deferred tax asset valuation allowance	\$ 199,380	13,131	25	—	\$ 212,536
Year ended December 31, 2021					
Deferred tax asset valuation allowance	\$ 148,011	62,508	(11,139)	—	\$ 199,380
Year ended December 31, 2020					
Deferred tax asset valuation allowance	\$ 104,298	55,533	(11,820)	—	\$ 148,011

As of December 31, 2022 and 2021, the Company has net operating loss carryforwards for federal income tax purposes of \$489.3 million and \$500.0 million, respectively, available to reduce future taxable income. The federal net operating loss carryforwards will begin to expire, if not utilized, in 2031. In addition, the Company has \$99.6 million and \$99.1 million of net operating loss carryforwards available to reduce future taxable income for California state income tax purposes for the years ended December 31, 2022 and 2021, respectively. The state net operating loss carryforwards will begin to expire, if not utilized, in 2025. 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, 2022 and 2021, the Company had foreign net operating loss carryforwards of \$13.1 million and \$13.0 million (tax-effected), respectively, which will expire at various dates beginning in 2023, if not utilized.

As of December 31, 2022 the Company had Federal and California Research and Development Credits of \$15.2 million and \$14.6 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, 2022 and 2021, 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 2023. As of December 31, 2022 and 2021, 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, 2022 and 2021, the Company had unrecognized tax benefits of \$15.1 million and \$13.3 million, respectively. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

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 unrecognized tax benefits for tax positions taken in prior year	7
Balance as of December 31, 2020	11,164
Gross amount of increases in unrecognized tax benefits for tax positions taken in current year	2,195
Gross amount of increases in unrecognized tax benefits for tax positions taken in prior year	23
Gross amount of decreases in unrecognized tax benefits for tax positions taken in prior year	(74)
Balance as of December 31, 2021	13,308
Gross amount of increases in unrecognized tax benefits for tax positions taken in current year	2,037
Gross amount of increases in unrecognized tax benefits for tax positions taken in prior year	47
Gross amount of decreases in unrecognized tax benefits for tax positions taken in prior year	(305)
Balance as of December 31, 2022	\$ 15,087

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, 2022, \$0.1 million of the Company's gross unrecognized tax benefits, if recognized, would affect the effective tax rate and, \$15.0 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. There were no interest and penalties accrued as of December 31, 2022 and 2021.

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 Argentina. 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,		
	2022	2021	2020
United States	\$ 194,529	\$ 142,683	\$ 73,350
International	66,398	44,451	32,656
Total net revenue	<u>\$ 260,927</u>	<u>\$ 187,134</u>	<u>\$ 106,006</u>

No individual country, included in International net revenue, represents more than 10% of the total consolidated net revenue for years ended December 31, 2022 and 2021. Except for the United Kingdom, no individual country, included in International net revenue, represents more than 10% of the total consolidated net revenue for the year ended December 31, 2021. 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.

16. Subsequent Events

The Company has evaluated events from December 31, 2022 through February 28, 2023, the date these financial statements were issued.

On February 27, 2023, the Board of Directors of the Company approved a restructuring plan (the "Plan") that is designed to reduce operating costs, drive efficiencies by consolidating development and support talent into regional hubs, and enable investment for potential long-term growth. The Plan eliminates approximately 8% of existing roles out of the Company's current workforce of 898 employees and relocates approximately 30% of remaining roles. The Plan also includes a real estate reduction to reflect the geographic distribution of the Company's employees as well as other cost-reduction measures. The Company expects to incur total costs associated with the Plan of \$12 - 20 million pre-tax, primarily future cash expenditures. The Company expects the majority of the employee termination costs to be incurred in the first quarter of 2023 and the relocation and transition related costs to be substantially incurred in the remainder of 2023.

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. Disclosure controls and procedures include controls and procedures designed to ensure 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.

Based on our evaluation, our principal executive officer and principal financial officer concluded that, as of December 31, 2022, our disclosure controls and procedures were not effective at the reasonable assurance level due to the material weakness in our internal control over financial reporting described below.

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, 2022 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 not effective as of December 31, 2022 based on those criteria due to the material weakness in our internal control over financial reporting described below.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

We identified a material weakness in our internal control over financial reporting, related to the lack of an effectively designed control activity over the presentation of unrealized foreign currency transaction gains and losses and effects of exchange rate changes on cash, cash equivalents and restricted cash within the consolidated statements of cash flows. The material weakness resulted in a restatement of the Company's previously filed consolidated financial statements as of and for each of the quarterly periods ended June 30, 2022 and September 30, 2022. The error resulted in a revision to the consolidated financial statements as of and for the year ended December 31, 2021, including the quarterly periods therein, as of and for the year ended December 31, 2020 and for the quarterly period ended March 31, 2022. The error had no effect on the consolidated statements of operations or consolidated balance sheet in the aforementioned periods. Additionally, the material weakness could result in a misstatement to the annual or interim consolidated statement of cash flows over the presentation of unrealized foreign currency transaction gains and losses and effects of exchange rate changes on cash, cash equivalents and restricted cash that would result in a material misstatement to the annual or interim consolidated statement of cash flows that would not be prevented or detected.

The effectiveness of our internal control over financial reporting as of December 31, 2022 has been audited by our independent registered public accounting firm, PricewaterhouseCoopers LLP. PricewaterhouseCoopers LLP has issued an adverse report on the effectiveness of our internal control over financial reporting as of December 31, 2022, which appears in Part II, Item 8 of this Annual Report on Form 10-K, and is incorporated herein by reference.

Remediation Plan

We are committed to maintaining a strong internal control environment. Our management, with oversight from our Audit Committee, has initiated a plan to remediate the material weakness. We plan to enhance the design of the control activity over the review of our consolidated statements of cash flows to ensure changes in the magnitude of foreign currency gains and losses due to increased volatility in foreign exchange rates are appropriately presented on the statement of cash flows. The material weakness cannot be considered remediated until after the applicable control operates for a sufficient period of time, and management has concluded, through testing, that the control is operating effectively.

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, 2022 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.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspection

Not applicable.

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, 2022 in connection with our 2023 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

Exhibit Number	Description of Exhibits	Incorporated by Reference		
		Form	Exhibit Number	Date Filed
3.2	Amended and Restated Certificate of Incorporation.	S-1/A	3.2	August 28, 2018
3.4	Second Amended and Restated Bylaws.	8-K	3.1	December 21, 2022
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
4.6	Indenture, dated as of March 11, 2021, between Eventbrite, Inc. and Wilmington Trust, National Association, as Trustee	8-K	4.1	March 11, 2021
4.7	Form of Note, representing the 0.750% Convertible Senior Notes due 2026 (included as Exhibit A to Exhibit 4.1)	8-K	4.1	March 11, 2021
10.1	Sublease Agreement, dated August 23, 2021, by and between Eventbrite, Inc. and Zillow Group, Inc.	8-K	10.1	August 26, 2021
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	Form of 2025 Capped Call Confirmation	8-K	10.1	June 15, 2020
10.4	Form of 2026 Capped Call Confirmation	8-K	4.1	March 11, 2021
10.5#	Senior Executive Cash Incentive Bonus Plan.	S-1	10.4	August 23, 2018
10.6#	Amended and Restated Non-Employee Director Compensation Policy	10-Q	10.1	July 28, 2022
10.7#	Eventbrite, Inc. (f/k/a Mollyguard Corporation) 2004 Stock Plan, as amended, and forms of agreements thereunder.	S-1	10.7	August 23, 2018
10.8#	Eventbrite, Inc. 2010 Stock Plan, as amended, and forms of agreements thereunder.	S-1/A	10.8	August 28, 2018

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10.9#	Eventbrite, Inc. 2018 Stock Option and Incentive Plan and forms of agreements thereunder.	10-K	10.9	March 7, 2019
10.10#	Amended and Restated Eventbrite, Inc. 2018 Employee Stock Purchase Plan.	10-Q	10.1	April 28, 2022
10.11#	Form of Indemnification Agreement, between the Registrant and each of its directors.	8-K	10.2	December 1, 2020
10.12#	Promotion Letter, dated April 21, 2016, between the Registrant and Julia Hartz.	S-1	10.13	August 23, 2018
10.13#	Offer Letter, dated November 30, 2005, between Mollyguard Corporation and Julia (Steen) Hartz.	S-1	10.14	August 23, 2018
10.14#	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
10.15#	Non-Employee Directors' Deferred Compensation Program.	S-1/A	10.23	September 7, 2018
10.16#	Offer Letter, dated July 2, 2020 by and between the Registrant and Vivek Sagi	10-K	10.14	March 1, 2021
10.17#	Offer Letter, dated August 7, 2019, by and between the Registrant and Charles Baker.	8-K	10.1	August, 8 2019
10.18#	Offer letter, dated November 18, 2020, between the Registrant and Xiaojing Fan	8-K	10.1	December 1, 2020
10.19#	Form of Performance Stock Unit Award Agreement - Financial performance	10-Q	10.2	July 28, 2022
10.20#	Form of Performance Stock Unit Award Agreement - Stock Price performance	10-Q	10.3	July 28, 2022
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.

February 28, 2023

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:

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<hr/> <i>/s/ Julia Hartz</i> Julia Hartz	Chief Executive Officer and Director (Principal Executive Officer)	February 28, 2023
<hr/> <i>/s/ Charles Baker</i> Charles Baker	Chief Financial Officer (Principal Financial Officer)	February 28, 2023
<hr/> <i>/s/ Xiaojing Fan</i> Xiaojing Fan	Chief Accounting Officer (Principal Accounting Officer)	February 28, 2023
<hr/> <i>/s/ Katherine August-deWilde</i> Katherine August-deWilde	Director	February 28, 2023
<hr/> <i>/s/ Kevin Hartz</i> Kevin Hartz	Chairman and Director	February 28, 2023
<hr/> <i>/s/ Jane Lauder</i> Jane Lauder	Director	February 28, 2023
<hr/> <i>/s/ Sean P. Moriarty</i> Sean P. Moriarty	Lead Independent Director	February 28, 2023
<hr/> <i>/s/ Helen Riley</i> Helen Riley	Director	February 28, 2023
<hr/> <i>/s/ Steffan C. Tomlinson</i> Steffan C. Tomlinson	Director	February 28, 2023
<hr/> <i>/s/ Naomi Wheelless</i> Naomi Wheelless	Director	February 28, 2023
<hr/> <i>/s/ April Underwood</i> April Underwood	Director	February 28, 2023

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

General

As of December 31, 2022, 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 second 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, second 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, 2022, 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.

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. Our board of directors is authorized, without stockholder approval except as required by the listing standards of the New York Stock Exchange (the “NYSE”) or our amended and restated certificate of incorporation, to issue additional shares of our capital 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 second 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 voting power of the shares, present in person or represented by proxy, at each annual meeting of our stockholders and entitled to vote on the election of directors, with the directors in the other classes continuing for the remainder of their respective three-year terms.

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 25, 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 20, 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 second 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 Second Amended and Restated Bylaw Provisions

Our amended and restated certificate of incorporation and our second 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 second 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 second 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 second amended and restated bylaws or remove directors without holding a meeting of our stockholders called in accordance with our second amended and restated bylaws. Our second 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 second 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 or at a special meeting of stockholders if the election of directors is a matter specified in the notice of such special meeting. Our second 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 or at a special meeting of stockholders if
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the election of directors is a matter specified in the notice of such special meeting, if the proper procedures are not followed.

- **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.
- **Exclusive Forum.** Our second amended and restated bylaws provide that the Court of Chancery of the State of Delaware (or, in the event that the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware or other state courts of the State of Delaware) be the sole and exclusive forum for: (i) any derivative action, suit or proceeding brought on our behalf; (ii) any action, suit or proceeding asserting a claim of breach of fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders; (iii) any action asserting a claim against us arising under the Delaware General Corporation Law; or (iv) any action asserting a claim against us that is governed by the internal affairs doctrine. Additionally, our second amended and restated bylaws provide that the federal district courts be the exclusive forum for the resolution of any complaint or cause of action arising under the Securities Act. The second amended and restated bylaws enable us to initiate an action against a stockholder to enforce the exclusive forum requirements should the stockholder sue, or threaten to sue, in another 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."

Subsidiaries of Registrant

<u>Name of Subsidiary</u>	<u>Jurisdiction of Organization</u>
Eventbrite Payment Processing (IE) Limited	Ireland
Eventbrite UK Limited	United Kingdom
Eventbrite International, Inc.	Delaware
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
Eventbrite NL BV	Netherlands
Eventbrite ES SL	Spain
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
Jordiparc S.A.	Uruguay
Eventbrite Brasil Gestao De Eventos Ltda	Brazil
Eventbrite Argentina S.A.	Argentina
Eventioz Chile SPA	Chile
Ticketea S.L.	Spain
Eventbrite Technologies India Private Limited	India

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-262862, 333-253706, 333-236842, 333-230141 and 333-227433) of Eventbrite, Inc. of our report dated February 28, 2023 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 Francisco, California
February 28, 2023

**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: February 28, 2023

/s/ Julia Hartz

Julia Hartz
Chief Executive Officer
(Principal Executive Officer)

**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: February 28, 2023

/s/ Charles Baker

Charles Baker
Chief Financial Officer
(Principal Financial Officer)

**Certifications of 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**

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Julia Hartz, Chief Executive Officer of Eventbrite, Inc. (the “Company”), and Charles Baker, Chief Financial Officer of the Company, each hereby certifies that, to the best of his or her knowledge:

1. The Company’s Annual Report on Form 10-K for the year ended December 31, 2022, to which this Certification is attached as Exhibit 32.1 (the “Annual Report”), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and
2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 28, 2023

/s/ Julia Hartz

Julia Hartz
Chief Executive Officer
(Principal Executive Officer)

/s/ Charles Baker

Charles Baker
Chief Financial Officer
(Principal Financial Officer)