

**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, 2019  
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)

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

Securities registered pursuant to Section 12(b) of the Act:		
Title of Each Class	Trading Symbol	Name of Exchange on Which Registered
Class A Common Stock, \$0.00001 par value per share	EB	New York Stock Exchange LLC

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

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

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

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

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

Large accelerated filer	<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 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 28, 2019 (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 \$773.8 million.

As of February 15, 2020, 62,678,001 shares of the registrant's Class A common stock and 23,666,083 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, 2019.

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**EVENTBRITE, INC.**  
ANNUAL REPORT ON FORM 10-K  
FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2019  
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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, and Section 21E of the Securities Exchange Act of 1934, as amended, 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 about our future financial performance, including our revenue, costs of revenue and operating expenses; our anticipated growth and growth strategies and our ability to effectively manage that growth; our ability to achieve and grow profitability; the sufficiency of our cash, cash equivalents and investments to meet our liquidity needs; our ability to maintain the security and availability of our platform; our predictions about industry and market trends; our ability to attract and retain creators; our ability to successfully expand internationally; our ability to maintain, protect and enhance our intellectual property; our ability to attract and retain qualified employees and key personnel; our ability to comply with modified or new laws and regulations applying to our business; our ability to successfully defend litigation brought against us; and the increased expenses associated with being a public company.

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.

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## PART I

### Item 1. Business

#### Overview

We founded Eventbrite to bring the world together through live experiences. We believe live experiences are fundamental to fulfilling a human desire to connect. Our Company serves creators—the people who bring others together to share their passions, artistry and causes through live experiences—and we empower their success.

We built a powerful, broad technology platform to enable creators to solve the challenges associated with creating live experiences. Our platform integrates components needed to seamlessly plan, promote and produce live events, thereby allowing creators to reduce friction and costs, increase reach and drive ticket sales. By reducing risk and complexity, we allow creators to focus their energy on producing compelling and successful events.

We succeed when our creators succeed. Our business model is simple: we charge creators on a per-ticket basis when an attendee purchases a paid ticket for an event. We grow with the creators as they plan, promote and produce more events and grow attendance. In 2019, we helped more than 949,000 creators issue approximately 309 million free and paid tickets to approximately 4.7 million events in over 180 countries.

Our platform meets the complex needs of creators through a modular and extensible design. It can be accessed from Eventbrite.com, our mobile apps and through other websites. This modularity facilitates product development and allows third-party developers to integrate features and functionality from Eventbrite into their environment. Our platform also allows developers to seamlessly integrate services from third-party partners such as Salesforce, Facebook and HubSpot. Importantly, we have designed our platform to produce consistent and reliable performance, and to handle both surges in traffic and transaction volume associated with high-demand on-sales and the load associated with supporting millions of events each year. This approach gives creators a platform that can scale to their needs, offering everything from basic registration and ticketing to a fully-featured event management platform.

This platform 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. We attract creators to our platform through multiple means, including prior experience as attendees, word of mouth from other creators, in search engine results, the ability to try our platform through free events and our library of content. More than 98% of creators who used our platform in 2019 signed themselves up for Eventbrite, and in 2019, we derived 51% of our net revenue from these creators. We augment this model with a highly-targeted sales team that focuses on acquiring creators with events in specific categories or countries. Substantially all of our creators create and manage events without the need for human service or support.

#### Our Growth Strategy

We plan to strategically grow our business by attracting new creators to our event enablement platform and retaining creators as they succeed. We design our platform to serve the needs of creators first with the goal of providing creators with an efficient, easy to use and reliable technology platform to plan, promote and manage live events. To reach new creators, we plan to capitalize on creators' experiences as attendees, word of mouth from other creators, our prominence across the live events landscape and our presence in search engine results, as well as targeted marketing and outbound sales. To attract and retain creators to use our platform, we provide the ability to use our platform for free events and access our library of content, add capabilities to better serve specific event categories and countries, introduce complementary offerings to augment creator revenue and selectively acquire businesses focused on serving creators.

#### Our Technology Platform

We have a versatile platform that can support the needs of a wide variety of event creators. Our platform features a broad assortment of event planning and management capabilities with a simple user interface. The vast majority of creators are able to use our platform in a self-service manner without training, support or professional services, which reduces the time and effort necessary to produce live experiences.

Our platform’s cloud-based architecture supports a modular and extensible design that facilitates product development and innovation by our internal development teams, our external partners and a broad developer ecosystem. We strive to maintain consistent platform performance and site uptime in spite of significant variations in the load placed upon our platform at different points in time. As a result, our platform’s transactional capabilities are reliable and scalable. Further, our platform analytics and insights allow creators to make real-time decisions that directly impact attendance, revenue, profitability, the attendee experience and operational efficiency for the creator.

We invest substantial resources in product development to enhance our platform and develop new products and features. In 2019, 2018 and 2017, product development expenses were 19.6%, 15.8% and 15.2% of net revenue, respectively.

#### **Packages**

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

#### **Our People**

Our mission is to bring the world together through live experiences, and we like to think about working at Eventbrite as the ultimate live experience, which we refer to as the “Briteling Experience.”

We support a global workforce, with 12 offices in 10 countries, serving creators across the world. We maintain operations in the United States, Argentina, Australia, Brazil, Canada, Germany, Ireland, the Netherlands, Spain and the United Kingdom.

As of December 31, 2019, we had a total of 1,140 employees, of which 1,111 were full-time employees and 29% of our total employees were located at our headquarters in San Francisco, California.

#### **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 two broad groups: event management software vendors, who are typically dedicated to a particular category of events in a limited number of countries, and smaller niche or regional providers, who are typically smaller in scale and have limited technology and feature functionality.

#### **Intellectual Property**

We protect our intellectual property through a combination of trademarks, domain names, copyrights, trade secrets and patents, as well as contractual provisions and restrictions governing access to our proprietary technology.

We registered “Eventbrite” as a trademark in the United States, Australia, Argentina, Brazil, Canada, China, the European Union, Germany, Ireland, the Netherlands, Mexico, Spain, the United Kingdom and certain other jurisdictions. We also have filed other trademark applications in the United States, Argentina, Australia, Brazil, Canada, Germany, Ireland, the Netherlands, Spain, the United Kingdom and certain other jurisdictions, and will pursue additional trademark registrations to the extent we believe it would be beneficial and cost effective.

As of December 31, 2019, we had 13 issued patents, which expire between 2031 and 2032, and two patent applications pending in the United States. These patents and patent applications seek to protect proprietary inventions relevant to our business. We intend to pursue additional patent protection to the extent we believe it would be beneficial and cost effective.

We are the registered holder of a variety of domain names that include “Eventbrite” and similar variations.

## **Regulatory**

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 16 of our Notes to Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

## **Corporate Information**

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

## **Additional Information**

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

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

## Item 1A. Risk Factors

*A description of the risks and uncertainties associated with our business is set forth below. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Annual Report on Form 10-K, including the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes. The risks and uncertainties described below may not be the only ones we face. If any of the risks actually occur, our business, results of operations, financial condition and prospects could be harmed. In that event, the market price of our Class A common stock could decline, and you could lose part or all of your investment.*

### Risks Related to Our Business and Industry

#### ***Our continued growth depends on our ability to attract new creators and retain existing creators.***

Our success depends on our ability to attract new creators and retain existing creators. We may fail to attract new creators and retain existing creators due to a number of factors outlined in this section, including:

- our ability to maintain and continually enhance our platform and provide services that are valuable and helpful to creators, including helping them to attract and retain attendees;
- competitive factors, including the actions of new and existing competitors in our industry, such as competitors buying exclusive ticketing rights or entering into or expanding within the market in which we operate;
- our ability to convince creators to migrate to our platform from their current practices, which include online ticketing platforms, venue box offices and do-it-yourself spreadsheets and forms;
- changes in our relationships with third parties, including our partners, developers and payment processors, that make our platform less effective for and attractive to creators;
- the quality and availability of key payment and payout methods;
- our ability to manage fraud risk that negatively impacts creators; and
- our ability to adapt to changes in market practices or economic incentives for creators, including larger or more frequent signing fees.

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

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

We incurred net losses of \$68.8 million, \$64.1 million and \$38.5 million in 2019, 2018 and 2017, respectively. Our net revenues were \$326.8 million, \$291.6 million and \$201.6 million in 2019, 2018 and 2017, respectively. This represents a 12.1% growth rate from 2018 to 2019 and a 44.7% growth rate from 2017 to 2018. We expect that our revenue growth rate will fluctuate and may decline in the future as a result of a variety of factors, including a reduction in revenue contributed from acquisitions in a particular period. You should not rely on the revenue growth of any prior quarterly or annual period as an indication of our future performance. We also expect our costs to increase in future periods as we continue to expend substantial financial resources on technology infrastructure, product and services development and enhancement, international expansion and localization efforts, business development and acquisitions, sales and marketing and general administration, including legal and accounting expenses. These investments may not result in increased revenue or growth in our business. If we are unable to maintain adequate revenue growth and to manage our expenses effectively, we may incur significant losses in the future and may not be able to achieve and maintain profitability. As a result, we may continue to generate losses and we cannot assure you that we will achieve profitability in the future or that, if we do become profitable, we will be able to maintain profitability.

#### ***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.

Our business depends on discretionary consumer and corporate spending. During periods of economic slowdown and recession, consumers have historically reduced their discretionary spending. The impact of economic slowdowns on our business is difficult to predict, but they may result in reductions in ticket and registration sales and our ability to generate revenue. Many factors related to discretionary consumer and corporate spending, including employment, fuel prices, interest and tax rates and inflation, can adversely impact our results of operations.

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

The recent outbreak of the coronavirus in China has spread to other countries, including the United States, and efforts to contain the spread of this coronavirus have intensified. The outbreak and any preventative or protective actions that governments, other third parties or we may take in respect of the coronavirus may result in a period of business disruption and reduced operations. A number of major events and conferences have been cancelled due to the coronavirus, and increased numbers of live event cancellations and reduced attendance rates at live events are likely to occur. We are seeing early evidence of event cancellations on the Eventbrite platform. The extent to which the coronavirus impacts our results will depend on future developments, including new information which may emerge concerning the severity of the coronavirus and the actions to contain the coronavirus or treat its impact, among others.

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

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

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

Our ability to attract and retain creators depends in large part on our ability to provide a user-friendly and effective platform, develop and improve our platform and introduce compelling new solutions and enhancements. Our industry is characterized by rapidly changing technology, new service and product introductions and changing demands of creators. We spend substantial time and resources understanding creators' needs and responding to them. Building new solutions is costly and complex, and the timetable for commercial release is difficult to predict and may vary from our historical experience. In addition, after development, creators may not be satisfied with our enhancements or perceive that the enhancements do not adequately meet their needs. The success of any new solution or enhancement to our platform depends on several factors, including timely completion and delivery, competitive pricing, adequate quality testing, integration with our platform, creator awareness and overall market acceptance and adoption. If we do not continue to maintain and improve our platform or develop successful new solutions and enhancements or improve existing ones, our business, results of operations and financial condition could be harmed.

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

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

or would otherwise protect us from liabilities or damages with respect to any particular claim. Even if unsuccessful, a claim brought against us by any creators would likely be time-consuming and costly to defend and could harm our business, results of operations and financial condition.

***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 October 2019, our homepage experienced an outage for approximately 6.4 hours which did not have a material impact on the Company but which may have reduced 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 terminated by AWS or us. AWS may terminate the agreement by providing 30 days' prior written notice and may, in some cases, terminate the agreement immediately for cause upon notice. In the event that our AWS service agreements are terminated, or there is a lapse of service, interruption of Internet service provider connectivity or damage to such facilities, we could experience interruptions in access to our platform as well as delays and additional expense in arranging new facilities and services. For example, we previously experienced interruptions in performance of our platform because of a hardware error that AWS experienced. We may also incur significant costs for using an alternative cloud infrastructure provider or taking other actions in preparation for, or in reaction to, events that damage the AWS services we use.

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

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

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

***We may pay up front creator signing fees and creator advances to certain creators when entering into exclusive ticketing or services agreements and if these arrangements do not perform as we expect, our business, results of operations and financial condition may be harmed.***

We may pay one-time, up front non-recoupable or recoupable 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. These payments are common practice in certain segments of the ticketing industry and are typically made to a creator upon entering into a multi-year exclusive ticketing or service contract with us. The multi-year exclusive arrangements that we entered into between 2014 and 2019 had an average term of 37 months and were typically for exclusive ticketing rights. A creator who receives a non-recoupable fee, which we refer to as creator signing fees, net, keeps the entire signing fee, so long as the creator complies with the terms of the creator's contract with us, including performance of an event. If a creator does not comply with the terms of the contract or perform an event, generally the creator is obligated to repay the fees to us. Creator signing fees, net, including noncurrent balances, were \$26.3 million and \$17.0 million as of December 31, 2019 and 2018, respectively, and, as of December 31, 2019, these payments are being amortized over a weighted-average remaining life of 3.5 years on a straight-line basis.

For recoupable fees, which we refer to as creator advances, we are entitled to recoup the entire advance by withholding all or a portion of the ticket sales sold by the creator to whom the advance was previously paid. Creator advances, net, including noncurrent balances, were \$23.2 million and \$23.1 million as of December 31, 2019 and 2018, respectively. We pay these advances based on the expectations of future ticket sales on our platform by such creators. We make the decision to make these payments based on our assessment of the past success of the creator, past event data, future events the creator is producing and other financial information. We include commercial and legal protections in our contracts that may include signing fees, 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, our return on these advances will not be realized and our business, results of operations and financial condition could be harmed.

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

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

We also may experience reversals of payments received by us from payment card networks (known as chargebacks) and losses as a result of advance payment of ticket fees to creators, on whose behalf we collect and process payments of ticket fees. Under our standard terms for creators using Eventbrite Payment Processing (EPP), Eventbrite settles the creator's share of ticket sales to the creator within five business days after the successful completion of the creator's event. However, we face increasing requests from creators to settle some or most of their event funds prior to completion of their events because creators need these funds to pay for event related costs such as the venue, marketing, talent and vendors. For qualified creators who apply for such payments, we pass proceeds from ticket sales to the creators prior to the event as we receive the ticket proceeds, subject to certain limitations. We refer to these payments as advance payouts. In 2019, approximately 18% of creators received advance payouts. When we provide advance payouts, we assume some risk that the event may be cancelled, fraudulent, materially not as described or removed from our platform due to its failure to comply with our terms of service or merchant agreement, resulting in significant chargebacks, refund requests and/or disputes between attendees and creators. The terms of our standard merchant agreement obligate creators to repay us for ticket sales advanced under such circumstances. However, we may not be able to recover our losses from these events, and such unrecoverable amounts could equal up to the value of the transaction or transactions settled to the creator prior to the event that is disputed. This amount could be many multiples of the fees we collect from such transaction. For example, in July 2019, an event creator cancelled an event for which we provided ticketing and payment processing services. While not legally obligated, we issued refunds to ticket holders for the face value of tickets totaling \$4.0 million. We have filed complaints against the creator and its investors for, among other things, breach of the creator's written contract with us. We cannot predict the outcome of or estimate the possible recovery or range of recovery from these matters, and we may not be able to recover our losses related to the refunds we made to consumers.

In the case of failure of an entire event or series of events, the volume of transactions charged back or disputed could have an adverse impact on our financial position. We have established processes and risk mitigation measures around advance payouts. However, these advance payouts pose a challenging financial risk, and our standard fraud and risk controls may be ineffective in addressing this risk. Furthermore, we must also strike a balance between these protective measures and the needs

of creators for access to their ticket sales proceeds through a convenient and easy process, which many of our competitors provide. If these measures do not succeed, or if we fail to strike the right balance between protective measures and creator needs, our business, results of operations and financial condition may be harmed.

The total write-off from all lost advance payouts and other chargebacks was \$13.0 million, \$6.1 million and \$3.6 million for the years ended December 31, 2019, 2018 and 2017, respectively. Our failure to manage the risk of advance payouts to creators and to mitigate chargebacks and disputes due to fraud of a creator or otherwise or to recover the resulting losses from creators could harm our business, results of operations and financial condition.

***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. For example, since 2015, we have acquired eight companies, including ticketscript and Ticketfly in 2017 and Ticketea and Picatic in 2018. 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, unfavorable accounting treatment, increases in taxes due, a loss of anticipated tax benefits, costs or delays to obtain governmental approvals, diversion of management's attention or other resources from our existing business and other adverse effects on our business, results of operations or financial condition.

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

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

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

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



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

We partner with third-party vendors to support EPP. In September 2017, we announced a partnership with Square where Square would become our primary online payment processing partner for EPP in the United States, Canada, Australia, the United Kingdom as well as any new territories Square entered into over time. Square was also intended to become our exclusive payment processing partner for all of our point-of-sale solutions in those same territories. In November 2019, we decided to reevaluate the scope of our partnership with Square, and our contract with Square was terminated in January 2020. We plan to continue working with our other third-party vendors who support EPP, and we may in the future enter into another payment processing partnership. Our costs for payment processing may increase with a new partner due to higher direct costs of development and implementation and fee structure.

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

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

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

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

***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. 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:

- creator acquisition and retention;
- new solution introductions and expansions, or challenges with introduction;
- acquisition of companies and the success, or lack thereof, of migration of such companies’ creators;
- changes in pricing or packages;
- the development and introduction of new products or services by us or our competitors;
- increases in operating expenses that we may incur to grow and expand our operations and to remain competitive;
- system failures or breaches of security or privacy;
- changes in stock-based compensation expenses;
- adverse litigation judgments, settlements or other litigation-related costs;
- changes in the legislative or regulatory environment, including with respect to privacy or data protection, or enforcement by government regulators, including fines, orders or consent decrees;
- fluctuations in currency exchange rates and changes in the proportion of our revenue and expenses denominated in foreign currencies;
- fluctuations in the market values of our portfolio investments and interest rates;
- changes in our effective tax rate;
- announcements by competitors or other third parties of significant new products or acquisitions or entrance into certain markets;
- our ability to make accurate accounting estimates and appropriately recognize revenue for our solutions for which there are no relevant comparable products;
- changes in accounting standards, policies, guidance, interpretations, or principles; and
- changes in business or macroeconomic conditions.

In addition, we experience more cash flow generally in the first and third quarters of a fiscal year, and 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 negatively impact our ability to execute on our strategy, which in turn could 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. In addition to unauthorized access to or acquisition of personal data, confidential information, intellectual property or other sensitive information, such attacks could include the deployment of harmful malware and ransomware, and may use a variety of methods, including denial-of-service attacks, social engineering and other means, to attain such unauthorized access or acquisition or otherwise affect service reliability and threaten the confidentiality, integrity and availability of information. Furthermore, the prevalent use of mobile devices increases the risk of data security incidents. In addition, misplaced, stolen or compromised mobile devices used at events for ticket scanning, or otherwise, could lead to unauthorized access to the device and data stored on or accessible through such device. We have in the past experienced breaches of our security measures, and our platform and systems are at risk for future breaches as a result of third-party action or employee, service provider, partner or contractor error or malfeasance. For example, in June 2018, we publicly announced that a criminal was able to penetrate the Ticketfly website and access certain consumer data, including names, email addresses, shipping addresses, billing addresses and phone numbers. For a short time, we disabled the Ticketfly platform to contain the risk of the cyber incident, which disabled ticket sales through Ticketfly during that period. We have incurred costs related to responding to and remediating this incident and have suffered a loss of revenue for the period during which the Ticketfly platform was disabled. In the year ended December 31, 2018, we recorded \$7.0 million for costs associated with this incident, of which \$6.7 million was recorded as a reduction to net revenue and \$0.3 million was recorded as an operating expense. We also recorded \$6.6 million related to insurance proceeds to be received from the Ticketfly incident as a reduction in general and administrative expenses in the year ended December 31, 2018. Such proceeds were a partial reimbursement for accommodations to creators which were recorded as contra revenue. This cyber incident delayed the completion of the integration of Ticketfly, which resulted in extended customer migration time and slower realization of synergies. We may be subject to litigation and experience reputational harm, and have been subject to claims and suffered customer loss, related to this incident. In the future, our financial performance may be impacted further if we face additional costs and expenses from customer compensation and retention incentives, creator loss, regulatory inquiries, litigation and further remediation and upgrades to our security infrastructure. Although we have insurance coverage, our policy may not cover all financial expenses related to this matter.

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

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

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

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

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

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

We receive, transmit and store a large volume of personal data and other user data. Numerous federal, state and international laws address privacy, data protection and the collection, storing, sharing, use, disclosure and protection of personal data and other user data. Numerous states already have, and are looking to expand, data protection legislation requiring companies like ours to consider solutions to meet differing needs and expectations of creators and attendees. For example, California enacted the California Consumer Privacy Act (CCPA), which took effect on January 1, 2020. The CCPA establishes a new privacy framework for covered businesses such as ours, and may require us to modify our data processing practices and policies and incur compliance related costs and expenses. The CCPA provides new and enhanced data privacy rights to California residents, such as affording consumers the right to opt out of certain sales of personal information and prohibits covered businesses from discriminating against consumers (e.g., charging more for services) for exercising any of their CCPA rights. The CCPA provides for potentially severe statutory penalties, and a private right of action for data breaches resulting from a failure to implement reasonable security procedures and practices. Some observers have noted that the CCPA could mark the beginning of a trend toward more stringent privacy legislation in the United States, which could increase our potential liability and adversely affect our business. Moreover, the state of Nevada recently enacted a law that went into force on October 1, 2019 and requires companies to honor consumers' requests to no longer sell their data. Violators may be subject to injunctions and civil penalties of up to \$5,000 per violation.

Outside the United States, personal data and other user data is increasingly subject to legislation and regulations in numerous jurisdictions around the world, the intent of which is to protect the privacy of information that is collected, processed and transmitted in or from the governing jurisdiction. Foreign data protection, privacy, information security, user protection and other laws and regulations are often more restrictive than those in the United States. In particular, the European Union and its member states traditionally have taken broader views as to types of data that are subject to privacy and data protection laws and regulations, and have imposed greater legal obligations on companies in this regard. For example, the European General Data Protection Regulation (GDPR) became effective May 25, 2018. The GDPR applies to any company established in the European Union as well as to those outside the European Union if they collect and use personal data in connection with the offering of goods or services to individuals in the European Union 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. Non-compliance with the GDPR may result in monetary penalties of up to €20 million or 4% of annual worldwide revenue, whichever is higher. 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, the Brazilian General Data Protection Law will impose requirements similar to GDPR on products and services offered to users in Brazil, effective in August 2020. 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.

We rely on a variety of safeguards to transfer certain personal information outside of the European Economic Area, including the EU-U.S. Privacy Shield Framework (Privacy Shield) and the EU Standard Contractual Clauses (SCCs). Both the Privacy Shield and SCCs are the subject of legal challenges in European courts and may face additional challenges in the future, and the absence of successor safeguards for continued data transfer could require us to create duplicative, and potentially expensive, information technology infrastructure and business operations in Europe or limit our ability to collect and use personal information collected in Europe. In addition, the EU Commission has proposed a new ePrivacy Regulation that would address various matters, including provisions specifically aimed at the use of cookies to identify an individual's online behavior, and any such ePrivacy Regulation may provide for new compliance obligations and significant penalties. Any of these changes to EU data protection law or its interpretation could disrupt and harm our business.

Further, following the withdrawal of the United Kingdom from the European Union on January 31, 2020, we have to comply with the GDPR and separately the GDPR as implemented in the United Kingdom, each regime having the ability to fine up to the greater of €20 million/ £17 million or 4% of global turnover. The relationship between the United Kingdom and the European Union in relation to certain aspects of data protection law remains unclear, including how data transfers between European Union member states and the United Kingdom will be treated. These changes may lead to additional compliance costs and could increase our overall risk.

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

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

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

***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 such as Live Nation Entertainment subsidiaries Front Gate Tickets, TicketWeb and Universe. 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, 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, Google and Twitter, may be successful in adding a product in this space. These competitors may be better able to undertake more extensive marketing campaigns 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.

***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. Certain jurisdictions have enacted laws which became effective in 2018 and 2019 or will become effective later 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 states 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.

***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; 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. For example, a court in Brazil found us to be liable for monetary damages because an event creator held an event without the proper fire department permit. Although the liability amount is not material and we are appealing the decision, the Brazilian court's decision may impact our business model in Brazil and could result in harm to our brand and credibility in Brazil.

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, 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 becomes incompatible with our platform or the use of our platform and solutions on such third-party platforms are restricted in the future, our business will be harmed.

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

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

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

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



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

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

We also rely on application marketplaces, such as Apple's App Store and Google's Play, to drive downloads of our applications. Such marketplaces have in the past 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. Similarly, if problems arise in our relationships with providers of application marketplaces, traffic to our site and our user growth could be harmed.

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

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

We face significant competition for personnel, particularly in the San Francisco Bay Area where our headquarters is located. To attract top talent, we have had to offer, and believe we will need to continue to offer, competitive compensation and benefits packages. We may also need to increase our employee compensation levels in response to competition. We may not be able to hire new employees quickly enough to meet our needs. If we fail to effectively manage our hiring needs or successfully integrate new hires, including our recently hired management team members, our efficiency, ability to meet forecasts and our employee morale, productivity and retention could suffer, which may harm our business.

***Our corporate culture has contributed to our success, and if we cannot maintain this culture as we grow, 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. Most of our employees have been with us for fewer than three years as a result of our rapid growth. As we continue to grow, we must effectively integrate, develop and motivate a growing number of new employees. As a result, we may find it difficult to maintain our corporate culture, which could limit our ability to innovate and operate effectively. 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.

***If we fail to manage our growth effectively, our business, results of operations and financial condition could be harmed.***

We have experienced, and may continue to experience, rapid growth, including in new international markets or through acquisitions. As our operations have expanded, the number of Eventbrite employees has increased from 855 on December 31, 2017 to 1,113 on December 31, 2019 and we expect to add more employees in the future. Properly managing our growth will require us to continue to hire, train and manage qualified employees and staff, including engineers, operations personnel, financial and accounting staff and sales and marketing staff. If our new hires perform poorly, if we are unsuccessful in hiring, training, managing and integrating these new employees and staff or if we are not successful in retaining our existing employees and staff, our business, results of operations and financial condition could be harmed. This expansion also increases the complexity of our business and places significant strain on our management, personnel, operations, culture, systems, technical performance, financial resources and internal financial control and reporting functions. We may not be able to manage growth effectively, which could damage our reputation, limit our growth and harm our business, results of operations and financial condition.

***We may further expand into markets outside of the United States and if we do not manage the risks of international expansion effectively, our business, results of operations and financial condition could be harmed. Furthermore, our expansion into jurisdictions where we have limited operating experience may subject us to increased business and economic risks that could harm our business and our results of operations.***

In 2019, 2018 and 2017, we derived 27.5%, 27.4% and 30.0%, respectively, of our net revenue from outside of the United States. Outside the United States, we currently have 12 offices, including offices in the United Kingdom, Ireland, Spain, Germany, the Netherlands, Australia, Argentina and Brazil. We have concentrated engineering and business development teams in Argentina, Spain and Vancouver. Our international operations and results are subject to a number of risks, including:

- currency exchange restrictions or costs and exchange rate fluctuations, particularly in Argentina, and the risks and costs inherent in hedging such exposures;
- new and modified laws and regulations regarding data privacy, data protection, ticketing and information security;
- exposure to local economic or political instability, threatened or actual acts of terrorism and violence and changes in the rights of individuals to assemble;
- exposure to regional public health concerns and epidemics, such as the recent outbreak of the coronavirus in China and which has spread to other countries;
- 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, future expansion efforts into new countries may not be successful. Our international expansion has placed, and any future international growth may increasingly place, a significant strain on our management, customer service, product development, sales and marketing, administrative, financial and other resources. We cannot be certain that the investment and additional resources required in expanding our international operations will be successful or produce desired levels of revenue or profitability in a timely manner, or at all. Furthermore, certain international markets in which we operate have lower margins than more mature markets, which could have a negative impact on our margins as our revenue from these markets grows over time.

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

***Our rapid growth makes it difficult to evaluate our future prospects and may increase the risk that we will not continue to grow at or near historical rates.***

We have grown rapidly over the last several years, and as a result, our ability to forecast our future results of operations is subject to a number of uncertainties, including our ability to effectively plan for and model future growth. We have encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies in rapidly changing industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our business, results of operations and financial condition could be harmed.

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

In September 2017, we launched pricing package options for creators based on the features required, service level desired and budget. We assess our pricing packages based on prior experience, feedback from creators and data insights, and we periodically adjust the price of our packages. Creators' price sensitivity may vary by location, and as we expand into different countries, our pricing packages may not enable us to compete effectively in these countries. In addition, if our platform or services change, then we may need to, or choose to, revise our pricing. Such changes to our pricing model or our ability to efficiently price our packages and solution could harm our business, results of operations and financial condition and impact our ability to predict our future performance.

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

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

- our ability to provide an easy solution for attendees to buy tickets or register for an event;
- outages or delays in our platform and other services, including delays in getting into events;
- compatibility with other third-party services, such as Facebook and Spotify, and our ability to connect with other applications through our 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
- quality of our customer service and our ability to 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.

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

A significant number of our employees, including engineering and sales and marketing employees, are located in Argentina and Brazil, and therefore, a portion of our operating expenses are denominated in Argentine pesos and Brazilian real. As of December 31, 2019, we had a total of 186 employees located in Argentina and Brazil, of which 87 are engineers. If the Argentine peso or Brazilian real strengthens against the U.S. dollar, it could have a negative impact on our results of operations as it would increase our operating expenses. Our business activities in Argentina and Brazil also subject us to risks associated with changes in and interpretations of Argentine and Brazilian law, including laws related to employment, the protection and ownership of intellectual property and U.S. ownership of Argentine and Brazilian operations. Furthermore, if we had to scale down or close our Argentine or Brazilian 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 and Brazilian governments have historically exercised significant influence over their country's economy. For example, on September 1, 2019, the Argentine government enacted foreign exchange currency controls. These controls include restrictions on Argentine citizens and Argentinian companies' abilities to purchase U.S. dollars, transfer money to foreign accounts and make payments of dividends or payments for services by related parties without permission from the Argentine government. These controls could harm our business by making it more difficult to fund our operations in Argentina, including cash compensation programs for our employees based there. For example, we are currently unable to offer our Employee Stock Purchase Plan (ESPP) program to our employees in Argentina. In addition, it is possible that the Argentine government may, in the future, impose additional controls on the foreign exchange market and on capital flows from and into Argentina, in response to capital flight or depreciation of the Argentine peso. These restrictions may have a negative effect on the economy and harm our business if imposed in an economic environment where access to local capital is constrained. Brazil's political environment has historically influenced, and continues to influence, the performance of the country's economy. Political crises have affected and continue to affect the confidence of investors and the general public, and have historically resulted in economic deceleration. In recent years, there has been significant political turmoil in Brazil. We cannot predict which policies the new President of Brazil may adopt or change during his mandate or the effect that any such policies might have on our business and on the Brazilian economy. Any such new policies or changes to current policies may harm our operations in Brazil.

Additionally, these countries' economies as well as legal and regulatory frameworks have at times suffered radical changes, due to significant political influence and uncertainties. In the past, government policies in Argentina included expropriation, nationalization, forced renegotiation or modification of existing contracts, suspension of the enforcement of creditors' rights, new taxation policies, including royalty and tax increases and retroactive tax claims, and/or changes in laws and policies affecting foreign trade and investment. Such policies could destabilize the country and adversely affect our business and operating expenses. In Brazil, the economy has been characterized by significant involvement on the part of the Brazilian government, which often changes monetary, credit and other policies to influence Brazil's economy. The Brazilian government's actions to control inflation and affect other policies have often involved wage and price controls, the Central Bank's base interest rates, as well as other measures.

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

Doing business in Argentina and Brazil poses additional challenges, such as finding and retaining qualified employees, particularly management-level employees, navigating local bureaucracy and infrastructure-related issues and identifying and retaining qualified service providers, among other risks. Specifically, the operating environment in Argentina continues to be a challenging business environment, including the continuing significant devaluation of Argentina's currency, high inflation and economic recession. Furthermore, despite recent enactments of local anti-corruption and anti-bribery legislation in a number of developing markets such as Argentina and Brazil, it may still be more common than in the United States for others to engage in business practices prohibited by laws and regulations applicable to us, such as the U.S. Foreign Corrupt Practices Act, U.K. Bribery Act or similar local anti-bribery laws. For example, the Argentine Government announced a large-scale corruption investigation in Argentina in August 2018. The investigation relates to payments over the past decade to government officials from businesses who had been awarded large government contracts. Depending on the results of such investigations and the time it takes to conclude them, they could affect the investment levels in infrastructure in Argentina, as well as the continuation, development and completion of public works, which could ultimately lead to lower growth in the Argentine economy. In turn, the decrease in investors' confidence, among other factors, could have a significant adverse impact on the development of the Argentine economy, which could harm our business, results of operations and financial condition. Our commitment to legal compliance could put us at a competitive disadvantage, and any lapses in our compliance could subject us to civil and criminal penalties that could harm our business, results of operations and financial condition.

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

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

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

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

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

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

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

***We 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 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, we may provide resources regarding event safety, or may provide onsite personnel to support ticketing at an event. In such instances, if an injury occurs at an event, we may face legal claims or additional liability related to our provision of such services, which may harm our business, results of operations and financial condition.

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

Our business and results of operations may be affected by the outcome of pending and future litigation, claims, investigations, legal and administrative cases and proceedings, whether civil or criminal, or lawsuits by governmental agencies or private parties. For example, beginning on April 15, 2019, purported stockholders of our company filed putative securities class action against Eventbrite, certain of our executives and directors, and our underwriters for our initial public offering (IPO), on behalf of a putative class of persons who purchased or acquired Eventbrite securities traceable to our IPO and/or who purchased or acquired Eventbrite securities between September 20, 2018 and May 1, 2019, inclusive. These actions allege violations of the Securities Act of 1933 and the Securities Exchange Act of 1934 (Exchange Act) based on alleged material misrepresentations and/or omissions in our IPO offering documents and subsequent statements. The actions seek unspecified monetary damages and other relief. Regardless of whether or not there is merit to the claims underlying this class action, any similar future litigation, or any other legal proceedings to which we are subject, and regardless of whether or not we are found as a result of such proceedings to have violated any applicable laws, such proceedings can be expensive to defend or respond to, and could result in substantial costs and diversion of management's attention and resources, which could harm our business, and potentially could cause substantial and irreparable harm to our public reputation. Moreover, if the results or settlement of these legal proceedings are unfavorable to us or if we are unable to successfully defend against third-party lawsuits, we may be required to pay monetary damages or may be subject to fines, penalties, injunctions or other censure that could have an adverse effect on our business, results of operations, financial condition and reputation. Further, our liability insurance coverage may not be sufficient to satisfy, or may not cover, any expenses or liabilities that may arise. Even if we adequately address the issues raised by an investigation or proceeding or successfully defend a third-party lawsuit or counterclaim, we may have to devote significant financial and management resources to address these issues, which could harm our business, results of operations and financial condition.

***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.

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

Following a national referendum and enactment of legislation by the government of the United Kingdom, the United Kingdom formally withdrew from the European Union on January 31, 2020 and entered into a transition period during which it will continue its ongoing and complex negotiations with the European Union relating to the future trading relationship between the parties. Significant political and economic uncertainty remains about whether the terms of the relationship will differ materially from the terms before withdrawal, as well as about the possibility that a so-called "no deal" separation will occur if negotiations are not completed by the end of the transition period. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict access to capital, which could have a material adverse effect on our business, financial condition and results of operations.

***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.***

Economic and trade sanctions programs (Sanctions) that are administered by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) prohibit or restrict transactions and dealings involving specified countries, their governments, and certain individuals and entities, including those that are specially designated sanctions targets, majority-owned by the same, narcotics traffickers and terrorists or terrorist organizations. 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. While we have policies and procedures reasonably designed to ensure compliance with these Sanctions, due to technical and other challenges including the absence or reliability of certain identifying information, involved in preventing unauthorized access to Internet-based services, from time to time certain of our services have been and may be provided to users in countries or territories that are the target of comprehensive Sanctions (currently, Cuba, Iran, North Korea and Syria, and the Crimea region of Ukraine; each a Sanctioned Country) or which are the subject of targeted Sanctions (Specially Designated Nationals) in violation of Sanctions.

We endeavor to conduct our business in compliance with Sanctions. The development, implementation and maintenance of protective policies and procedures may be time-consuming or result in the delay or loss of sales opportunities or impose other costs. Further, we cannot guarantee these measures will be fully effective in deterring unlawful activity on our platform. Violations of Sanctions may expose us to negative legal consequences, including the imposition of civil penalties of up to \$302,584 per violation for most sanctions programs, or twice the value of the underlying transaction, or criminal penalties of up to \$1,000,000 per violation (and/or possible imprisonment for individual actors). Reputational harm and government investigations may also result.

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 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.

***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 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 “commercial” bribery not involving government officials, 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 parts of the world that have experienced governmental corruption to some degree. We may have also 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 these 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, users and agents, as well as those contractors to which we outsource certain of our business operations, will not take actions in violation of our policies or agreements and applicable law, for which we may be ultimately held responsible.

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

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

Due to the risk of our platform being used for illegal or illicit activity, any perceived or actual breach of compliance by us with respect to anti-money laundering (AML) laws, rules, and regulations, including the Bank Secrecy Act, USA Patriot Act and Title 18 U.S.C. Sections 1956-57 and 1960, could have a significant impact on our reputation and could cause us to lose existing creators and attendees, prevent us from obtaining new creators, require us to expend significant funds to remedy civil and criminal problems caused by violations and to avert further violations and expose us to legal risk and potential liability that could have a material effect on our business. Several of these laws require certain companies to adopt an AML compliance program, including those companies that are characterized as a money services business or money transmitter. Moreover, many states have their own AML legal regulatory regimes and interpretations and applications of those legal principles are complex and varied. If the federal government or any state government took the position that we were a money services business or money transmitter, they could require us to register as such and obtain a money transmitter license.

While we maintain that we are not a money services business or money transmitter, we have voluntarily elected to adopt an AML compliance program to mitigate the risk of our platform being used for illegal or illicit activity and to help detect and prevent fraud. Should a federal or state regulator make a determination that we have operated as an unlicensed money services business or money transmitter, we could be subject to civil and criminal fines, penalties, costs, legal fees, reputational damage or other negative consequences, all of which may harm our business, results of operations and financial condition.



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

The laws and regulations related to payments are complex, subject to change, and vary across different jurisdictions in the United States and globally. Furthermore, changes in laws, rules and regulations have occurred and may occur in the future, which may impact our business practices. In particular, in the United States, certain state jurisdictions require a money transmission license to provide certain payments services, and the applicability of state money transmission licensing laws to payment processing services such as those we provide is a matter of regulatory interpretation that is subject to change. In this regard, changes to regulatory interpretations or decisions by applicable authorities that certain of our activities should be subject to regulation under state money transmission licensing laws could subject us to investigation and the potential for resulting liability. As a result of regulatory uncertainty with respect to state money transmission licensing and regulation and federal money services business registration, we are required to spend significant time and effort to comply 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 and 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 its business purposes), we would be subject to recordkeeping and reporting requirements, as well as bonding requirements, restriction 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.

***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.

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

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

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

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

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

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

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

As of December 31, 2019, we had net operating loss carryforwards (NOLs) for federal and California income tax purposes of approximately \$251.0 million and \$70.3 million, respectively. In general, under Section 382 of the Internal Revenue Code of 1986, as amended (Code), a corporation that undergoes an “ownership change” (generally, a greater than 50 percentage point change in our equity ownership by certain stockholders or groups of stockholders) is subject to limitations on its ability to utilize its pre-change NOLs to offset future taxable income. We have undergone ownership changes in the past, which have resulted in limitations on our ability to utilize our NOLs, and future changes in our stock ownership, some of which are outside of our control, could result in an ownership change under Section 382 of the Code. The existing NOLs of some of our subsidiaries may be subject to limitations arising from ownership changes prior to, or in connection with, their acquisition by us. Furthermore, our ability to utilize NOLs of companies that we may acquire in the future may be subject to limitations. There is also a risk that, due to regulatory changes, such as suspensions on the use of NOLs or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable to offset future income tax liabilities, including for state tax purposes. For these reasons, we may not be able to utilize some portion of our NOLs, none of which are currently reflected in our consolidated balance sheets, even if we attain profitability.

The Tax Cuts and Jobs Act (Tax Act) was enacted on December 22, 2017 and significantly reforms the Code. The Tax Act, among other things, includes changes to U.S. federal tax rates and the rules governing net operating loss carryforwards. For NOLs arising in tax years beginning after December 31, 2017, the Tax Act limits a taxpayer’s ability to utilize NOL carryforwards to 80% of taxable income (as calculated before taking the NOL carryforwards into account). In addition, NOLs arising in tax years ending after December 31, 2017 can be carried forward indefinitely, but carryback is generally prohibited. NOLs generated in tax years beginning before January 1, 2018 will not be subject to the taxable income limitation, and NOLs generated in tax years ending before January 1, 2018 will continue to have a two-year carryback and twenty-year carryforward period. As we maintain a full valuation allowance against our U.S. NOLs, these changes did not impact our balance sheet upon enactment. However, in future years, at the time a deferred tax asset is recognized related to our NOLs, the changes in the carryforward/carryback periods as well as the new limitation on use of NOLs may significantly impact our valuation allowance assessments for NOLs generated after December 31, 2017.

***We may incur indebtedness which could adversely affect our financial condition and harm our ability to react to changes to our business. Any future indebtedness may contain covenants that limit our business activities.***

We have entered into loan agreements in the past and may enter into new loan agreements in the future, and any indebtedness we may incur would likely contain covenants requiring us to maintain or adhere to covenants that restrict our operations, which include limitations on our ability to, among other things: incur additional indebtedness; create liens on property; engage in mergers, consolidations and other fundamental changes; dispose of assets; make investments, loans or advances; make certain acquisitions; engage in certain transactions with affiliates; declare or pay dividends on, or repurchase, our stock; and change our lines of business or fiscal year.

Complying with these covenants could adversely affect our ability to respond to changes in our business and manage our operations. In addition, these covenants could affect our ability to invest capital in new businesses and fund capital expenditures for existing businesses. Our ability to comply with these covenants and other provisions in any future credit facilities or debt instruments may be affected by changes in our operating and financial performance, changes in general business and economic conditions, adverse regulatory developments or other events beyond our control. A failure by us to comply with the restrictive covenants and any financial ratios contained in any future credit facilities or debt instruments could result in an event of default. In addition, if we were in default, we would be unable to borrow additional amounts under any such facilities to the extent that they would otherwise be available and our ability to obtain future financing may also be impacted negatively. If the indebtedness under any future credit facilities or debt instruments were to be accelerated, it would have a material adverse effect on our future financial condition.

***Our failure to raise additional capital or generate cash flows necessary to expand our operations and invest in new technologies in the future could reduce our ability to compete successfully and adversely affect our results of operations.***

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. 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. If we engage in debt financing, we may be required to accept terms that restrict our ability to incur additional indebtedness, force us to maintain specified liquidity or other ratios or restrict our ability to pay dividends or make acquisitions, or agree to other restrictive covenants. 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.

In addition, access to any future credit facilities or debt instruments will be subject to financial and other covenants. Our inability to do any of the foregoing could reduce our ability to compete successfully and could have an adverse effect on our business.

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

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

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

## **Risks Related to Ownership of Our Class A Common Stock**

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

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

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

Prior to our initial public offering, there was no public market for shares of our Class A common stock. The market prices of the securities of other newly public companies have historically been highly volatile. The market price of our Class A common stock may 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, 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. Stockholders have filed securities class action litigation following periods of market volatility. For example, beginning on April 15, 2019, purported stockholders of our company filed putative securities class action against Eventbrite, certain of our executives and directors, and our underwriters for the IPO, on behalf of a putative class of persons who purchased or acquired Eventbrite securities traceable to our IPO and/or who purchased or acquired Eventbrite securities between September 20, 2018 and May 1, 2019, inclusive. During this period, the closing price of our Class A common stock ranged from a high of \$37.97 to a low of \$19.06. See the risk factor above titled "Unfavorable outcomes in legal proceedings may harm our business and results of operations."

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

***The dual class structure of our common stock has the effect of concentrating voting control with our directors, executive officers and their affiliates and that may depress the trading price of our Class A common stock. 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, 2019, our directors, executive officers and stockholders holding more than 5% of our outstanding shares, and their affiliates, beneficially owned in the aggregate 83.6% 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.***

As of 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 shareholder 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 December 31, 2019, we had 61,863,617 shares of Class A common stock outstanding and 23,855,243 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.***

We expect to issue additional capital stock in the future that will result in dilution to all other stockholders. We expect to grant equity awards to employees, directors and consultants under our stock incentive plans. We may also raise capital through equity financings in the future. 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.

***The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain executive management and qualified board members.***

As a public company, we are subject to the reporting requirements of the Exchange Act, the listing standards of the NYSE and other applicable securities rules and regulations. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting and financial compliance costs, make some activities more difficult, time-consuming and costly, and place significant strain on our personnel, systems and resources. As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management's attention may be diverted from other business concerns, which could harm our business, results of operations and financial condition. Although we have already hired additional employees to assist us in complying with these requirements, we may need to hire more employees in the future or engage outside consultants, which will increase our operating expenses. Additionally, as we are no longer an emerging growth company, we need to comply with additional disclosure and reporting requirements, including accelerated filing deadlines and an attestation report on internal control over financial reporting as of each fiscal year-end issued by our independent registered public accounting firm. We are also required to include additional information regarding executive compensation in our annual proxy statement and at our 2020 annual meeting of stockholders we will hold a nonbinding advisory vote on the frequency of the nonbinding advisory vote on executive compensation at our annual meetings of stockholders. We will take into account the outcome of this vote in determining the frequency at which we conduct future nonbinding advisory votes on executive compensation.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time-consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest substantial resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from business operations to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

We also expect that these new rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee and compensation committee, and qualified executive officers.

As a result of disclosure of information in filings required of a public company, our business, results of operations and financial condition are more visible, which may result in an increased risk of threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business, results of operations and financial condition could be harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and

resources necessary to resolve them, could divert the resources of our management and harm our business, results of operations and financial condition.

The individuals who now constitute our senior management team have limited experience managing a publicly-traded company and limited experience complying with the increasingly complex laws pertaining to public companies. Our senior management team may not successfully or efficiently manage our regulatory and reporting obligations as a public company.

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

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

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

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

- provide that our board of directors be classified into three classes of directors with staggered three-year terms;
- permit the board of directors to establish the number of directors and fill any vacancies and newly-created directorships;
- require super-majority voting to amend some provisions in our amended and restated certificate of incorporation and amended and restated bylaws;
- authorize the issuance of “blank check” preferred stock that our board of directors could use to implement a stockholder rights plan;
- provide that only the Chairperson of our board of directors, our Chief Executive Officer, or a majority of our board of directors is authorized to call a special meeting of stockholders;
- provide for a dual class common stock structure in which holders of our Class B common stock have the ability to control the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the outstanding shares of our Class A and Class B common stock, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets;
- prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders;
- provide that the board of directors is expressly authorized to make, alter or repeal our bylaws; and
- advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

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

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

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

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



This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers or other employees, which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provision to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations and financial condition.

**Item 1B. Unresolved Staff Comments**

None.

**Item 2. Properties**

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

**Item 3. Legal Proceedings**

Beginning on April 15, 2019, purported stockholders of our 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 us, certain of our executives and directors, and our underwriters for the IPO. Some of these actions also name as defendants venture capital firms that were our investors as of the IPO.

On August 22, 2019, the federal court consolidated the two pending actions and appointed lead plaintiffs and lead counsel. The consolidated federal case is titled *In re Eventbrite, Inc. Securities Litigation*, 5:19-cv-02019-EJD (the Federal Action). On October 11, 2019, the lead plaintiffs in the Federal Action filed their amended consolidated complaint. The amended complaint generally alleges that we misrepresented and/or omitted material information in our IPO offering documents, in violation of the Securities Act of 1933. The amended complaint also challenges public statements made after the IPO in violation of the Securities Exchange Act of 1934. The amended complaint seeks unspecified monetary damages and other relief on behalf of investors who purchased our Class A common stock issued pursuant and/or traceable to the IPO offering documents, or between September 20, 2018 and May 1, 2019, inclusive. On December 11, 2019, defendants filed a motion to dismiss the amended complaint. The hearing on the defendants' motion to dismiss is set for April 9, 2020.

On June 24, 2019, the state court consolidated two state actions pending at that time. The consolidated state case is titled *In re Eventbrite, Inc. Securities Litigation*, Lead Case No. 19-CIV-02798 (the State Action). On July 24, 2019, the two plaintiffs in the State Action filed a consolidated complaint. The consolidated complaint generally alleges that we misrepresented and/or omitted material information in our IPO offering documents, in violation of the Securities Act of 1933. The amended complaint seeks unspecified monetary damages and other relief on behalf of investors who purchased our Class A common stock issued pursuant and/or traceable to the IPO offering documents. On August 23, 2019, defendants filed demurrers to the consolidated complaint. A third state-court action was filed on August 23, 2019. On September 11, 2019, that complaint was consolidated into the operative complaint filed on July 24, 2019, and the court ordered that the arguments in defendants' pending demurrers would apply to that newly filed complaint. At the hearing on defendants' demurrers on November 1, 2019, the court sustained the demurrer with leave to amend. On December 13, 2019, the court granted requests by two plaintiffs to voluntarily dismiss their claims without prejudice. The remaining plaintiff and two new named plaintiffs filed a first amended consolidated complaint (FAC) on February 10, 2020. Defendants' deadline to file their anticipated demurrers to the FAC is March 26, 2020, and the court has set a hearing on May 1, 2020 to decide the anticipated demurrers.

We believe that these actions are without merit and intend to vigorously defend them. We cannot predict the outcome of or estimate the possible loss or range of loss from the above described matters.

On July 16, 2019, we filed two complaints in the United States District Court for the Northern District of California, entitled *Eventbrite, Inc. v. MF Live, Inc., et al.*, 3:19-CV-04084 and *Eventbrite, Inc. v. Fab Loranger et al.*, 3:19-CV-04083 (collectively, the Roxodus Lawsuits). The Roxodus Lawsuits arise out of MF Live's (MFL) cancellation of the Roxodus music festival in Ontario, Canada, and MFL's and Loranger's subsequent refusals to issue refunds to impacted ticket buyers or to reimburse us for payments to such ticket buyers. We provided ticketing and payment processing services for the event pursuant to a written contract. When the event was cancelled and MFL refused to issue refunds, we issued refunds totaling \$4.0 million to ticket buyers who bought tickets on our platform. Pursuant to our Merchant Agreement, MFL was contractually required to reimburse us for such refunds, and Loranger had signed a personal guaranty agreement committing to personally honor MFL's obligations if the entity failed to do so. Accordingly, the Roxodus Lawsuits assert claims for breach of contract, breach of the

implied covenant of good faith and fair dealing, fraud, money had and received, and actual and constructive fraudulent transfers.

The Roxodus Lawsuits are in their early stages and we cannot predict the likelihood of success. MFL has filed for bankruptcy in Canada, staying our action against the entity. We are monitoring and participating in the bankruptcy process pursuant to our rights under Canadian law. Our investigation of the assets held by and/or on behalf of MFL, Loranger, and the other defendants is ongoing.

In addition to the litigation discussed above, from time to time, we may be subject to legal actions and claims in the ordinary course of business. We have received, and may in the future continue to receive, claims from third parties. Future litigation may be necessary to defend ourselves or our 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 us because of defense and settlement costs, diversion of management resources and other factors.

**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 15, 2020, there were 61 holders of record of our Class A common stock and 113 holders of record of our Class B common stock. Because many of our shares of Class A common stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of beneficial owners of our Class A common stock represented by these record holders.

#### Dividend Policy

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

#### Unregistered Sale of Equity Securities

None.

#### Issuer Purchases of Equity Securities

None.

#### Securities Authorized for Issuance Under Equity Incentive Plans

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

#### Use of Proceeds from Initial Public Offering of Class A Common Stock

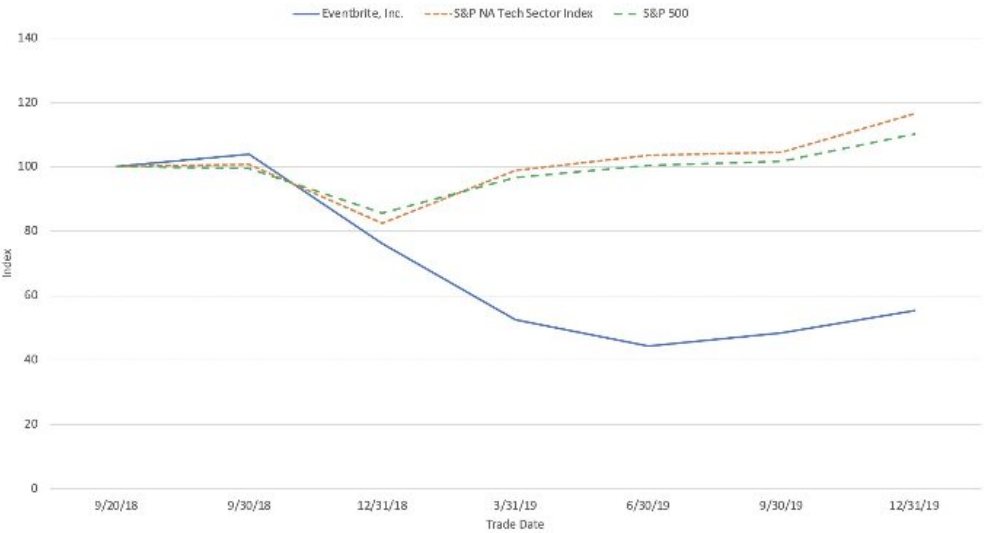
In September 2018, we closed our initial public offering of our Class A common stock (IPO), in which we sold 11,500,000 shares of our Class A common stock at a price to the public of \$23.00 per share, including shares sold in connection with the exercise of the underwriters’ option to purchase additional shares. The offer and sale of all of the shares in the IPO were registered under the Securities Act pursuant to a registration statement on Form S-1 (File No. 333-226978), which was declared effective by the SEC on September 19, 2018.

We raised \$240.5 million in net proceeds after deducting underwriters’ discounts and commissions of \$18.5 million and offering expenses of \$5.5 million. There has been no material change in the planned use of proceeds from our IPO as described in our final prospectus filed with the SEC pursuant to Rule 424(b) under the Securities Act. No payments were made by us to directors, officers or persons owning ten percent or more of our common stock or to their associates, or to our affiliates, other than payments in the ordinary course of business to officers for salaries and to non-employee directors pursuant to our director compensation policy. Pending the uses described, we have invested or intend to invest the net proceeds in short-term interest-bearing investment-grade securities, certificates of deposit or government securities, pursuant to the investment policy approved by our board of directors.

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, 2019. The returns shown are based on historical results and are not intended to suggest future performance.



**Item 6. Selected Financial Data**

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

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

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

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

	December 31,			
	2019	2018	2017	2016
	(in thousands)			
Consolidated Balance Sheet Data:				
Cash and cash equivalents	\$ 420,712	\$ 437,892	\$ 188,986	\$ 139,538
Working capital	174,268	237,500	29,866	34,438
Total assets	808,015	836,884	570,837	245,337
Total current liabilities	350,308	308,204	246,182	149,266
Total debt	—	72,722	77,751	—
Total stockholders' equity (deficit)	425,815	415,222	(155,814)	(149,084)
	Year Ended December 31,			
	2019	2018	2017	2016
	(in thousands, except percentages)			
Non-GAAP and Other Data				
Paid ticket volume <sup>(1)</sup>	109,428	97,295	71,046	44,572
Retention rate <sup>(2)</sup>	92 %	100 %	97 %	93 %
Adjusted EBITDA <sup>(3)</sup>	\$ (5,641)	\$ 28,765	\$ 4,206	\$ (17,591)
Free cash flow <sup>(4)</sup>	\$ 15,060	\$ (5,488)	\$ 21,143	\$ (5,681)

- (1) We define paid ticket volume as the number of tickets sold on our platform that generate ticket fees.
- (2) To obtain our retention rate, we calculate, on a calendar year basis, the gross ticket fees generated by creators on the Eventbrite platform who sold their first ticket in the calendar year prior to the year of measurement (Prior Year Gross Ticket Fees). This calculation includes creators on the Eventbrite platform only and does not include creators acquired or migrated as part of the Ticketfly or ticketscript acquisitions. We then calculate the gross ticket fees that the creator cohort generated in the applicable calendar year of measurement (Measurement Year Gross Ticket Fees). Finally, to calculate our retention rate for a measurement year we divide the Measurement Year Gross Ticket Fees by the Prior Year Gross Ticket Fees. Fees associated with the sale of tickets on our platform are gross ticket fees, which are the total fees generated from paid ticket sales, before adjustments for refunds, credits and amortization of non-recoupable creator signing fees. Because the retention rate definition is limited to creators acquired organically, is bound by the calendar year, and is calculated on an annual basis only, we use the retention rate calculation solely for informational purposes, not as a key metric for operational decision making. We are evaluating new retention rate methodologies for future disclosure.
- (3) Adjusted EBITDA is a financial measure that is not calculated in accordance with U.S. GAAP. See the section titled “—Non-GAAP Financial Measures—Adjusted EBITDA” for information regarding Adjusted EBITDA, including the limitations of such measure, and a reconciliation of Adjusted EBITDA to net loss.
- (4) Free cash flow is a financial measure that is not calculated in accordance with U.S. GAAP. See the section titled “—Non-GAAP Financial Measures—Free Cash Flow” for information regarding free cash flow, including the limitations of such measure, and a reconciliation of free cash flow to net cash provided by operating activities.

#### Non-GAAP Financial Measures

We believe that the use of Adjusted EBITDA and free cash flow is helpful to our investors as they are metrics used by management in assessing the health of our business and our operating performance. These measures, which we refer to as our non-GAAP financial measures, are not prepared in accordance with GAAP and have limitations as analytical tools, and you should not consider them 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.

##### Adjusted EBITDA

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

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

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

	Year Ended December 31,			
	2019	2018	2017	2016
	(in thousands)			
Net loss	\$ (68,760)	\$ (64,078)	\$ (38,547)	\$ (40,392)
Add:				
Depreciation and amortization	24,324	34,608	19,418	7,639
Stock-based compensation	37,594	30,231	10,858	8,531
Interest expense	2,986	11,295	6,462	3,513
Change in fair value of redeemable convertible preferred stock warrant liability	—	9,591	2,200	—
Loss on debt extinguishment	1,742	178	—	—
Direct and indirect acquisition related costs <sup>(1)</sup>	837	2,601	7,337	1,292
Employer taxes related to employee equity transactions	1,555	—	—	—
Other (income) expense, net	(5,727)	3,189	(3,509)	1,695
Income tax provision (benefit)	(192)	1,150	(13)	131
Adjusted EBITDA	<u>\$ (5,641)</u>	<u>\$ 28,765</u>	<u>\$ 4,206</u>	<u>\$ (17,591)</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 non-cash charges, the underlying assets may need to be replaced and Adjusted EBITDA does not reflect these capital expenditures and (iii) Adjusted EBITDA does not reflect the interest and principal required to service our indebtedness. Our Adjusted EBITDA may not be comparable to similarly titled measures of other companies because they may not calculate Adjusted EBITDA in the same manner as we calculate the measure, limiting its usefulness as a comparative measure. In evaluating Adjusted EBITDA, you should be aware that in the future we will incur expenses similar to the adjustments in this presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by these expenses or any unusual or non-recurring items. When evaluating our performance, you should consider Adjusted EBITDA alongside other financial performance measures, including our net loss and other GAAP results.

### **Free Cash Flow**

Free cash flow is a key performance measure that our management uses to assess our overall performance. We consider free cash flow to be a liquidity measure that provides useful information to management and investors about the amount of cash generated by our business that can be used for strategic opportunities, including investing in our business, making strategic acquisitions and strengthening our financial position.

We calculate free cash flow as cash flow from operating activities less purchases of property and equipment and capitalized internal-use software development costs, over a trailing twelve-month period. Because quarters are not uniform in terms of cash usage, we believe a trailing twelve-month view provides the best understanding of the underlying trends of the business.

The following table presents a reconciliation of our free cash flow to the most comparable GAAP measure, net cash provided by operating activities, for each of the periods indicated:

	Year Ended December 31,			
	2019	2018	2017	2016
	(in thousands)			
Net cash provided by operating activities	\$ 28,658	\$ 7,162	\$ 29,821	\$ 2,785
Purchases of property and equipment and capitalized internal-use software development costs	(13,598)	(12,650)	(8,678)	(8,466)
Free cash flow	<u>\$ 15,060</u>	<u>\$ (5,488)</u>	<u>\$ 21,143</u>	<u>\$ (5,681)</u>

Although we believe free cash flow provides another important lens into the business, free cash flow is presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP. Free cash flow has limitations as an analytical tool, and it should not be considered in isolation or as a substitute for analysis of other GAAP financial measures, such as cash provided by operating activities. Some of the limitations of free cash flow is that it may not properly reflect capital commitments to creators that need to be paid in the future or future contractual commitments that have not been realized in the current period. Our free cash flow may not be comparable to similarly titled measures of other companies because they may not calculate free cash flow in the same manner as we calculate the measure, limiting its usefulness as a comparative measure.



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

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

### Overview

We built a powerful, broad technology platform to enable event creators to solve the challenges associated with creating live experiences. Our platform integrates components needed to seamlessly plan, promote and produce live events, thereby allowing event creators to reduce friction and costs, increase reach and drive ticket sales.

We were founded in 2006 with a mission to bring the world together through live experiences. We succeed when our creators succeed. We charge creators on a per-ticket basis when an attendee purchases a paid ticket for an event. We grow with creators as they plan, promote and produce more events and grow attendance. In 2019, we helped more than 949,000 creators issue approximately 309 million free and paid tickets across approximately 4.7 million events in over 180 countries.

Our platform meets the complex needs of creators through a modular and extensible design. It can be accessed from Eventbrite.com, our mobile apps and through other websites, and can be used without training, support or professional services. This modularity facilitates product development and allows third-party developers to integrate features and functionality from Eventbrite into their environment. Our platform also allows developers to seamlessly integrate services from third-party partners such as Salesforce, Facebook and HubSpot. This platform 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. To reach new creators, we plan to capitalize on creators' experiences as attendees, word of mouth from other creators, our prominence across the live events landscape and our presence in search engine results, as well as targeted marketing and outbound sales.

We intend to strategically grow our business by attracting new creators to our event enablement platform and retaining creators as they succeed. We have invested and we expect to continue to invest, in our product development efforts to deliver additional compelling features and functionality to address our creators' evolving and widespread needs. We also expect to continue to invest in the adoption of our platform and solutions internationally, including localization of our platform and the addition of critical capabilities required to serve those local markets. We are also investing in our employees to service our growing customer base. We believe our investments in technology, creators and our people will drive continued revenue growth.

Key Business Metrics

We monitor the following key metrics to help us evaluate our business, identify trends affecting our business, formulate business plans and make strategic decisions.

Paid Ticket Volume

Our success in serving creators is measured in large part by the number of tickets sold on our platform that generate ticket fees, referred to as paid ticket volume. We consider paid ticket volume an important indicator of the underlying health of the business. We have previously referred to this metric as 'paid tickets' and we calculate and report paid ticket volume in the same manner as we calculated and reported paid tickets. The table below sets forth the paid ticket volume for the periods indicated:

	Year Ended December 31,		
	2019	2018	2017
	(in thousands)		
Paid ticket volume	109,428	97,295	71,046

Our paid ticket volume for events outside of the United States represented 36.1%, 34.1% and 36.0% for the years ended December 31, 2019, 2018 and 2017, respectively.

Retention Rate

To obtain our retention rate, we calculate, on a calendar year basis, the gross ticket fees generated by creators on the Eventbrite platform who sold their first ticket in the calendar year prior to the year of measurement (Prior Year Gross Ticket Fees). This calculation includes creators on the Eventbrite platform only and does not include creators acquired or migrated as part of the Ticketfly or ticketscript acquisitions. We then calculate the gross ticket fees that the creator cohort generated in the applicable calendar year of measurement (Measurement Year Gross Ticket Fees). Finally, to calculate our retention rate for a measurement year we divide the Measurement Year Gross Ticket Fees by the Prior Year Gross Ticket Fees. Fees associated with the sale of tickets on our platform are gross ticket fees, which are the total fees generated from paid ticket sales, before adjustments for refunds, credits and amortization of non-recoupable creator signing fees. Because the retention rate definition is limited to creators acquired organically, is bound by the calendar year, and is calculated on an annual basis only, we use the retention rate calculation solely for informational purposes, not as a key metric for operational decision making. We are evaluating new retention rate methodologies for future disclosure.

	Year Ended December 31,		
	2019	2018	2017
Retention rate	92 %	100 %	97 %

## Non-GAAP Financial Measures

### *Adjusted EBITDA*

Adjusted EBITDA is a key performance measure that our management uses to assess our operating performance.

We calculate Adjusted EBITDA as net income (loss) adjusted to exclude depreciation and amortization, stock-based compensation expense, interest expense, the change in fair value of our redeemable convertible preferred stock warrant liability, loss on debt extinguishment, direct and indirect acquisition-related costs, employer taxes related to employee equity transactions, other income (expense), 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 our Adjusted EBITDA for the periods indicated:

	Year Ended December 31,		
	2019	2018	2017
	(in thousands)		
Adjusted EBITDA	\$ (5,641)	\$ 28,765	\$ 4,206

For more information about Adjusted EBITDA, including the limitations of such measure, and a reconciliation to net loss, see Item 6, "Selected Financial Data" included in Part II of this Annual Report on Form 10-K.

### *Free Cash Flow*

Free cash flow is a key performance measure that our management uses to assess our overall performance.

We calculate free cash flow as cash flow from operating activities less purchases of property and equipment and capitalized internal-use software development costs, over a trailing twelve-month period. Because quarters are not uniform in terms of cash usage, we believe a trailing twelve-month view provides the best understanding of the underlying trends of the business.

The following table presents our free cash flow for the periods indicated:

	Year Ended December 31,		
	2019	2018	2017
	(in thousands)		
Free cash flow	\$ 15,060	\$ (5,488)	\$ 21,143

For more information about free cash flow, including the limitations of such measure, and a reconciliation to net cash provided by operating activities, see Item 6, "Selected Financial Data" included in Part II of this Annual Report on Form 10-K.

## Components of Results of Operations

### *Net Revenue*

On January 1, 2019, we adopted Accounting Standards Codification (ASC) Topic 606 (ASC 606) using the modified retrospective method applied to contracts which were not completed as of the adoption date. Results for reporting periods beginning on or after January 1, 2019 are presented under ASC 606, while prior period amounts are not adjusted and continue to be reported in accordance with historical accounting guidance. See Part II, Item 8, Note 2, "Summary of Significant Accounting Policies" included in this Annual Report on Form 10-K for additional details, including a description of our revenue recognition policies under ASC 606. The adoption of ASC 606 did not have a material impact on our results of operations, financial position or cash flows.

We generate revenues primarily from service fees and payment processing fees from the sale of paid tickets on our platform. We also generate revenues from fees for providing certain creators with account management services and customer support services. Our fee structure typically consists of a fixed fee and a percentage of the price of each ticket sold by a creator. Revenue is recognized when control of promised goods or services is transferred to the creator, which for service fees and payment processing fees is when the ticket is sold. For account management services and customer support, revenue is recognized over the period from the date of the sale of the ticket to the date of the event. Net revenue excludes sales taxes and value added taxes (VAT) and is presented net of estimated customer refunds, chargebacks and amortization of creator signing fees.

We also generate a small portion of our net revenue from complementary solutions, such as day-of-event on-site product and services, web presence development and branding, software solutions to manage event venue administration and marketing services that we provide to creators. These complementary solutions represented less than five percent of our net revenue in the aggregate in each of the years ended December 31, 2019, 2018 and 2017.

#### ***Cost of Net Revenue***

Cost of net revenue consists primarily of payment processing fees, expenses associated with the operation and maintenance of our platform, including website hosting fees and platform infrastructure costs, amortization of capitalized software development costs, onsite operations costs and allocated customer support costs. Cost of net revenue also includes the amortization expense related to our acquired developed technology assets. We may incur such expense related to future acquisitions in future periods. We expect cost of net revenue to fluctuate as a percentage of net revenue in the near- to mid-term primarily as a result of 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 grow more rapidly internationally than in the United States, we expect that our payment processing costs will decline as a percentage of revenue. In the long-term, we expect cost of revenue to grow in absolute dollars but decrease as a percentage of revenue.

#### ***Operating Expenses***

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

On January 1, 2019, as a result of our adoption of ASC Topic 842 (ASC 842), we began recognizing lease costs in operating expense related to our San Francisco office lease, which was previously accounted for as a build-to-suit lease under ASC Topic 840 (ASC 840). The adoption of ASC 842 resulted in additional lease operating expense of \$3.7 million and decreased depreciation expense of \$0.5 million during the year ended December 31, 2019 compared to each of the years ended December 31, 2018 and 2017, respectively, driven by the accounting treatment for our San Francisco office lease. Refer to the interest expense section below for a discussion of the impact of the ASC 842 adoption on interest expense. As we adopted and reported under ASC 842 for the first time in this Annual Report on Form 10-K, our 2019 quarterly interim filings reported on Form 10-Q do not reflect accounting under ASC 842 and thus do not reflect this reclassification from interest expense and depreciation expense to lease operating expense.

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

**Sales, marketing and support.** Sales, marketing and support expenses consist primarily of costs associated with our employees involved in selling and marketing our products, public relations and communication activities, marketing programs, travel and customer support costs associated with free events on our platform. For our sales teams, this also includes commissions. We also classify certain creator-related expenses, such as refunds of the ticket price paid by us on behalf of a creator as sales, marketing and support expense. Our sales, marketing and support expenses also includes the amortization of acquired customer relationship intangible assets, which was \$10.4 million, \$10.2 million and \$4.6 million for the years ended December 31, 2019, 2018 and 2017, respectively. Sales, marketing and support expenses are driven by investments to grow and retain creators and attendees on our platform. We expect sales, marketing and support expenses to increase in absolute dollars over time. In the near-term, we anticipate sales, marketing and support expenses will fluctuate as a percentage of net revenue, but over the long-term we anticipate that it will decrease as a percentage of net revenue.

*General and administrative.* General and administrative expenses consist of personnel costs, including stock-based compensation, for finance, accounting, legal, risk, human resources and administrative personnel. It also includes professional fees for legal, accounting, finance, human resources and other corporate matters. Our general and administrative expenses also include accruals for sales tax and VAT, as well as impairment charges related to creator upfront payments. Our general and administrative expenses have increased on an actual dollar basis over time and we expect general and administrative expenses to continue to increase in absolute dollars over time. However, over the long-term, we anticipate general and administrative expenses to decline as a percentage of net revenue as we continue to grow and scale our business and as we mature as a public company.

#### ***Interest Expense***

Interest expense relates primarily to our outstanding debt, which historically has been related to acquisitions, either as part of consideration or to finance cash consideration. During 2018, we had up to \$75.0 million in outstanding debt related to our credit facilities with Western Technology Investments (WTI Loan Facilities). In September 2018, we entered into a senior secured credit facility with a syndicate of banks consisting of \$75.0 million aggregate principal amount of term loans (the New Term Loans), which was fully repaid in September 2019.

In 2018 and 2017, we recognized interest expense related to our build-to-suit lease financing obligation. As a result of our adoption of ASC 842, we did not recognize interest expense related to the build-to-suit lease in 2019. We reported interest expense of \$3.4 million and \$3.5 million for the years ended December 31, 2018 and 2017, respectively, related to build-to-suit lease accounting.

We expect to incur minimal interest expense in the near-term as we had no outstanding debt as of December 31, 2019 and we are no longer recording interest expense related to build-to-suit lease accounting. If we do issue debt in the future, we would expect to record interest expense related to such debt.

#### ***Change in Fair Value of Redeemable Convertible Preferred Stock Warrant Liability***

We have issued redeemable convertible preferred stock warrants in connection with debt facilities. The redeemable convertible preferred stock warrants were classified as a liability on our consolidated balance sheet and remeasured to fair value at each balance sheet date with the corresponding charge recorded as a change in fair value of redeemable convertible preferred stock warrant liability on the consolidated statements of operations. In connection with our IPO, all warrants were automatically exercised for no consideration, and, as such, we do not have any redeemable convertible preferred stock warrant liability at December 31, 2019 or 2018.

#### ***Loss on Debt Extinguishment***

Loss on debt extinguishment consists of amounts recorded related to our accounting for the retirement of our debt obligations.

#### ***Other Income (Expense), Net***

Other income (expense), net consists of interest income, foreign exchange rate remeasurement gains and losses recorded from consolidating our subsidiaries each period-end and changes in fair value of term loan embedded derivatives.

#### ***Income Tax Provision (Benefit)***

Income tax provision (benefit) consists primarily of U.S. federal and state income taxes and income taxes in certain foreign jurisdictions in which we conduct business. The differences in the tax provision and benefit for the periods presented and the U.S. federal statutory rate is primarily due to foreign taxes in profitable jurisdictions and the recording of a full valuation allowance on our deferred tax assets and certain foreign losses which benefit from rates lower than the U.S. statutory rate. We apply the discrete method provided in ASC Topic 740 to calculate our interim tax provision.

## 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. The Company has reclassified \$13.6 million and \$4.6 million of expenses for the years ended December 31, 2018 and 2017, respectively, to make the presentation consistent with the current year. There was no change to total operating expenses, loss from operations, loss before income taxes or net loss for the years ended December 31, 2018 or 2017 as a result of these reclassifications. For a discussion and comparison of the years ended December 31, 2018 and 2017, please refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of the 2018 Annual Report on Form 10-K filed with the SEC on March 7, 2019. 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,		
	2019	2018	2017
	(in thousands)		
Consolidated Statements of Operations			
Net revenue	\$ 326,801	\$ 291,611	\$ 201,597
Cost of net revenue	129,141	120,653	81,667
Gross profit	197,660	170,958	119,930
Operating expenses:			
Product development	64,196	46,071	30,608
Sales, marketing and support	102,874	83,428	59,740
General and administrative	100,541	80,134	62,989
Total operating expenses	267,611	209,633	153,337
Loss from operations	(69,951)	(38,675)	(33,407)
Interest expense	(2,986)	(11,295)	(6,462)
Change in fair value of redeemable convertible preferred stock warrant liability	—	(9,591)	(2,200)
Loss on debt extinguishment	(1,742)	(178)	—
Other income (expense), net	5,727	(3,189)	3,509
Loss before income taxes	(68,952)	(62,928)	(38,560)
Income tax provision (benefit)	(192)	1,150	(13)
Net loss	\$ (68,760)	\$ (64,078)	\$ (38,547)

	Year Ended December 31,		
	2019	2018	2017
<b>Consolidated Statements of Operations, as a percentage of net revenue</b>			
Net revenue	100.0 %	100.0 %	100.0 %
Cost of net revenue	39.5	41.4	40.5
Gross profit	60.5	58.6	59.5
Operating expenses:			
Product development	19.6	15.8	15.2
Sales, marketing and support	31.5	28.6	29.6
General and administrative	30.8	27.5	31.2
Total operating expenses	81.9	71.9	76.1
Loss from operations	(21.4)	(13.3)	(16.6)
Interest expense	(0.9)	(3.9)	(3.2)
Change in fair value of redeemable convertible preferred stock warrant liability	—	(3.3)	(1.1)
Loss on debt extinguishment	(0.5)	(0.1)	—
Other income (expense), net	1.8	(1.1)	1.7
Loss before income taxes	(21.1)	(21.6)	(19.1)
Income tax provision (benefit)	(0.1)	0.4	—
Net loss	(21.0)%	(22.0)%	(19.1)%

#### Comparison of the years ended December 31, 2019 and 2018

##### Net revenue

	Year Ended December 31,		Change	
	2019	2018	\$	%
(in thousands, except percentages)				
Net revenue	\$ 326,801	\$ 291,611	\$ 35,190	12.1 %

The increase in net revenue during 2019 compared to 2018 was driven primarily by growth in paid ticket volume, which increased by 12.5% from 2018 to 2019, from 97.3 million paid tickets to 109.4 million paid tickets. Net revenue per paid ticket of \$2.99 in 2019 remained consistent with net revenue per paid ticket in 2018 of \$3.00.

##### Cost of net revenue

	Year Ended December 31,		Change	
	2019	2018	\$	%
(in thousands, except percentages)				
Cost of net revenue	\$ 129,141	\$ 120,653	\$ 8,488	7.0 %
Percentage of total net revenue	39.5 %	41.4 %		
Gross margin	60.5 %	58.6 %		

The increase in cost of net revenue during 2019 compared to 2018 was primarily due to an increase in payment processing costs of \$10.3 million, driven by our paid ticket volume growth, an increase in platform fees and operating costs of \$3.7 million and smaller increases in allocated customer support costs and field operations costs. These increases were offset by a decrease in amortization of acquired developed technology as the ticketscript and Ticketfly developed technology assets, which were acquired in January 2017 and September 2017, respectively, became fully amortized in 2018. This helped improve our gross margin in 2019 compared to 2018.

### Operating expense

#### Product development

	Year Ended December 31,		Change	
	2019	2018	\$	%
	(in thousands, except percentages)			
Product development	\$ 64,196	\$ 46,071	\$ 18,125	39.3 %
Percentage of total net revenue	19.6 %	15.8 %		

The increase in product development expense during 2019 compared to 2018 was primarily due to increased personnel costs of \$15.1 million, including \$5.3 million of stock-based compensation, resulting from our ongoing hiring efforts and increased average headcount in 2019 compared to 2018. There was also an increase of \$1.8 million in operating lease expense driven by the adoption of ASC 842 and the recognition of our San Francisco office lease as an operating lease in 2019 compared to a build-to-suit lease in 2018.

#### Sales, marketing and support

	Year Ended December 31,		Change	
	2019	2018	\$	%
	(in thousands, except percentages)			
Sales, marketing and support	\$ 102,874	\$ 83,428	\$ 19,446	23.3 %
Percentage of total net revenue	31.5 %	28.6 %		

The increase in sales, marketing and support expenses during 2019 compared to 2018 was primarily due to an increase of \$8.5 million in creator-related expenses, driven by event cancellations whereby we refunded the face value of tickets to attendees on behalf of creators. We also incurred increased direct and discretionary marketing expenses of \$3.3 million and increased personnel-related expenses of \$2.8 million, including \$1.9 million of stock-based compensation. The remainder of the increase was made up of multiple smaller increases, including increased lease expense as a result of ASC 842 and the accounting treatment of our San Francisco office lease.

#### General and administrative

	Year Ended December 31,		Change	
	2019	2018	\$	%
	(in thousands, except percentages)			
General and administrative	\$ 100,541	\$ 80,134	\$ 20,407	25.5 %
Percentage of total net revenue	30.8 %	27.5 %		

The increase in general and administrative expenses during 2019 compared to 2018 was a result of several factors, including two contra-expense items recorded in 2018. First, tax expense increased by \$6.3 million in 2019 compared to 2018 primarily due to the reversal of sales tax reserves due to cumulative reserve remeasurements recorded in 2018. Second, we recorded \$6.6 million of insurance proceeds as a reduction of general and administrative expense in 2018, stemming from the Ticketfly cyber incident, which occurred in June 2018. Additionally, in 2019, we incurred increased professional services spend of \$6.0 million due to our strategic realignment initiatives and increased impairment charges of \$4.1 million related to creator upfront payments. We also recognized increased lease operating expense as a result of ASC 842 and the accounting treatment of our San Francisco office lease.

#### Interest expense

	Year Ended December 31,		Change	
	2019	2018	\$	%
	(in thousands, except percentages)			
Interest expense	\$ (2,986)	\$ (11,295)	\$ (8,309)	(73.6)%
Percentage of total net revenue	(0.9)%	(3.9)%		

The decrease in interest expense during 2019 compared to 2018 was driven by smaller amounts of lower-interest bearing outstanding debt in 2019 compared to 2018. The WTI Loan Facilities, which were outstanding for the first three quarters of 2018 bore interest at a rate higher than the New Term Loans, which were outstanding for the fourth quarter of 2018 and the first three quarters of 2019. We fully repaid the WTI Loan Facilities in September 2018 and terminated the underlying agreements. In September 2019, we repaid the New Term Loans in full and we terminated the underlying agreements. As of December 31, 2019, we had no outstanding debt.



Additionally, we recognized \$3.4 million of interest expense in 2018 related to our build-to-suit lease financing obligation, which was derecognized on January 1, 2019 in connection with our adoption of ASC 842. No interest expense related to the build-to-suit lease financing obligation was recorded in 2019.

*Change in fair value of redeemable convertible preferred stock warrant liability*

	Year Ended December 31,		Change	
	2019	2018	\$	%
	(in thousands, except percentages)			
Change in fair value of redeemable convertible preferred stock warrant liability	\$	—	\$ (9,591)	(100.0)%
Percentage of total net revenue		— %		(3.3)%

The change in fair value of our redeemable convertible preferred stock warrant liability during 2018 was due to an increase in the underlying fair value of our redeemable convertible preferred stock from January 1, 2018 to September 20, 2018. In connection with our IPO, which occurred on September 20, 2018, the redeemable convertible preferred stock warrants were automatically exercised into shares of our Class B common stock following which the warrants ceased to be outstanding. As a result, there was no change in fair value recorded during the year ended December 31, 2019.

*Loss on debt extinguishment*

	Year Ended December 31,		Change	
	2019	2018	\$	%
	(in thousands, except percentages)			
Loss on debt extinguishment	\$	(1,742)	\$ (178)	*
Percentage of total net revenue		(0.5)%		(0.1)%

\* Not meaningful

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

The loss on debt extinguishment recorded in 2018 was due to a loss of \$17.2 million related to the extinguishment of all outstanding debt under our WTI Loan Facilities in September 2018, offset by a gain of \$17.0 million related to the retirement of our outstanding promissory note in March 2018, which was originally issued in connection with the Ticketfly acquisition.

*Other income (expense), net*

	Year Ended December 31,		Change	
	2019	2018	\$	%
	(in thousands, except percentages)			
Other income (expense), net	\$	5,727	\$ (3,189)	279.6 %
Percentage of total net revenue		1.8 %		(1.1)%

The increase in other income (expense), net during 2019 compared to 2018 was driven by foreign currency rate measurement fluctuations. We recognized foreign currency rate measurement losses during 2018 as a result of the strengthening of the U.S. dollar compared to the currencies with which we operate and process transactions. We recognized foreign currency rate measurement gains during 2019 as a result of the overall weakening of the U.S. dollar compared to the currencies with which we operate and process transactions. Partially offsetting these losses in 2018 was a \$2.1 million gain recognized from the change in fair value of our term loan embedded derivatives. We also recognize interest income of \$4.6 million in 2019 compared to \$1.4 million in 2018.

### Income tax provision (benefit)

	Year Ended December 31,		Change	
	2019	2018	\$	%
	(in thousands, except percentages)			
Income tax provision (benefit)	\$ (192)	\$ 1,150	\$ 1,342	116.7 %
Percentage of total net revenue	(0.1)%	0.4 %		

The benefit from income taxes increased \$1.3 million in 2019 compared to 2018 and was primarily attributable to the change in our year-over-year jurisdictional earnings mix and the recognition of tax attributes in our non-U.S. subsidiaries.

### Quarterly Results of Operations Data

The following tables set forth our unaudited quarterly statements of operations data for each of the eight quarters in the period ended December 31, 2019. The information for each quarter has been prepared on a basis consistent with our audited consolidated financial statements included in this Annual Report on Form 10-K, and, in the opinion of management, includes all adjustments, which consist only of normal recurring adjustments, necessary for the fair statement of the results of operations for these periods. This data should be read in conjunction with our audited consolidated financial statements and related notes included in this Annual Report on Form 10-K. These quarterly results of operations are not necessarily indicative of the results we may achieve in any future period.

	Three Months Ended							
	March 31, 2018	June 30, 2018	Sept. 30, 2018	Dec. 31, 2018	March 31, 2019 <sup>(1)</sup>	June 30, 2019 <sup>(1)</sup>	Sept. 30, 2019 <sup>(1)</sup>	Dec. 31, 2019
	(in thousands)							
<b>Consolidated Statements of Operations</b>								
Net revenue	\$ 74,526	\$ 67,542	\$ 73,628	\$ 75,915	\$ 81,326	\$ 80,758	\$ 82,052	\$ 82,665
Cost of net revenue <sup>(2)</sup>	28,084	29,863	31,477	31,229	30,565	31,119	33,389	34,068
Gross profit	46,442	37,679	42,151	44,686	50,761	49,639	48,663	48,597
Operating expenses <sup>(2)</sup> :								
Product development	8,834	10,981	12,856	13,400	14,597	16,628	16,211	16,760
Sales, marketing and support	20,717	21,513	21,186	20,012	21,725	26,053	28,764	26,332
General and administrative	19,982	18,405	21,163	20,584	25,380	22,287	27,390	25,484
Total operating expenses	49,533	50,899	55,205	53,996	61,702	64,968	72,365	68,576
Loss from operations	(3,091)	(13,220)	(13,054)	(9,310)	(10,941)	(15,329)	(23,702)	(19,979)
Interest expense	(2,909)	(3,190)	(3,300)	(1,896)	(1,092)	(1,033)	(853)	(8)
Change in fair value of redeemable convertible preferred stock warrant liability	(1,321)	(4,750)	(3,520)	—	—	—	—	—
Gain (loss) on debt extinguishment	16,995	—	(17,173)	—	—	—	(1,742)	—
Other income (expense), net	(281)	(3,013)	1,414	(1,309)	2,180	375	(3,700)	6,872
Income (loss) before income taxes	9,393	(24,173)	(35,633)	(12,515)	(9,853)	(15,987)	(29,997)	(13,115)
Income tax provision (benefit)	370	430	(117)	467	100	(1,193)	147	754
Net income (loss)	9,023	(24,603)	(35,516)	(12,982)	(9,953)	(14,794)	(30,144)	(13,869)
Net income attributable to participating securities	9,023	—	—	—	—	—	—	—
Net loss attributable to common stockholders	\$ —	\$ (24,603)	\$ (35,516)	\$ (12,982)	\$ (9,953)	\$ (14,794)	\$ (30,144)	\$ (13,869)
Net loss per share attributable to common stockholders, basic and diluted	\$ —	\$ (1.12)	\$ (1.24)	\$ (0.17)	\$ (0.13)	\$ (0.18)	\$ (0.36)	\$ (0.16)
Weighted-average shares outstanding used to compute net loss per share attributable to common stockholders, basic and diluted	20,711	21,886	28,736	78,242	78,670	81,369	83,063	84,488

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

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

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

	Three Months Ended							
	March 31, 2018	June 30, 2018	Sept. 30, 2018	Dec. 31, 2018	March 31, 2019	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019
	(in thousands)							
Cost of net revenue	\$ 53	\$ 71	\$ 154	\$ 151	\$ 244	\$ 325	\$ 393	\$ 435
Product development	601	747	2,497	1,968	2,038	2,187	3,322	3,583
Sales, marketing and support	714	864	1,151	841	1,223	1,246	1,569	1,433
General and administrative	1,492	3,566	11,247	4,114	4,622	4,948	4,652	5,374
Total	\$ 2,860	\$ 5,248	\$ 15,049	\$ 7,074	\$ 8,127	\$ 8,706	\$ 9,936	\$ 10,825

	Three Months Ended							
	March 31, 2018	June 30, 2018	Sept. 30, 2018	Dec. 31, 2018	March 31, 2019	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019
<i>Percentage of Net Revenue</i>								
Net revenue	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of net revenue	37.7	44.2	42.8	41.1	37.6	38.5	40.7	41.2
Gross profit	62.3	55.8	57.2	58.9	62.4	61.5	59.3	58.8
Operating expenses:								
Product development	11.9	16.3	17.5	17.7	17.9	20.6	19.8	20.3
Sales, marketing and support	27.8	31.9	28.8	26.4	26.7	32.3	35.1	31.9
General and administrative	26.8	27.2	28.7	27.1	31.2	27.6	33.4	30.8
Total operating expenses	66.5	75.4	75.0	71.1	75.9	80.4	88.2	83.0
Loss from operations	(4.1)	(19.6)	(17.7)	(12.3)	(13.5)	(19.0)	(28.9)	(24.2)
Interest expense	(3.9)	(4.7)	(4.5)	(2.5)	(1.3)	(1.3)	(1.0)	—
Change in fair value of redeemable convertible preferred stock warrant liability	(1.8)	(7.0)	(4.8)	—	—	—	—	—
Gain (loss) on debt extinguishment	22.8	—	(23.3)	—	—	—	(2.1)	—
Other income (expense), net	(0.4)	(4.5)	1.9	(1.7)	2.7	0.5	(4.5)	8.3
Income (loss) before income taxes	12.6	(35.8)	(48.4)	(16.5)	(12.1)	(19.8)	(36.6)	(15.9)
Income tax provision (benefit)	0.5	0.6	(0.2)	0.6	0.1	(1.5)	0.2	0.9
Net income (loss)	12.1 %	(36.4) %	(48.2) %	(17.1) %	(12.2) %	(18.3) %	(36.7) %	(16.8) %

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

	Three Months Ended							
	March 31, 2018	June 30, 2018	Sept. 30, 2018	Dec. 31, 2018	March 31, 2019	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019
	(in thousands)							
Paid ticket volume	23,598	23,099	23,896	26,702	27,026	26,538	26,897	28,967

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

	Three Months Ended							
	March 31, 2018	June 30, 2018	Sept. 30, 2018	Dec. 31, 2018	March 31, 2019 <sup>(1)</sup>	June 30, 2019 <sup>(1)</sup>	Sept. 30, 2019 <sup>(1)</sup>	Dec. 31, 2019
	(in thousands)							
Net income (loss)	\$ 9,023	\$ (24,603)	\$ (35,516)	\$ (12,982)	\$ (9,953)	\$ (14,794)	\$ (30,144)	\$ (13,869)
Add:								
Depreciation and amortization	8,202	8,580	8,830	8,996	6,012	5,957	6,112	6,243
Stock-based compensation	2,860	5,248	15,049	7,074	8,127	8,706	9,936	10,825
Interest expense	2,909	3,190	3,300	1,896	1,092	1,033	853	8
Change in fair value of redeemable convertible preferred stock warrant liability	1,321	4,750	3,520	—	—	—	—	—
(Gain) loss on debt extinguishment	(16,995)	—	17,173	—	—	—	1,742	—
Direct and indirect acquisition related costs	823	622	611	545	673	130	34	—
Employer taxes related to employee equity transactions	—	—	—	—	187	524	182	662
Other (income) expense, net	281	3,013	(1,414)	1,309	(2,180)	(375)	3,700	(6,872)
Income tax provision (benefit)	370	430	(117)	467	100	(1,193)	147	754
Adjusted EBITDA	\$ 8,794	\$ 1,230	\$ 11,436	\$ 7,305	\$ 4,058	\$ (12)	\$ (7,438)	\$ (2,249)

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

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

The following table presents a reconciliation of free cash flow, which is computed on a trailing twelve-month basis, from net cash provided by operating activities for each of the periods indicated:

	Twelve Months Ended						
	March 31, 2018	June 30, 2018	Sept. 30, 2018	Dec. 31, 2018	March 31, 2019	June 30, 2019	Sept. 30, 2019
	(in thousands)						
Net cash provided by operating activities	\$ 38,977	\$ 24,554	\$ 6,148	\$ 7,162	\$ 7,476	\$ 15,780	\$ 34,868
Purchases of property and equipment and capitalized internal-use software development costs	(9,703)	(11,392)	(12,369)	(12,650)	(12,934)	(13,353)	(13,858)
Free cash flow	<u>\$ 29,274</u>	<u>\$ 13,162</u>	<u>\$ (6,221)</u>	<u>\$ (5,488)</u>	<u>\$ (5,458)</u>	<u>\$ 2,427</u>	<u>\$ 21,010</u>

## Liquidity and Capital Resources

As of December 31, 2019, we had cash and cash equivalents of \$420.7 million and funds receivable of \$54.9 million. Our cash and cash equivalents includes bank deposits and money market funds held by financial institutions and is held for working capital purposes. Our funds receivable represents cash-in-transit from credit card processors that is received to our bank accounts within five business days of the underlying ticket transaction. Collectively, our cash, cash equivalents and funds receivable balances represent a mix of cash that belongs to us and cash that is due to the creator. The amounts due to creators, which was \$308.4 million as of December 31, 2019, are captioned on our consolidated balance sheets as accounts payable, creators.

We also make payments to creators to provide the creator with short-term liquidity in advance of ticket sales. These amounts are recovered by us as tickets are sold by the respective creator, and are typically expected to be recovered within 12 months of the payment date. Amounts expected to be recovered within 12 months of the balance sheet date are classified as creator advances, net, and any remaining amounts are classified as creator advances, noncurrent. We maintain an allowance for estimated creator advances that are not recoverable and present the creator advances balances net on our consolidated balance sheets. Creator advances, net was \$22.3 million and \$21.3 million as of December 31, 2019 and 2018, respectively, and creator advances, noncurrent was \$0.9 million and \$1.9 million as of December 31, 2019 and 2018, respectively.

Since our inception, and prior to our IPO, we financed our operations and capital expenditures primarily through the issuance of unregistered redeemable convertible preferred stock and common stock, cash flows generated by operations and issuances of debt.

In September 2018, upon the completion of our IPO, we received aggregate proceeds of \$246.0 million, net of underwriter discounts and commissions, before deducting offering costs of \$5.5 million, net of reimbursements.

Also in September 2018, we entered into the New Term Loans and a \$75.0 million revolving credit facility (the New Revolving Credit Facility, and together with the New Term Loans, the New Credit Facilities). The New Term Loans were fully funded in September 2018 and we received cash proceeds of \$73.6 million, net of arrangement fees of \$1.1 million and upfront fees of \$0.3 million.

In September 2019, we elected to prepay the outstanding principal balance of the New Term Loans in its entirety and terminate the New Credit Facilities. We paid \$63.0 million, which consisted of \$62.2 million of outstanding principal and \$0.8 million of accrued interest and fees. We recorded a loss on debt extinguishment of \$1.7 million during the year ended December 31, 2019 related to the repayment of the New Term Loans.

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

As of December 31, 2019, approximately 55.3% of our cash was held outside of the United States, which was held primarily on behalf of, and to be remitted to, creators and to fund our foreign operations. We do not expect to incur significant taxes related to these amounts.

## Cash Flows

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

	Year Ended December 31,		
	2019	2018	2017
	(in thousands)		
Net cash provided by (used in):			
Operating activities	\$ 28,658	\$ 7,162	\$ 29,821
Investing activities	(13,598)	(39)	(140,652)
Financing activities	(31,520)	240,056	159,514
Net increase (decrease) in cash, cash equivalents and restricted cash	\$ (16,460)	\$ 247,179	\$ 48,683

For a discussion and comparison of the years ended December 31, 2018 and 2017, please refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of the 2018 Annual Report on Form 10-K filed with the SEC on March 7, 2019.

**Comparison of Years Ended December 31, 2019 and 2018**

***Cash Flows from Operating Activities***

The net cash provided by operating activities of \$28.7 million for the year ended December 31, 2019 was due primarily to a net loss of \$68.8 million with adjustments for depreciation and amortization of \$24.3 million, stock-based compensation expense of \$37.6 million, amortization of creator signing fees of \$10.9 million, impairment charges of \$5.7 million, provision for bad debt and creator advances of \$2.4 million and loss on debt extinguishment of \$1.7 million. Additionally, there was an increase in accounts payable to creators of \$36.2 million due to increases in paid ticket volume, a decrease in funds receivable of \$3.8 million and an increase in other accrued liabilities of \$2.2 million. These items were partially offset by an increase in creator signing fees paid of \$21.2 million, an increase in creator advances, net of \$5.7 million and a decrease in accrued taxes of \$2.8 million. The increases in creator signing fees, net, and creator advances, net, were due to increases in our sales contracting with creators.

The net cash provided by operating activities of \$7.2 million for the year ended December 31, 2018 was due primarily to a net loss of \$64.1 million with adjustments for depreciation and amortization of \$34.6 million, stock-based compensation expense of \$30.2 million, amortization of creator signing fees of \$7.1 million, change in fair value of redeemable convertible preferred stock warrant liability of \$9.6 million and a change in fair value of term loan embedded derivatives of \$2.1 million. Additionally, there was an increase in accounts payable to creators of \$24.5 million due to increases in paid ticket volume and an increase in other accrued liabilities of \$4.3 million. These items were partially offset by a decrease in accrued taxes of \$9.4 million, an increase in creator signing fees paid of \$16.0 million, an increase in creator advances, net of \$5.3 million and an increase in funds receivable of \$6.8 million. The increases in creator signing fees paid and creator advances, net, were due to increases in our sales contracting with creators and the increase in funds receivable was due to increases in paid ticket volume.

***Cash Flows from Investing Activities***

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

The net cash used in investing activities of \$39 thousand for the year ended December 31, 2018 was due to net cash provided from acquisitions of \$12.6 million, driven by net cash acquired from the Ticketea acquisition, which occurred in April 2018, partially offset by capitalized software development costs of \$7.2 million and purchases of property and equipment of \$5.4 million.

***Cash Flows from Financing Activities***

The net cash used in financing activities of \$31.5 million during the year ended December 31, 2019 was due primarily to \$73.6 million in principal payments on our debt obligations and \$1.1 million in taxes paid related to the net share settlement of equity awards. These cash outflows were offset by \$40.7 million in proceeds from exercise of stock options and \$3.6 million of proceeds from the issuance of common stock under our Employee Stock Purchase Plan (ESPP).

The net cash provided by financing activities of \$240.1 million during the year ended December 31, 2018 was due primarily to \$241.0 million in aggregate proceeds from the completion of our IPO, net of underwriters' discounts and offering costs, \$118.6 million in proceeds from term loans and \$8.1 million in proceeds from exercise of stock options. These cash inflows were offset by \$111.1 million in principal payments on our debt obligations, \$6.8 million in prepayment penalties resulting from the extinguishment of our WTI Loan Facilities and \$9.0 million in taxes paid related to the net share settlement of equity awards.

***Concentrations of Credit Risk***

As of December 31, 2019 and December 31, 2018, there were no customers that represented 10% or more of our accounts receivable balance. There were no customers that individually exceeded 10% of our net revenue during the years ended December 31, 2019 and 2018.

## Contractual Obligations and Commitments

We had no outstanding debt as of December 31, 2019.

Our principal commitments consist of our operating lease obligations (partially offset by sublease income), capital commitments to creators and purchase commitments. The following table summarizes our consolidated principal contractual cash obligations and rights as of December 31, 2019 (in thousands):

	Payments due by Period				
	Total	Less than 1 year	Between 1-3 years	Between 3-5 years	More Than 5 Years
Operating lease obligations	\$ 27,362	\$ 9,766	\$ 8,319	\$ 5,116	\$ 4,161
Sublease income	(5,444)	(4,205)	(1,239)	—	—
Future creator signing fees and creator advances	43,206	23,140	17,136	2,930	—
Purchase commitments	4,000	4,000	—	—	—
Total	\$ 69,124	\$ 32,701	\$ 24,216	\$ 8,046	\$ 4,161

## Off-Balance Sheet Arrangements

We do not currently have any off-balance sheet arrangements and did not have any such arrangements during each of the years ended December 31, 2019, 2018 or 2017.

## 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, the capitalization and estimated useful life of internal-use software, certain assumptions used in the valuation of equity awards, determining the fair value of the redeemable convertible preferred stock warrant liability prior to the IPO, fair value of the term loan derivative liability, assumptions used in determining the fair value of business combinations, the allowance for doubtful accounts, indirect tax reserves and contra-revenue amounts related to fraudulent events, customer disputed transactions and refunds. We evaluate these estimates on an ongoing basis. Actual results could differ from those estimates and such differences could be material to our consolidated financial statements.

### Revenue Recognition

We adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* and *Other Assets and Deferred Costs—Contracts with Customers (Subtopic 340-40)* (ASC 606) on January 1, 2019.

We determine revenue recognition through the following steps:

- i. Identification of the contract, or contracts, with a customer
- ii. Identification of the performance obligations in the contract
- iii. Determination of the transaction price
- iv. Allocation of the transaction price to the performance obligations in the contract
- v. Recognition of revenue, when, or as, we satisfy the performance obligation



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

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

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

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

#### ***Creator Signing Fees, Net***

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

#### ***Creator Advances, Net***

Creator advances, net represent contractual amounts paid to creators pursuant to event ticketing and payment processing agreements. Creator advances provide the creator with funds in advance of the event and are subsequently recovered by withholding amounts due to us 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 our assessment of various factors, including a creator's payment history, the rate and timing of recovery for outstanding advances, the frequency and size of historical and planned future events, and macro-economic conditions and current events that may impact a creator's ability to generate future ticket sales.

### ***Business Combinations, Goodwill and Acquired Intangible Assets***

We allocate the fair value of purchase consideration to the tangible assets acquired, liabilities assumed and intangible assets acquired based on their estimated fair values. Such valuations require us to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from acquired users, acquired technology and trade names from a market participant perspective, useful lives and discount rates. Our estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, which is one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings.

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.

Events or changes in circumstances which could trigger an impairment review include significant changes in the manner of our use of the acquired assets or the strategy for our overall business, significant negative industry or economic trends, significant underperformance relative to historical or projected future results of operations, a significant adverse change in the business climate, an adverse action or assessment by a regulator, unanticipated competition or a loss of key personnel.

We have the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, we determine it is not more likely than not that the fair value of the reporting unit is less than its carrying amount, then additional impairment testing is not required. However, if we conclude otherwise, then we are required to perform the first of a two-step impairment test.

The first step involves comparing the estimated fair value of the reporting unit with its respective book value, including goodwill. If the estimated fair value exceeds book value, goodwill is considered not to be impaired and no additional steps are necessary. If, however, the fair value of the reporting unit is less than book value, then a second step is required that compares the carrying amount of the goodwill with its implied fair value. The estimate of implied fair value of goodwill may require valuations of certain internally-generated and unrecognized intangible and tangible net assets. If the carrying amount of goodwill exceeds the implied fair value of the goodwill, an impairment loss is recognized in an amount equal to the excess.

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

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

### ***Stock-Based Compensation Expense***

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

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

### ***Income Taxes***

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

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

### ***Recent Accounting Pronouncements***

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

**Item 7A. Quantitative and Qualitative Disclosures About Market Risk**

**Interest Rate Sensitivity**

Interest expense related to our outstanding debt as of December 31, 2019 is related to fixed rate debt and interest expense related to the build-to-suit lease and is not sensitive to movements in interest rates. A 10% increase or decrease in interest rates would not have a material effect on our interest expense.

**Foreign Currency Risk**

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

Item 8. Financial Statements and Supplementary Data

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

## **Report of Independent Registered Public Accounting Firm**

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

### ***Opinions on the Financial Statements and Internal Control over Financial Reporting***

We have audited the accompanying consolidated balance sheets of Eventbrite, Inc. and its subsidiaries (the “Company”) as of December 31, 2019 and 2018, and the related consolidated statements of operations, of redeemable convertible preferred stock and stockholders' equity (deficit) and of cash flows for each of the three years in the period ended December 31, 2019, 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, 2019, 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, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

### ***Change in Accounting Principles***

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

### ***Basis for Opinions***

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

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

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

### ***Definition and Limitations of Internal Control over Financial Reporting***

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

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

#### ***Critical Audit Matters***

The critical audit 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.

#### ***Recoverability of Creator Signing Fees and Advances***

As described in Notes 2, 4, and 5 to the consolidated financial statements, creator signing fees are additional incentives paid by the Company to secure exclusive ticketing and payment processing rights with certain creators. Creator advances provide creators with funds in advance of the event and are subsequently recovered by withholding amounts due to the Company from the sale of tickets until the creator advance has been fully recovered. The Company has recorded \$26.3 million of creator signing fees and \$23.2 million of creator advances as of December 31, 2019. Creator signing fees and creator advances are presented net of reserves for potentially unrecoverable amounts on the consolidated balance sheets. Reserves are recorded based on management's assessment of various factors, including a creator's payment history, the rate and timing of recovery for outstanding advances, the frequency and size of historical and planned future events, and macro-economic conditions and current events that may impact a creator's ability to generate future ticket sales.

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

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 creator signing fees and advances, including controls over the development of the estimates of reserves for potentially unrecoverable amounts. These procedures also included, among others, evaluating management's process for assessing the recoverability of creator signing fees and advances. This included evaluating the reasonableness of management's assumptions over a creator's ability to generate future ticket sales, which involved evaluating whether the assumptions used were reasonable considering a creator's payment history, the rate and timing of recovery for outstanding advances, macro-economic conditions and current events, and subsequent events. These procedures included the testing of the completeness and accuracy of historical data provided by management, examining evidence from third parties and completing a retrospective review of prior period estimates to actual events for a sample of creator balances.

/s/ PricewaterhouseCoopers LLP  
San Jose, California  
March 2, 2020

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,	
	2019	2018
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 420,712	\$ 437,892
Funds receivable	54,896	58,697
Accounts receivable, net	2,932	4,069
Creator signing fees, net	9,597	7,324
Creator advances, net	22,282	21,255
Prepaid expenses and other current assets	14,157	16,467
Total current assets	524,576	545,704
Property, plant and equipment, net	19,735	44,219
Operating lease right-of-use assets	22,160	—
Goodwill	170,560	170,560
Acquired intangible assets, net	49,158	59,973
Restricted cash	2,228	1,508
Creator signing fees, noncurrent	16,710	9,681
Creator advances, noncurrent	922	1,887
Other assets	1,966	3,352
Total assets	\$ 808,015	\$ 836,884
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities		
Accounts payable, creators	\$ 308,371	\$ 272,201
Accounts payable, trade	1,870	1,028
Accrued compensation and benefits	6,347	5,586
Accrued taxes	5,409	8,028
Operating lease liabilities	9,115	—
Current portion of term loans	—	5,635
Other accrued liabilities	19,196	15,726
Total current liabilities	350,308	308,204
Build-to-suit lease financing obligation	—	28,510
Accrued taxes, noncurrent	15,173	15,691
Operating lease liabilities, noncurrent	16,162	—
Term loans	—	67,087
Other liabilities	557	2,170
Total liabilities	382,200	421,662
Commitments and contingencies (Note 11)		
Stockholders' equity		
Preferred stock, \$0.00001 par value; 100,000,000 shares authorized, no shares issued or outstanding as of December 31, 2019 or 2018	—	—
Common stock, \$0.00001 par value; 1,100,000,000 shares authorized, 85,718,860 shares issued and outstanding as of December 31, 2019; 1,100,000,000 shares authorized, 78,546,874 shares issued and 78,358,394 shares outstanding as of December 31, 2018	1	—
Treasury stock at cost; no shares as of December 31, 2019 and 188,480 shares as of December 31, 2018	—	(488)
Additional paid-in capital	798,640	718,405
Accumulated deficit	(372,826)	(302,695)
Total stockholders' equity	425,815	415,222
Total liabilities and stockholders' equity	\$ 808,015	\$ 836,884

(See accompanying Notes to Consolidated Financial Statements)



**EVENTBRITE, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
*(in thousands, except per share data)*

	Year Ended December 31,		
	2019	2018	2017
Net revenue	\$ 326,801	\$ 291,611	\$ 201,597
Cost of net revenue <sup>(1)</sup>	129,141	120,653	81,667
Gross profit	197,660	170,958	119,930
Operating expenses <sup>(1)</sup> :			
Product development	64,196	46,071	30,608
Sales, marketing and support	102,874	83,428	59,740
General and administrative	100,541	80,134	62,989
Total operating expenses	267,611	209,633	153,337
Loss from operations	(69,951)	(38,675)	(33,407)
Interest expense	(2,986)	(11,295)	(6,462)
Change in fair value of redeemable convertible preferred stock warrant liability	—	(9,591)	(2,200)
Loss on debt extinguishment	(1,742)	(178)	—
Other income (expense), net	5,727	(3,189)	3,509
Loss before income taxes	(68,952)	(62,928)	(38,560)
Income tax provision (benefit)	(192)	1,150	(13)
Net loss	\$ (68,760)	\$ (64,078)	\$ (38,547)
Net loss per share, basic and diluted	\$ (0.84)	\$ (1.71)	\$ (1.98)
Weighted-average number of shares outstanding used to compute net loss per share, basic and diluted	81,979	37,540	19,500

(1) Includes stock-based compensation as follows (in thousands):

	Year Ended December 31,		
	2019	2018	2017
Cost of net revenue	\$ 1,397	\$ 429	\$ 200
Product development	11,130	5,813	2,411
Sales, marketing and support	5,471	3,570	2,364
General and administrative	19,596	20,419	5,883

*(See accompanying Notes to Consolidated Financial Statements)*

EVENTBRITE, INC.

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

(in thousands, except share data)

	Redeemable Convertible Preferred Stock		Common Stock-Class A		Common Stock-Class B		Treasury Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at January 1, 2017	33,446,250	\$ 200,082	—	\$ —	16,693,380	\$ —	(188,480)	\$ (488)	\$ 51,474	\$ (200,070)	\$ (149,084)
Issuance of Series G redeemable convertible preferred stock at \$16.3836 per share, net of issuance costs of \$0.1 million	8,181,957	133,936	—	—	—	—	—	—	—	—	—
Issuance of common stock upon exercise of stock options and warrants	—	—	—	—	1,401,872	—	—	—	1,767	—	1,767
Issuance of common stock for acquisitions	—	—	—	—	2,678,189	—	—	—	18,243	—	18,243
Vesting of early exercised stock options	—	—	—	—	—	—	—	—	366	—	366
Stock-based compensation	—	—	—	—	—	—	—	—	11,441	—	11,441
Net loss	—	—	—	—	—	—	—	—	—	(38,547)	(38,547)
Balance at December 31, 2017	41,628,207	334,018	—	—	20,773,441	—	(188,480)	(488)	83,291	(238,617)	(155,814)
Issuance of common stock upon exercise of stock options	—	—	—	—	1,727,899	—	—	—	8,108	—	8,108
Issuance of common stock, acquisitions	—	—	—	—	757,218	—	—	—	8,832	—	8,832
Issuance of common stock for settlement of RSUs	—	—	—	—	802,900	—	—	—	—	—	—
Issuance of common stock in connection with the initial public offering, net of underwriting discounts and commissions	—	—	11,500,000	—	—	—	—	—	245,985	—	245,985
Conversion of redeemable convertible preferred stock in connection with initial public offering	(41,628,207)	(334,018)	—	—	42,188,624	—	—	—	334,018	—	334,018
Automatic conversion of warrants in connection with initial public offering	—	—	—	—	997,193	—	—	—	21,465	—	21,465
Costs related to initial public offering	—	—	—	—	—	—	—	—	(5,450)	—	(5,450)
Issuance of restricted stock awards	—	—	2,993	—	—	—	—	—	—	—	—
Shares withheld related to net share settlement	—	—	—	—	(391,874)	—	—	—	(9,013)	—	(9,013)
Vesting of early exercised stock options	—	—	—	—	—	—	—	—	366	—	366
Stock-based compensation	—	—	—	—	—	—	—	—	30,803	—	30,803
Net loss	—	—	—	—	—	—	—	—	—	(64,078)	(64,078)
Balance at December 31, 2018	—	\$ —	11,502,993	\$ —	66,855,401	\$ —	(188,480)	\$ (488)	\$ 718,405	\$ (302,695)	\$ 415,222

EVENTBRITE, INC.

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

(in thousands, except share data)

	Redeemable Convertible Preferred Stock		Common Stock-Class A		Common Stock-Class B		Treasury Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at December 31, 2018	—	\$ —	11,502,993	\$ —	66,855,401	\$ —	(188,480)	\$ (488)	\$ 718,405	\$ (302,695)	\$ 415,222
Issuance of common stock upon exercise of stock options	—	—	6,209,953	—	255,407	—	—	—	40,669	—	40,669
Issuance of restricted stock awards	—	—	394,558	—	—	—	—	—	—	—	—
Issuance of common stock for settlement of RSUs	—	—	353,407	—	—	—	—	—	—	—	—
Issuance of common stock for ESPP Purchase	—	—	271,294	—	—	—	—	—	3,631	—	3,631
Shares withheld related to net share settlement	—	—	(124,153)	—	—	—	—	—	(2,821)	—	(2,821)
Conversion of common stock from Class B to Class A	—	—	43,255,565	1	(43,255,565)	—	—	—	(1)	—	—
Retirement of treasury shares	—	—	—	—	—	—	188,480	488	(488)	—	—
Vesting of early exercised stock options	—	—	—	—	—	—	—	—	367	—	367
Cumulative effect adjustment upon adoption of ASU 2014-09	—	—	—	—	—	—	—	—	—	(600)	(600)
Cumulative effect adjustment upon adoption of ASU 2016-02	—	—	—	—	—	—	—	—	—	(771)	(771)
Stock-based compensation	—	—	—	—	—	—	—	—	38,878	—	38,878
Net loss	—	—	—	—	—	—	—	—	—	(68,760)	(68,760)
Balance at December 31, 2019	—	\$ —	61,863,617	\$ 1	23,855,243	\$ —	—	\$ —	\$ 798,640	\$ (372,826)	\$ 425,815

(See accompanying Notes to Consolidated Financial Statements)

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

	Year Ended December 31,		
	2019	2018	2017
<b>Cash flows from operating activities</b>			
Net loss	\$ (68,760)	\$ (64,078)	\$ (38,547)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	24,324	34,608	19,418
Amortization of creator signing fees	10,858	7,086	4,314
Noncash operating lease expense	8,246	—	—
Accretion of term loan	326	1,718	752
Loss on debt extinguishment	1,742	178	—
Change in fair value of redeemable convertible preferred stock warrant liability	—	9,591	2,200
Change in fair value of term loan embedded derivatives	—	(2,119)	—
Stock-based compensation	37,594	30,231	10,858
Impairment charges	5,671	3,425	2,715
Provision for bad debt and creator advances	2,433	2,742	921
Loss on disposal of equipment	73	99	1,271
Deferred income taxes	(380)	103	(400)
Excess tax benefit from stock-based compensation awards	—	—	(2,258)
Changes in operating assets and liabilities, net of impact of acquisitions:			
Accounts receivable	(288)	(2,092)	(775)
Funds receivable	3,801	(6,810)	(18,148)
Creator signing fees, net	(21,216)	(15,973)	(8,600)
Creator advances, net	(5,685)	(5,308)	(5,782)
Prepaid expenses and other current assets	1,690	(5,594)	(4,347)
Other assets	201	(1,643)	668
Accounts payable, creators	36,170	24,523	52,836
Accounts payable, trade	670	(507)	386
Accrued compensation and benefits	761	1,791	(333)
Accrued taxes	(2,619)	5,039	3,640
Operating lease liabilities	(9,146)	—	—
Other accrued liabilities	2,224	4,256	693
Accrued taxes, noncurrent	(137)	(14,458)	7,027
Other liabilities	105	354	1,312
Net cash provided by operating activities	28,658	7,162	29,821

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

	Year Ended December 31,		
	2019	2018	2017
<b>Cash flows from investing activities</b>			
Purchases of property and equipment	(5,888)	(5,418)	(2,536)
Capitalized internal-use software development costs	(7,710)	(7,232)	(6,142)
Acquisitions, net of cash acquired	—	12,611	(131,974)
Net cash used in investing activities	(13,598)	(39)	(140,652)
<b>Cash flows from financing activities</b>			
Proceeds from initial public offering, net of underwriters' discounts and offering costs, net of reimbursements	—	240,965	—
Proceeds from issuance of common stock under ESPP	3,631	—	—
Proceeds from exercise of stock options	40,669	8,108	1,767
Excess tax benefit from stock-based compensation awards	—	—	2,258
Taxes paid related to net share settlement of equity awards	(1,066)	(9,013)	—
Proceeds from issuance of redeemable convertible preferred stock, net	—	—	133,936
Proceeds from term loans	—	118,578	30,000
Principal payments on debt obligations	(73,594)	(111,071)	(7,788)
Prepayment penalties on debt extinguishment	—	(6,803)	—
Payment of debt issuance costs	(457)	—	—
Payments on finance lease obligations	(290)	(78)	(249)
Payments on build-to-suit lease financing obligation	—	(630)	(410)
Payments of deferred offering costs	(413)	—	—
Net cash provided by (used in) financing activities	(31,520)	240,056	159,514
Net increase (decrease) in cash, cash equivalents and restricted cash	(16,460)	247,179	48,683
<b>Cash, cash equivalents and restricted cash</b>			
Beginning of period	439,400	192,221	143,538
End of period	\$ 422,940	\$ 439,400	\$ 192,221
<b>Supplemental cash flow data</b>			
Interest paid	\$ 10,657	\$ 7,588	\$ 868
Income taxes paid, net of refunds	1,096	202	144
<b>Noncash investing and financing activities</b>			
Vesting of early exercised stock options	\$ 367	\$ 366	\$ 366
Issued shares of common stock for acquisitions	—	8,832	18,243
Promissory notes issued in connection with acquisitions	—	—	57,500
Conversion of redeemable convertible preferred stock in connection with initial public offering	—	21,465	—
Issuance of redeemable convertible preferred stock warrants in connection with the loan facilities and term loan	—	4,603	5,071
Deferred offering costs included in accounts payable, trade and other accrued liabilities	—	430	—
Purchases of property and equipment, accrued but unpaid	436	—	—
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	3,704	—	—

*(See accompanying Notes to Consolidated Financial Statements)*

**EVENTBRITE, INC.****Notes to Consolidated Financial Statements****1. Overview and Basis of Presentation****Description of Business**

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

**Initial Public Offering**

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

Immediately prior to the closing of the IPO, (i) all shares of common stock then outstanding were reclassified as Class B Common Stock, (ii) 41,628,207 shares of redeemable convertible preferred stock outstanding converted into 42,188,624 shares of Class B common stock (including additional shares issued upon conversion of the Series G redeemable convertible preferred stock based on the IPO price of \$23.00 per share) and (iii) warrants to purchase 933,269 shares of the Series G redeemable convertible preferred stock automatically exercised into 997,193 shares of Class B common stock. See Note 12 and Note 13 for additional details.

**Basis of Presentation**

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

**Prior Period Reclassification**

Beginning in the first quarter of 2019, the Company classified the amortization of acquired customer relationship intangible assets and certain other costs as sales, marketing and support expenses. Previously, these expenses were classified as general and administrative expenses. The Company has reclassified \$13.6 million and \$4.6 million of expenses for the years ended December 31, 2018 and 2017, respectively, to make the presentation consistent with the current year. There was no change to total operating expenses, loss from operations, loss before income taxes or net loss for the years ended December 31, 2018 or 2017 as a result of these reclassifications.

**Use of Estimates**

In order to conform with GAAP, the Company is required to make certain estimates, judgments and assumptions when preparing its consolidated financial statements. These estimates, judgments and assumptions affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reported periods. These estimates include, but are not limited to, the recoverability of creator signing fees and creator advances, the capitalization and estimated useful life of internal-use software, certain assumptions used in the valuation of equity awards, determining the fair value of the Company's common stock and redeemable convertible preferred stock warrant liability prior to the IPO, fair value of the term loan derivative liability, assumptions used in determining the fair value of business combinations, the allowance for doubtful accounts, indirect tax reserves and contra-revenue amounts related to fraudulent events, customer disputed transactions and refunds. 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.

## SEC Filer and Emerging Growth Company Status

The Company became a large accelerated filer on December 31, 2019, based on the market value of the Company's Class A common stock held by non-affiliates as of the last day of the second quarter. Prior to that, the Company was an emerging growth company (EGC) as defined in the Jumpstart Our Business Startups Act (JOBS Act). Being an EGC allowed the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. The Company had elected to use this extended transition period under the JOBS Act.

The Company lost the ability to delay adoption of new or revised accounting pronouncements when it ceased to be an EGC and became a large accelerated filer as of December 31, 2019. As a result, the financial statements included in this Annual Report on Form 10-K reflect the adoption of new accounting standards effective for calendar year end public companies, including the adoption of ASU 2016-02, Leases (Topic 842) (ASC 842). The Company previously filed its 2019 quarterly interim financial statements on Form 10-Q accounting for its leases under ASC 840, *Leases* (ASC 840), and has recast its previously reported 2019 interim financial information to be reported under ASC 842 in this Annual Report on Form 10-K. Refer to the section titled Recently Adopted Accounting Pronouncements below for more information.

## Comprehensive Loss

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

## Segment Information

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

## 2. Significant Accounting Policies

### Recently Adopted Accounting Pronouncements

The Company adopted ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business* beginning January 1, 2019. This standard clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions or disposals of assets or businesses. The adoption of this standard had no material impact on the Company's consolidated financial statements.

In May 2014, and in subsequent updates, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* and *Other Assets and Deferred Costs—Contracts with Customers (Subtopic 340-40)* (ASC 606), which supersedes revenue recognition guidance under ASC Topic 605. ASC 606 establishes a five-step revenue recognition process in which an entity will recognize revenue when or as it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. ASC 606 also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenues and cash flows from contracts with customers. ASC 606 was effective for and adopted by the Company beginning January 1, 2019. The Company applied the modified retrospective approach to contracts which were not completed as of the adoption date.

The adoption of ASC 606 primarily had the following impact on the Company's financial statements:

- Beginning January 1, 2019, the Company recognizes revenue allocated to its customer service and account management performance obligations over time as the Company has a stand-ready obligation to provide these services to certain customers. The Company recorded a cumulative-effect adjustment to opening accumulated deficit as of January 1, 2019 of \$0.6 million and a corresponding increase to contract liabilities, included within other accrued liabilities on the consolidated balance sheet. The Company recognized this \$0.6 million during the year ended December 31, 2019 and has a contract liability of \$0.8 million recorded as of December 31, 2019.
- The adoption of ASC 606 had no material impact to the Company's net revenues recorded in the year ended December 31, 2019.
- The accounting treatment of incremental costs of obtaining contracts under ASC 606 had no material impact to the Company's consolidated financial statements.

- The adoption of ASC 606 had no impact to the Company's total net cash provided by or used in operating, investing or financing activities within the Company's consolidated statement of cash flows for the year ended December 31, 2019.
- The adoption of ASC 606 had no income tax impact. As a result of the cumulative-effect adjustment to opening accumulated deficit as of January 1, 2019, the Company's opening deferred income tax asset balance was increased with a corresponding increase to the valuation allowance.

Refer to Revenue Recognition below for additional discussion of the Company's revenue recognition policies under ASC 606.

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842) (ASC 842), which supersedes the previous accounting guidance for leases included within ASC 840, *Leases* (ASC 840). The new guidance generally requires an entity to recognize on its balance sheet operating and finance lease liabilities and corresponding right-of-use assets, as well as to recognize the associated operating lease expenses on its statements of operations.

The Company adopted and began applying ASC 842 on January 1, 2019 in accordance with ASU No. 2018-11, *Targeted Improvements to ASC 842* using a modified retrospective approach. The Company elected not to adjust comparative periods and will continue to disclose reporting periods prior to January 1, 2019 under ASC 840.

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

The most significant impact of adopting ASC 842 was the derecognition of the Company's build-to-suit asset and improvements, including lessor-owned improvements, with a carrying amount of \$26.7 million, and the related lease financing obligation of \$28.9 million, related to the Company's San Francisco office lease. As of January 1, 2019, the Company ceased to allocate its lease payments to interest expense and the build-to-suit liability. Under ASC 842, the Company classified this lease as an operating lease and will recognize lease expense in the consolidated statement of operations and lease payments will be recorded as a reduction of the operating lease liability, similar to all of the Company's other real estate leases. The Company recorded additional lease operating expense of \$3.7 million, decreased depreciation expense of \$0.5 million and decreased interest expense of \$3.3 million during the year ended December 31, 2019 compared to the year ended December 31, 2018 related to its San Francisco office lease as a result of adopting ASC 842.

The adoption of ASC 842 resulted in the recognition of \$25.7 million of operating lease right-of-use assets and operating lease liabilities of \$29.7 million on the consolidated balance sheet as of January 1, 2019. The Company reclassified \$1.7 million of previously recognized deferred rent obligations and lease incentives to operating lease right-of-use assets upon adoption of ASC 842.

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

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

For further information, see Note 7.

In February 2018, the FASB issued ASU 2018-02, *Income Statement—Reporting Comprehensive Income* (Topic 220): *Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*. This ASU was issued following the enactment of the U.S. Tax Cuts and Jobs Act of 2017 (the Tax Act) and permits entities to elect a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Act. The Company adopted this guidance in the first quarter of fiscal year 2019 and there was no tax impact upon adoption.



### Recently Issued Accounting Pronouncements Not Yet Adopted

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13), which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost, including trade receivables. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss model that requires the use of forward-looking information to calculate credit loss estimates. The Company plans to adopt this new standard in the first quarter of 2020 and is evaluating the accounting, transition and disclosure requirements of this standard.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740), Simplifying the Accounting for Income Taxes*. This ASU simplifies accounting for income taxes by removing certain exceptions to the general principles and amending existing guidance to improve consistent application. The amendments in this Update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. Early adoption of the amendments is permitted, including adoption in any interim period for which financial statements have not yet been issued. The Company is in the process of evaluating the impact, if any, of this new guidance on its consolidated financial statements.

In January 2017, the FASB issued ASU 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*, which eliminates the requirement to calculate the implied fair value of goodwill to measure a goodwill impairment charge. This standard is effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. The Company will adopt this standard effective January 1, 2020 and while this standard will apply to the Company's reporting requirements in performing goodwill impairment testing, the Company does not anticipate the adoption of this standard will have a material impact on its consolidated financial statements.

### Revenue Recognition

The Company determines revenue recognition through the following steps:

- i. Identification of the contract, or contracts, with a customer
- ii. Identification of the performance obligations in the contract
- iii. Determination of the transaction price
- iv. Allocation of the transaction price to the performance obligations in the contract
- v. Recognition of revenue, when, or as, the Company satisfies the performance obligation

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

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

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

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

#### Cost of Net Revenue

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

#### Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents includes bank deposits and money market funds held with financial institutions. Cash and cash equivalents balances include the face value of tickets sold on behalf of creators and their share of service charges, which amounts are to be remitted to the creators. Such balances were \$257.3 million and \$217.4 million as of December 31, 2019 and 2018, respectively. Although creator cash is legally unrestricted, the Company does not utilize creator cash for its own financing or investing activities as the amounts are payable to creators on a regular basis. These amounts due to creators are included in accounts payable, creators on the consolidated balance sheets. The Company considers all highly liquid investments, including money market funds with an original maturity of three months or less at the date of purchase, to be cash equivalents.

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

	December 31,		
	2019	2018	2017
Cash and cash equivalents	\$ 420,712	\$ 437,892	\$ 188,986
Restricted cash	2,228	1,508	3,235
Total cash, cash equivalents and restricted cash	\$ 422,940	\$ 439,400	\$ 192,221

#### Funds Receivable

Funds receivable represents cash-in-transit from third-party payment processors that is received by the Company within approximately five business days from the date of the underlying ticketing transaction. The funds receivable balances include the face value of tickets sold on behalf of creators and their share of service charges, which amounts are to be remitted to the creators. Such amounts were \$51.1 million and \$54.8 million as of December 31, 2019 and 2018, respectively.

#### Accounts Receivable, Net

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

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

#### Property, Plant and Equipment, Net

Property, plant 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, plant and equipment are as follows:

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

#### Fair Value Measurements

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

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

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

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

The Company's money market funds, funds receivable, accounts receivable, accounts payable, other current liabilities and debt approximate their fair value. All of these financial assets and liabilities are Level 1, except for debt, which is Level 2. There were no other Level 1 or Level 2 assets or liabilities recorded at December 31, 2019, 2018 and 2017.

The Company measured the redeemable convertible preferred stock warrant liability (as discussed in Note 12) and term loan derivative asset (as discussed in Note 10) at fair value on a recurring basis and determined these are Level 3 financial assets and liabilities, respectively, in the fair value hierarchy.

The fair value of the redeemable convertible preferred stock warrants was estimated using a hybrid between a probability-weighted expected return method (PWERM) and option pricing model (OPM), estimating the probability weighted value across multiple scenarios, while using an OPM to estimate the allocation of value within one or more of these scenarios. Under a PWERM, the value of the Company's various equity securities was estimated based upon an analysis of future values for the Company assuming various future outcomes, including two IPO scenarios and two scenarios contemplating the continued operation of the Company as a privately held enterprise. Guideline public company multiples were used to value the Company under the IPO scenarios. The discounted cash flow method was used to value the Company under the staying private scenarios. Share value for each class of security was based upon the probability-weighted present value of expected future investment returns, considering each of these possible future outcomes, as well as the rights of each share class.

The significant unobservable inputs into the valuation model used to estimate the fair value of the redeemable convertible preferred stock warrants include the timing of potential events (IPO) and their probability of occurring, the selection of guideline public company multiples, a discount for the lack of marketability of the preferred and common stock, the projected future cash flows, and the discount rate used to calculate the present-value of the estimated equity value allocated to each share class.

The significant unobservable inputs into the valuation model used to estimate the fair value of the term loan derivative asset include the timing of potential events (primarily the IPO), probability of exercise and the discount rate used to calculate the present value of discounted cash flows.

Generally, changes in the fair value of the underlying redeemable convertible preferred stock would result in a directionally similar impact to the fair value of the redeemable convertible preferred stock warrant liability.

There were no transfers of financial assets or liabilities into or out of Level 1, Level 2 or Level 3 for the years ended December 31, 2019 and 2018.

#### **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**

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. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from acquired users, acquired technology, trade names from a market participant perspective, useful lives and discount rates. Management's 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. During the measurement period, which is one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings.

#### **Goodwill and Acquired Intangible Assets, Net**

##### *Goodwill*

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, or more frequently if events or changes in circumstances indicate the goodwill may be impaired.

Events or changes in circumstances which could trigger an impairment review include significant changes in the manner of the Company's use of the acquired assets or the strategy for the Company's overall business, significant negative industry or economic trends, significant underperformance relative to historical or projected future results of operations, a significant adverse change in the business climate, an adverse action or assessment by a regulator, unanticipated competition or a loss of key personnel. The Company has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, an entity determines it is not more likely than not that the fair value of the reporting unit is less than its carrying amount, then additional impairment testing is not required. However, if an entity concludes otherwise, then it is required to perform the first of a two-step impairment test.

The first step involves comparing the estimated fair value of the reporting unit with its respective book value, including goodwill. If the estimated fair value exceeds book value, goodwill is considered not to be impaired and no additional steps are necessary. If, however, the fair value of the reporting unit is less than book value, then a second step is required that compares the carrying amount of the goodwill with its implied fair value. The estimate of implied fair value of goodwill may require valuations of certain internally-generated and unrecognized intangible and tangible net assets. If the carrying amount of goodwill exceeds the implied fair value of the goodwill, an impairment loss is recognized in an amount equal to the excess.

During the years ended December 31, 2019, 2018 and 2017, the Company assessed qualitative factors and determined additional impairment testing was not required; therefore no goodwill impairment charges have been recorded during these periods.

#### *Acquired Intangible Assets, Net*

Acquired intangible assets, net consists of identifiable intangible assets such as developed technology, customer relationships, and trade names resulting from the Company's 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, determined to be straight-line. Acquired intangible assets are presented net of accumulated amortization in the consolidated balance sheet.

The Company evaluates the recoverability of its intangible assets for potential impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of these assets is measured by a comparison of the carrying amounts to the future undiscounted cash flows the assets are expected to generate. If such review indicates that the carrying amount of intangible assets is not recoverable, the carrying amount of such assets is reduced to the fair value.

#### **Creator Signing Fees, Net**

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

#### **Creator Advances, Net**

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

#### **Impairment**

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

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

#### **Accounts Payable, Creators**

Accounts payable, creators consists of unremitted ticket sale proceeds, net of Eventbrite service fees and applicable taxes. Amounts are remitted to creators within five business days subsequent to the completion of the related event. In certain situations, at the request of the creator, the Company may remit ticket sale proceeds in advance of the related event.

## **Advertising**

Advertising costs are charged to expense as incurred. The costs of developing advertising creative and trade show expenses are initially deferred and charged to expense in the period in which the advertising is displayed or the period the trade show occurs. Advertising expenses were \$4.6 million, \$1.6 million and \$1.9 million for the years ended December 31, 2019, 2018 and 2017, respectively.

## **Stock-Based Compensation Expense**

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

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

## **Deferred Offering Costs**

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

## **Income Taxes**

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

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

## **Foreign Currency Remeasurement**

The functional currency of the Company's international subsidiaries is the U.S. dollar. Accordingly, monetary balance sheet accounts are remeasured using exchange rates in effect at the balance sheet dates and non-monetary items are remeasured 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 gains of \$1.1 million, losses of \$7.4 million and gains of \$3.1 million during the years ended December 31, 2019, 2018 and 2017, respectively.

## **Concentrations of Risk**

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

As of December 31, 2019 and 2018, there were no customers that represented 10% or more of the Company's accounts receivable balance, and there were no customers that individually exceeded 10% of the Company's net revenue for any of the years ended December 31, 2019, 2018 or 2017, respectively.

### Redeemable Convertible Preferred Stock Warrants

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

### Net Loss Per Share

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

### 3. Accounts Receivable, Net

Accounts receivable, net is comprised of invoiced amounts to customers who use FPP for payment processing as well as other invoiced amounts. The following table summarizes the Company's accounts receivable balance (in thousands):

	December 31,	
	2019	2018
Accounts receivable, customers	\$ 4,979	\$ 5,651
Allowance for doubtful accounts	(2,047)	(1,582)
Accounts receivable, net	<u>\$ 2,932</u>	<u>\$ 4,069</u>

### 4. Creator Signing Fees, Net

Creator signing fees are additional incentives paid by the Company to secure exclusive ticketing and payment processing rights with certain creators. Amortization of creator signing fees is recorded as a reduction of revenue in the consolidated statements of operations and was \$10.9 million, \$7.1 million and \$4.3 million for the years ended December 31, 2019, 2018 and 2017, respectively. As of December 31, 2019, these payments are being amortized over a weighted-average remaining contract life of 3.5 years on a straight-line basis. The following table summarizes the activity in creator signing fees for the periods indicated (in thousands):

	December 31,	
	2019	2018
Balance, beginning of period	\$ 17,005	\$ 10,421
Creator signing fees paid	21,216	15,973
Amortization of creator signing fees	(10,858)	(7,086)
Write-offs and other adjustments	(1,056)	(2,303)
Balance, end of period	<u>\$ 26,307</u>	<u>\$ 17,005</u>
Creator signing fees, net	\$ 9,597	\$ 7,324
Creator signing fees, noncurrent	16,710	9,681

## 5. Creator Advances, Net

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

	December 31,	
	2019	2018
Balance, beginning of period	\$ 23,142	\$ 20,076
Acquired with Ticketea transaction	—	532
Creator advances paid	36,081	21,466
Creator advances recouped	(30,396)	(16,158)
Write-offs and other adjustments	(5,623)	(2,774)
Balance, end of period	\$ 23,204	\$ 23,142
Creator advances, net	\$ 22,282	\$ 21,255
Creator advances, noncurrent	922	1,887

## 6. Property, Plant and Equipment, Net

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

	December 31,	
	2019	2018
Building and improvements	\$ —	\$ 33,277
Capitalized internal-use software development costs	44,194	35,201
Furniture and fixtures	3,861	3,557
Computers and computer equipment	14,836	11,676
Leasehold improvements	8,393	5,084
Finance lease right-of-use assets	1,005	—
	72,289	88,795
Less: Accumulated depreciation and amortization	(52,554)	(44,576)
Property, plant and equipment, net	\$ 19,735	\$ 44,219

In connection with the adoption of ASC 842, the Company derecognized the building and improvements asset of \$33.3 million as of January 1, 2019, which was initially recorded as a result of build-to-suit lease accounting and reclassified a portion of that balance, \$1.4 million, to leasehold improvements. This amount reflects the lessee-owned assets of the construction project and is being depreciated over the remaining lease term.

Included in property, plant and equipment, net are finance lease right-of-use assets with a carrying amount of \$0.4 million as of December 31, 2019.

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,		
	2019	2018	2017
Depreciation expense	\$ 5,950	\$ 5,201	\$ 4,073
Capitalized internal-use software development costs	8,993	7,809	6,725
Amortization of capitalized internal-use software development costs	7,562	6,240	5,102

Stock-based compensation expense included in capitalized internal-use software development costs was \$1.3 million for the year ended December 31, 2019 and \$0.6 million for each of the years ended December 31, 2018 and 2017.



## 7. Leases

The Company adopted ASC 842 on January 1, 2019 and applied a modified retrospective transition approach. The Company will continue to account for comparative reporting periods prior to that date under ASC 840.

### Build-to-Suit Lease

In December 2013, the Company executed a lease for 97,624 square feet of office space in San Francisco, California (San Francisco office lease). The initial lease term was seven years with an option to renew for an additional three years, and the leased space represents two floors in a seven-floor building. The lease provided for a \$6.4 million tenant improvement reimbursement allowance, which the Company utilized in 2014. In order for the facility to meet the Company's operating specifications, both the landlord and the Company made structural changes as part of the improvement of the building, and as a result, the Company has concluded that it is the deemed partial owner of the building (for accounting purposes only) during the construction period. Accordingly, at lease inception, the Company recorded an asset of \$22.3 million, representing its estimate of the fair market value of the leased space, and a corresponding lease financing obligation on the consolidated balance sheets.

Upon completion of construction, the Company evaluated the derecognition of the asset and liability as a sale-leaseback transaction. The Company concluded it did not meet the provisions needed for sale-leaseback accounting, and thus the lease was being accounted for as a financing obligation. Lease payments were allocated to (1) a reduction of the principal financing obligation; (2) imputed interest expense; and (3) land lease expense (which is considered an operating lease) representing an imputed cost to lease the underlying land of the facility. In addition, the underlying building asset was being depreciated over the building's estimated useful life of 30 years.

Land lease expense was \$0.9 million for each of the years ended December 31, 2018 and 2017 and interest expense recorded related to the Company's build-to-suit lease was \$3.4 million and \$3.5 million for the years ended December 31, 2018 and 2017, respectively.

Upon the adoption of ASC 842 as of January 1, 2019, the Company derecognized the build-to-suit asset and related lease financing obligation in their entirety, with the exception of the remaining net book value of lessee-owned tenant improvement assets, which will be depreciated over the remaining term of the lease. The Company classified the San Francisco office lease as an operating lease under ASC 842. The adoption effect of derecognizing the build-to-suit assets and lease financing obligation, and recognizing operating lease right-of-use assets and operating lease liabilities on the consolidated balance sheets was as follows (in thousands):

Balance Sheet Location	December 31, 2019	January 1, 2019	December 31, 2018
Property, plant and equipment, net	\$ 814	\$ (26,676)	\$ 28,101
Other accrued liabilities	—	(552)	552
Build-to-suit lease financing obligation	—	(28,510)	28,510
Operating lease right-of-use assets	5,953	10,130	—
Operating lease liabilities	5,580	5,167	—
Operating lease liabilities, noncurrent	1,446	7,026	—
Accumulated deficit	135	135	—

### Operating leases

The Company leases its office facilities under operating lease arrangements with varying expiration dates through 2029. Operating lease right-of-use assets and operating lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. Right-of-use assets also include adjustments related to prepaid or deferred lease payments and lease incentives. As most of the Company's leases do not provide an implicit interest rate, the Company uses its incremental borrowing rate at the lease commencement date to determine the present value of lease payments. The incremental borrowing rate is calculated based on hypothetical fully-secured borrowings to fund each respective lease over the lease term as of the lease commencement date, based on an assessment of the company's implied credit rating. As of December 31, 2019, total operating lease right-of-use assets and operating lease liabilities were \$22.2 million and \$25.3 million, respectively. The lease liabilities are classified with \$9.1 million included in current liabilities and \$16.2 million included in noncurrent liabilities on the consolidated balance sheets.

Options to extend or terminate a lease are included in the lease term when it is reasonably certain that the Company will exercise such options. As of December 31, 2019, the remaining lease term of the Company's operating leases ranges from less than one year to ten years.

The components of operating lease costs for the year ended December 31, 2019 were as follows (in thousands):

Operating lease costs	\$	8,246
Sublease income		(3,933)
Total operating lease costs, net	\$	4,313

The Company made cash payments of \$9.1 million for operating lease liabilities during the year ended December 31, 2019, which is included within the operating activities section on the consolidated statements of cash flows.

As of December 31, 2019, the Company's operating leases had a weighted-average remaining lease term of 4.5 years and a weighted-average discount rate of 3.7%.

As of December 31, 2019, maturities of operating lease liabilities were as follows (in thousands):

2020	\$	9,766
2021		4,967
2022		3,352
2023		3,081
2024		2,035
Thereafter		4,161
Total operating lease payments		27,362
Less: Imputed interest		(2,085)
Total operating lease liabilities	\$	25,277

Rent expense from operating leases recorded under ASC 840 totaled \$3.0 million and \$2.1 million for the years ended December 31, 2018 and 2017, respectively. The Company also recognized sublease income of \$3.6 million and \$3.1 million for the years ended December 31, 2018 and 2017, respectively.

As of December 31, 2018, the future minimum lease payments under non-cancelable operating leases and the build-to suit lease arrangement, net of sublease income rental payments, were as follows (in thousands):

2019	\$	4,115
2020		4,129
2021		2,645
2022		1,678
2023		1,483
Thereafter		3,770
Total minimum payments		17,820
Less: Amount representing interest and taxes		(7,564)
Total	\$	10,256

## Finance leases

The Company leases certain computer equipment under finance leases. Finance lease right-of-use assets had a carrying amount of \$0.4 million as of December 31, 2019 and are included in property, plant and equipment, net on the consolidated balance sheets. Finance lease liabilities totaled \$0.7 million as of December 31, 2019, with \$0.4 million and \$0.3 million included in other accrued liabilities and other noncurrent liabilities, respectively, on the consolidated balance sheets. The Company made cash payments of \$0.3 million for finance lease liabilities during the year ended December 31, 2019, which is included within the financing activities section on the consolidated statements of cash flows.

## 8. Acquisitions

The Company made no acquisitions in 2019.

### 2018 Acquisitions

#### *Picatic*

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

#### *Ticketea*

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

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

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

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

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

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

## 2017 Acquisitions

### *Ticketfly*

In September 2017, the Company acquired 100% of the outstanding equity of Ticketfly, LLC (Ticketfly), a San Francisco based subsidiary of a publicly-held company. The Company acquired Ticketfly in order to expand the Company's solutions for music-related events. The acquisition of Ticketfly has been accounted for as a business combination. The acquisition date fair value of the consideration transferred was \$201.1 million, which consisted of \$151.1 million in cash and \$50.0 million in Convertible Promissory Notes (Promissory Note), which were paid and issued, respectively, at the closing of the transaction. The Promissory Note had a five year maturity from the date of issuance and bore interest at a rate of 6.5% per annum. Acquisition costs related to the Ticketfly transaction were \$0.5 million and are included in general and administrative expenses in the consolidated statements of operations for the year ended December 31, 2017.

In March 2018, the Company reached an agreement with the seller of Ticketfly to repay the Promissory Note. The face value of \$50.0 million was settled in full for \$34.7 million which represented \$33.0 million of principal and \$1.7 million of accrued interest. The Company recognized a gain of \$17.0 million resulting from the extinguishment of the Promissory Note in the consolidated statements of operations for the year ended December 31, 2018. As discussed in Note 10, the Company recorded a net loss on debt extinguishment of \$0.2 million for the year ended December 31, 2018.

### *Ticketscript*

In January 2017, the Company acquired 100% of the outstanding equity of TSTM Group Limited (ticketscript), a privately-held Dutch ticketing company with operations throughout Europe. The Company acquired ticketscript in order to enhance its ticketing solutions. The acquisition of ticketscript has been accounted for as a business combination. The acquisition date fair value of the consideration transferred was \$33.4 million, which consisted of \$7.7 million in cash, \$7.5 million in promissory notes, 2.7 million shares of the Company's Class B common stock and options to purchase 0.3 million shares of the Company's Class B common stock. These promissory notes were allowed to be prepaid at any time and the Company repaid these promissory notes in full, including accrued interest, in August 2017. Acquisition costs related to the ticketscript transaction were \$1.2 million and are included in general and administrative expenses in the consolidated statements of operations. The Company retained certain former ticketscript employees under Eventbrite employment contracts and issued options to purchase an aggregate of 0.3 million shares of Class B common stock in connection with those employment contracts. These options vest over time and compensation expense is being recorded over the associated service period.

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

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

	<b>Ticketfly</b>	<b>ticketscript</b>	<b>Total</b>
Cash and restricted cash	\$ 23,339	\$ 3,492	\$ 26,831
Funds and accounts receivable	4,263	4,208	8,471
Creator advances	8,567	—	8,567
Prepaid expenses and other current assets	1,213	242	1,455
Property and equipment	2,619	425	3,044
Other noncurrent assets	15	238	253
Accounts payable, creators	(29,909)	(7,950)	(37,859)
Other current liabilities	(2,138)	(836)	(2,974)
Accrued taxes	(6,179)	(1,799)	(7,978)
Deferred tax liabilities	—	(2,401)	(2,401)
Intangible assets	76,300	11,800	88,100
Goodwill	123,011	26,030	149,041
Total purchase price	\$ 201,101	\$ 33,449	\$ 234,550

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

	<b>Ticketfly</b>	<b>Estimated useful life</b>	<b>ticketscript</b>	<b>Estimated useful life</b>
Customer relationships	\$ 60,500	8.0	\$ 10,600	5.0
Developed technology	14,500	1.3	1,100	1.0
Trademark	1,300	1.3	100	1.0
Total acquired intangible assets	<u>\$ 76,300</u>		<u>\$ 11,800</u>	

## 9. Goodwill and Acquired Intangible Assets, Net

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

At January 1, 2017	\$ 9,725
Additions from acquisitions	149,041
At December 31, 2017	158,766
Additions from acquisitions	11,023
Measurement period and other adjustments	771
At December 31, 2018	<u>\$ 170,560</u>

The carrying amount of goodwill was \$170.6 million as of December 31, 2018 and 2019.

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

	<b>December 31, 2018</b>			<b>Weighted- average remaining useful life (years)</b>
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>	
Developed technology	\$ 19,096	\$ 18,628	\$ 468	0.8
Customer relationships	74,484	14,979	59,505	6.2
Tradenames	1,600	1,600	—	
Acquired intangible assets, net	<u>\$ 95,180</u>	<u>\$ 35,207</u>	<u>\$ 59,973</u>	

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

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

	<b>Year Ended December 31,</b>		
	<b>2019</b>	<b>2018</b>	<b>2017</b>
Cost of net revenue	\$ 434	\$ 11,834	\$ 5,083
Sales, marketing and support	10,381	10,236	4,570
General and administrative	—	1,098	590
Total amortization of acquired intangible assets	<u>\$ 10,815</u>	<u>\$ 23,168</u>	<u>\$ 10,243</u>

As of December 31, 2019, the total expected future amortization expense of acquired intangible assets by year is as follows (in thousands):

2020	\$	10,443
2021		10,197
2022		8,202
2023		7,709
Thereafter		12,607
Total expected future amortization expense	\$	49,158

## 10. Term Loans and Debt

The Company entered into a loan and security agreement with, and issued warrants to purchase shares of Series G redeemable convertible preferred stock to Western Technology Investments (WTI) in June 2017 (First WTI Loan Facility), which provided for a secured credit facility of up to \$60.0 million of term debt. In May 2018, the Company entered into a second loan and security agreement with WTI which provided up to \$15.0 million of term debt (Second WTI Loan Facility, and together with the First WTI Loan Facility, WTI Loan Facilities) and issued additional warrants to purchase shares of Series G redeemable convertible preferred stock. The WTI Loan Facilities were collateralized by substantially all of the Company's assets and intellectual property rights.

The key terms and details of the Company's term loan borrowings under the WTI Loan Facilities were as follows:

Borrowing Date	Loan Facility	Loan Amount (in thousands)	Maturity Date	Contractual Interest Rate	Effective Interest Rate
September 2017	First WTI Facility	\$ 30,000	February 2022	11.5 %	15.9 %
March 2018	First WTI Facility	\$ 30,000	September 2022	11.8 %	14.8 %
May 2018	Second WTI Facility	\$ 15,000	November 2022	12.0 %	14.7 %

For all borrowings, monthly payments of interest were due for the first 24 months and equal monthly installments of principal and interest were due for 30 months thereafter.

The Second WTI Loan Facility included a contingent prepayment feature under which if the Company consummated a qualified public offering within the first 24 months of the term loan and the Company prepaid the term loan within 15 days of the qualified public offering, the Company would be required to repay the outstanding principal balance plus accrued interest within 15 days of the consummation of a qualified public offering plus an additional amount equal to 50% of all interest that would have been incurred through the end of first 24 months of the loan. In connection with the Second WTI Loan Facility, the Company modified the terms of the First WTI Loan Facility so that the March 2018 loan would be subject to the same contingent prepayment feature that is included in the Second WTI Loan Facility. The Company determined that the contingent prepayment features under the WTI Loan Facilities were embedded derivatives, requiring bifurcation and separate accounting. The Company recorded a \$2.1 million gain related to the change in fair value of the term loan embedded derivative asset, which is included within other income (expense), net on the consolidated statements of operations in the year ended December 31, 2018.

In September 2018, five days after the completion of the IPO, the Company exercised its prepayment option and fully repaid all amounts outstanding under the WTI Loan Facilities. The Company recorded a loss on debt extinguishment related to the WTI Loan Facilities of \$17.2 million during the year ended December 31, 2018, and when coupled with the gain on debt extinguishment discussed in Note 8, recorded a net loss on debt extinguishment of \$0.2 million for the year ended December 31, 2018.

In September 2018, the Company entered into a senior secured credit facility with a syndicate of banks consisting of \$75.0 million aggregate principal amount of term loans (New Term Loans) and a \$75.0 million revolving credit facility (New Revolving Credit Facility, and together with the New Term Loans, New Credit Facilities). The New Term Loans were fully funded in September 2018 and the Company received cash proceeds of \$73.6 million, net of arrangement fees of \$1.1 million and upfront fees of \$0.3 million.

The New Term Loans were scheduled to amortize at a rate of 7.5% per annum for the first two years of the New Credit Facilities, 10.0% per annum for the third and fourth years and the first three quarters of the fifth year of the New Credit Facilities, with the balance due at maturity. The New Credit Facilities had maturity dates on the fifth anniversary of the effective date. The New Revolving Credit Facility had a commitment fee which accrued at 0.40% on the daily unused amount of the aggregate revolving commitments of the lenders. All outstanding amounts under the New Credit Facilities bore interest, at the Company's option, at (i) a reserve adjusted LIBO Rate plus a margin between 2.25% and 2.75% or (ii) a base rate plus a margin between 1.25% and 1.75%, in each case determined on a quarterly basis based on the Company's consolidated total leverage ratio.

In September 2019, the Company elected to prepay the outstanding principal balance of the New Term Loans in their entirety and terminated the New Credit Facilities. The Company paid \$63.0 million, which consisted of \$62.2 million of debt principal and \$0.8 million of accrued interest and fees. The Company recorded a loss on debt extinguishment related to the termination of the New Credit Facilities of \$1.7 million during the year ended December 31, 2019.

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

Term loans consisted of the following as of December 31, 2018 (in thousands):

Outstanding principal balance	\$	73,594
Less: Unamortized discount and debt issuance costs		(872)
Total term loan, net	\$	72,722
Current portion of term loans	\$	5,635
Term loans		67,087

## 11. Commitments and Contingencies

### Creator Signing Fees and Creator Advances

Creator signing fees and creator advances represent contractual amounts paid in advance to customers pursuant to event ticketing and payment processing agreements. Certain of the Company's contracts include terms where future payments to creators are committed to, based on performance, as part of the overall ticketing arrangement. The following table presents, by year, the future creator payments committed to under contract but not yet paid as of December 31, 2019 (in thousands):

	Creator Advances	Creator Signing Fees	Total
2020	\$ 17,229	\$ 5,911	\$ 23,140
2021	11,220	1,535	12,755
2022	4,108	273	4,381
2023	2,700	230	2,930
Thereafter	—	—	—
Total	\$ 35,257	\$ 7,949	\$ 43,206

### Purchase Commitments

The following table presents, by year, the future contractual purchase commitments as of December 31, 2019 (in thousands):

	Total
2020	\$ 4,000
Thereafter	—
Total	\$ 4,000

## **Litigation and Loss Contingencies**

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

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 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 and appointed lead plaintiffs and lead counsel (the Federal Action). On October 11, 2019, the lead plaintiffs in the Federal Action filed their amended consolidated complaint. The amended complaint generally alleges that the Company misrepresented and/or omitted material information in its IPO offering documents, in violation of the Securities Act of 1933. The amended complaint also challenges public statements made after the IPO in violation of the Securities Exchange Act of 1934. The amended complaint seeks unspecified monetary damages and other relief on behalf of investors who purchased the Company's Class A common stock issued pursuant and/or traceable to the IPO offering documents, or between September 20, 2018 and May 1, 2019, inclusive. On December 11, 2019, the defendants filed a motion to dismiss the amended complaint. The hearing on the defendants' motion to dismiss is set for April 9, 2020.

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 alleges that the Company misrepresented and/or omitted material information in the IPO offering documents, in violation of the Securities Act of 1933. The amended complaint seeks unspecified monetary damages and other relief on behalf of investors who purchased the Company's Class A common stock issued pursuant and/or traceable to the IPO offering documents. On August 23, 2019, defendants filed demurrers to the consolidated complaint. A third state-court action was filed on August 23, 2019. On September 11, 2019, that complaint was consolidated into the operative complaint filed on July 24, 2019, and the court ordered that the arguments in defendants' pending demurrers would apply to that newly filed complaint. At the hearing on defendants' demurrers on November 1, 2019, the court sustained the demurrer with leave to amend. On December 13, 2019, the court granted requests by two plaintiffs to voluntarily dismiss their claims without prejudice. The remaining plaintiff and two new named plaintiffs filed a first amended consolidated complaint (FAC) on February 10, 2020. Defendants' deadline to file their anticipated demurrers to the FAC is March 26, 2020, and the court has set a hearing on May 1, 2020 to decide the anticipated demurrers.

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

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

The Roxodus Lawsuits are in their early stages and the Company cannot predict the likelihood of success. MFL has filed for bankruptcy in Canada, staying Eventbrite's action against the entity. The Company is monitoring and participating in the bankruptcy process pursuant to its rights under Canadian law. Eventbrite's investigation of the assets held by and/or on behalf of MFL, Loranger, and the other defendants is ongoing.

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



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 \$14.8 million and \$19.2 million as of December 31, 2019 and 2018, respectively. These amounts, which represent management's best estimates of its potential liability, include potential interest and penalties of \$1.4 million and \$1.2 million as of December 31, 2019 and 2018, 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. Redeemable Convertible Preferred Stock Warrants**

In connection with the First WTI Loan Facility and the Second WTI Loan Facility discussed in Note 10, the Company issued warrants to WTI to purchase shares of its Series G redeemable convertible preferred stock. The Series G redeemable convertible preferred stock warrants became exercisable into 411,991 shares of Series G redeemable convertible preferred stock when the First WTI Loan Facility was executed in June 2017. In September 2017, the redeemable convertible preferred stock warrants became exercisable into an additional 205,995 shares of Series G redeemable convertible preferred stock when the Company borrowed \$30.0 million under the First WTI Loan Facility. In March 2018, as a result of the Company borrowing the remaining \$30.0 million under the First WTI Loan Facility, the Series G redeemable convertible preferred stock warrants became exercisable into an additional 205,995 shares of Series G redeemable convertible preferred stock. In May 2018, the Company issued additional warrants which were exercisable into 109,288 shares of Series G redeemable convertible preferred stock. The exercise price of all of the Series G redeemable convertible preferred stock warrants was \$16.3836 per share and the redeemable convertible preferred stock warrants had an expiration date ten years from the date of issuance. In September 2018, in connection with the IPO, the redeemable convertible preferred stock warrants were automatically exercised into shares of Class B common stock and the related liability was reclassified to additional paid-in capital.

The Company recorded an increase in the fair value of the redeemable convertible preferred stock warrant liability of \$9.6 million and \$2.2 million during the years ended December 31, 2018 and 2017, respectively. There was no activity during the year ended December 31, 2019. Refer to Note 2 for discussion of the significant inputs used to determine the fair value of the redeemable convertible preferred stock warrant liability.

#### **13. Stockholders' Equity**

##### **Redeemable Convertible Preferred Stock**

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

## **Common Stock**

### *2004 and 2010 Stock Option Plans*

In 2004, the board of directors and stockholders of the Company authorized and ratified the 2004 Stock Plan (2004 Plan), as amended. The 2004 Plan allows for the issuance of incentive stock options (ISOs), non-statutory stock options (NSOs) and stock purchase rights. The 2004 Plan states the maximum aggregate number of shares that may be subject to options or stock purchase rights and sold under the plan is 6,000,000 shares.

In 2010, the board of directors and stockholders of the Company authorized and ratified the 2010 Stock Plan (2010 Plan), as amended. The 2010 Plan allows for the issuance of ISOs, NSOs and stock purchase rights. The 2010 Plan states the maximum aggregate number of shares that may be subject to options or stock purchase rights and sold under the plan is 30,663,761 shares.

### *2018 Stock Option and Incentive plan*

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 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 Company initially reserved 7,672,600 shares of Class A common stock for the issuance of awards under the 2018 Plan and 5,956,644 shares of Class A common stock were reserved as of December 31, 2019.

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

As of December 31, 2019, there were 15,684,021 options issued and outstanding under the 2004 Plan, 2010 Plan and 2018 Plan (collectively, the Plans) and 11,196,350 shares available for issuance under the 2018 Plan. The Company no longer grants awards under the 2004 Plan or the 2010 Plan.

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

Stock option activity 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, 2017	18,701,267	\$ 5.73	7.3	\$ 29,728
Granted	6,824,057	12.68		
Exercised	(1,727,899)	4.69		16,816
Cancelled	(1,784,828)	7.19		
Balance as of December 31, 2018	22,012,597	7.85	7.1	439,382
Granted	1,790,074	17.71		
Exercised	(6,465,360)	6.32		87,544
Cancelled	(1,653,290)	10.88		
Balance as of December 31, 2019	15,684,021	9.28	6.3	170,847
Vested and exercisable as of December 31, 2018	12,462,693	5.75	5.6	274,883
Vested and expected to vest as of December 31, 2018	20,926,797	7.69	7.0	421,047
Vested and exercisable as of December 31, 2019	9,913,182	7.14	5.1	129,341
Vested and expected to vest as of December 31, 2019	15,197,994	9.16	6.3	167,439

#### 2018 Employee Stock Purchase plan

In August 2018, the board of directors adopted, and stockholders approved, the 2018 Employee Stock Purchase Plan (ESPP). A total of 1,534,500 shares of the Company's Class A common stock were initially authorized for issuance under the 2018 ESPP. In March 2019, the board of directors approved the reservation of an additional 783,583 shares of Class A common stock for a total of 2,318,083 shares reserved for issuance under the 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.

A total of 271,294 shares were purchased under the ESPP during the year ended December 31, 2019, and as of that date, 2,046,789 shares of Class A common stock were available for future issuance under the ESPP. No shares of Class A common stock were purchased under the ESPP during the year ended December 31, 2018.

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

#### Common Stock Subject to Repurchase

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

At December 31, 2019 and December 31, 2018, outstanding common stock included 18,665 and 55,537 shares, respectively, subject to repurchase related to stock options early exercised and unvested. The Company had a liability of \$0.2 million and \$0.4 million as of December 31, 2019 and 2018, respectively, related to early exercises of stock options. The liability is reclassified into stockholders' equity as the awards vest.

## 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,		
	2019	2018	2017
Expected dividend yield	—	—	—
Expected volatility	48.8 - 49.7%	43.5 - 48.2%	40.7 - 57.1%
Risk-free interest rate	1.32 - 2.58%	2.96 - 3.09%	1.92 - 2.1%
Expected term (years)	5.04 - 6.08	5.28 - 6.08	5.02 - 6.08

The weighted-average fair value of stock options granted was \$8.57, \$8.16 and \$3.25 for the year ended December 31, 2019, 2018 and 2017, respectively. As of December 31, 2019 and 2018, the total unrecognized stock-based compensation related to unvested options outstanding was \$38.2 million and \$51.3 million, respectively, to be recognized over a weighted-average period of 2.39 years and 2.73 years, respectively.

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, 2019
Expected dividend yield	—
Expected volatility	43.26 - 58.89%
Risk-free interest rate	1.62 - 2.31%
Expected term (years)	0.5

## Restricted Stock Units

Restricted stock activity for the year ended December 31, 2019 is presented as follows:

	Outstanding RSUs and RSAs	Weighted-average grant date fair value per share	Weighted- average remaining contractual term (years)	Aggregate intrinsic value (thousands)
Balance at December 31, 2017	802,900	\$ 8.65		
Awarded	686,072	16.09		
Released	(809,567)			
Cancelled	(8,799)	31.79		
Balance at December 31, 2018	670,606	24.71		
Awarded	4,055,344	20.38		
Released	(437,844)	21.16		
Cancelled	(490,587)	25.21		
Balance at December 31, 2019	3,797,519	20.44	1.8	\$ 76,596
Vested and expected to vest as of December 31, 2019	3,126,182	20.46	1.6	63,055
Vested and expected to vest as of December 31, 2018	532,623	24.80	1.7	14,812

The Company recognized \$14.2 million of stock-based compensation expense related to RSUs during the year ended December 31, 2019, and, as of that date, the total unrecognized stock-based compensation related to RSUs outstanding was \$57.3 million, which will be recognized over a weighted-average period of 3.41 years.

The Company completed its IPO in September 2018 and satisfied the performance condition for all then outstanding RSU awards. The Company recognized \$6.9 million of stock-based compensation expense, based on the grant date fair value of a single performance-based award, which is included in general and administrative expenses for the year ended December 31, 2018.

#### Sales of the Company's Stock

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

#### 14. Net Loss Per Share

The Company calculates basic and diluted net loss per share in conformity with the two-class method required for companies with participating securities. The Company considered all series of redeemable convertible preferred stock to have been participating securities as the holders were entitled to receive non-cumulative dividends on a pari passu basis in the event that a dividend was paid on common stock. Under the two-class method, the net loss attributable to common stockholders is not allocated to the redeemable convertible preferred stock as the holders of redeemable convertible preferred stock do not have a contractual obligation to share in losses.

Under the two-class method, basic net loss per share is calculated by dividing the net loss by the weighted-average number of shares of common stock outstanding during the period, less shares subject to repurchase. Diluted net loss per share is computed by giving effect to all potentially dilutive common stock equivalents outstanding for the period. For purposes of this calculation, redeemable convertible preferred stock, stock options to purchase common stock, early exercised stock options, restricted stock units and warrants to purchase redeemable convertible preferred stock are considered common shares equivalents, but have been excluded from the calculation of diluted net loss per share as their effect is anti-dilutive. Basic and diluted net loss per share was the same for each period presented, as the inclusion of all potential common shares outstanding would have been anti-dilutive.

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

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

	Year Ended December 31,		
	2019	2018	2017
Net loss	\$ (68,760)	\$ (64,078)	\$ (38,547)
Weighted-average shares used in computing net loss per share, basic and diluted	81,979	37,540	19,500
Net loss per share, basic and diluted	\$ (0.84)	\$ (1.71)	\$ (1.98)

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,		
	2019	2018	2017
Redeemable convertible preferred stock (on an if-converted basis)	—	—	41,628
Stock-options to purchase common stock	15,684	22,013	18,701
Redeemable convertible preferred stock warrants	—	—	618
Restricted stock and restricted stock units	4,347	686	803
Early exercised options	19	56	115
Total shares of potentially dilutive securities	20,050	22,755	61,865

## 15. Income Taxes

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

	Year Ended December 31,		
	2019	2018	2017
Domestic	\$ (60,807)	\$ (50,133)	\$ (31,681)
International	(8,145)	(12,795)	(6,879)
Total	<u>\$ (68,952)</u>	<u>\$ (62,928)</u>	<u>\$ (38,560)</u>

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

	Year Ended December 31,		
	2019	2018	2017
Current tax expense (benefit)			
Federal	\$ (17)	\$ 234	\$ —
State	93	(10)	109
Foreign	112	823	278
Total current tax expense (benefit)	188	1,047	387
Deferred tax expense (benefit)			
Federal	315	317	99
State	171	153	55
Foreign	(866)	(367)	(554)
Total deferred tax expense (benefit)	(380)	103	(400)
Total income tax provision (benefit)	<u>\$ (192)</u>	<u>\$ 1,150</u>	<u>\$ (13)</u>

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,		
	2019	2018	2017
Federal tax benefit at statutory rate	\$ (14,480)	\$ (13,298)	\$ (13,147)
State tax	93	(10)	2,009
Foreign rate differential	136	1,315	2,513
Non-deductible permanent items	(468)	4,129	1,142
Stock-based compensation	(9,850)	(1,178)	1,950
Tax credits	(1,403)	(922)	(1,702)
Change in valuation allowance	25,780	11,114	(14,653)
Tax Act-revaluation of deferred taxes	—	—	21,875
Total	<u>\$ (192)</u>	<u>\$ 1,150</u>	<u>\$ (13)</u>

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

	Year Ended December 31,	
	2019	2018
Deferred tax assets:		
Net operating losses	\$ 78,001	\$ 50,154
Accruals and reserves	3,514	7,725
Tax credit carryforward	11,013	8,503
Stock-based compensation	8,280	5,944
Depreciation and amortization	4,381	4,735
Total deferred tax assets	105,189	77,061
Valuation allowance	(104,298)	(75,436)
Net deferred tax assets	891	1,625
Deferred tax liabilities:		
Depreciation and amortization	(2,550)	(3,665)
Net deferred taxes	\$ (1,659)	\$ (2,040)

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 majority of its federal, state, and certain foreign deferred tax assets will not be realizable as of December 31, 2019 and 2018. The total valuation allowance recorded as of December 31, 2019 and 2018 was \$104.3 million and \$75.4 million respectively. The activity in the Company's deferred tax asset valuation allowance for the periods indicated was as follows (in thousands):

	Balance, Beginning of Period	Charged to Costs & Expenses	Charged to Other Accounts	Deductions	Balance, end of Period
<b>Year ended December 31, 2019</b>					
Deferred tax asset valuation allowance	\$ 75,436	29,576	(714)	—	\$ 104,298
<b>Year ended December 31, 2018</b>					
Deferred tax asset valuation allowance	\$ 58,748	13,243	3,445	—	\$ 75,436
<b>Year ended December 31, 2017</b>					
Deferred tax asset valuation allowance	\$ 59,806	—	—	(1,058)	\$ 58,748

As of December 31, 2019 and 2018, the Company has net operating loss carryforwards for federal income tax purposes of \$251.0 million and \$152.1 million, respectively, available to reduce future taxable income. The federal net operating loss carryforwards will begin to expire, if not utilized, in 2025. In addition, the Company has \$70.3 million and \$49.6 million of net operating loss carryforwards available to reduce future taxable income for California state income tax purposes for the years ended December 31, 2019 and 2018, respectively. The state net operating loss carryforwards will begin to expire, if not utilized, in 2023. The federal and state net operating loss carryforwards are subject to various annual limitations under Section 382 of the Internal Revenue Code and similar state provisions. As of December 31, 2019 and 2018, the Company had foreign net operating loss carryforwards of \$13.5 million and \$12.2 million, respectively, which, if not utilized, will expire at various dates beginning in 2020.

As of December 31, 2019, the Company had Federal and California Research and Development Credits of \$10.6 million and \$9.0 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, 2019 and 2018, the Company had California EZ Hiring Tax Credits of \$2.2 million. The California Hiring Tax Credits will begin to expire, if not utilized, in 2020. As of December 31, 2019 and 2018, the Company had foreign tax credits of \$0.2 million and \$0.1 million, respectively. The foreign tax credits will begin to expire, if not utilized, in 2028.

As of December 31, 2019 and 2018, the Company had unrecognized tax benefits of \$9.8 million and \$7.2 million, respectively, which would not impact the effective tax rate because of the Company's valuation allowance position. A reconciliation of the beginning and ending amount of unrecognized tax benefit is as follows (in thousands):

Balance as of December 31, 2016	\$	—
Gross amount of increases in unrecognized tax benefits for tax positions taken in current year		1,526
Gross amount of increases in unrecognized tax benefits for tax positions taken in prior year		3,970
Balance as of December 31, 2017		5,496
Gross amount of increases in unrecognized tax benefits for tax positions taken in current year		1,744
Gross amount of decreases in unrecognized tax benefits for tax positions taken in prior year		—
Balance as of December 31, 2018		7,240
Gross amount of increases in unrecognized tax benefits for tax positions taken in current year		2,584
Gross amount of decreases in unrecognized tax benefits for tax positions taken in prior year		—
Balance as of December 31, 2019	\$	9,824

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, 2019, \$9.8 million of the Company's gross unrecognized tax benefits were recorded as a reduction of the related deferred tax assets.

The Company's policy is to recognize interest and penalties accrued on any unrecognized tax benefits as a component of its provision for income taxes. The amount of interest and penalties accrued as of December 31, 2018 and 2019 was zero.

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

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

## 16. 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,		
	2019	2018	2017
United States	\$ 236,845	\$ 211,705	\$ 141,118
International	89,956	79,906	60,479
Total net revenue	\$ 326,801	\$ 291,611	\$ 201,597

No individual country included in the International line above represents more than 10% of the total consolidated net revenue for any of the periods presented. Substantially all of the Company's long-lived assets are located in the United States.



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

None.

**Item 9A. Controls and Procedures**

**Evaluation of Disclosure Controls and Procedures**

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

Based on our evaluation, our principal executive officer and principal financial officer concluded that, as of December 31, 2019, our disclosure controls and procedures were effective to provide reasonable assurance that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures.

**Management's Report on Internal Control Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Management conducted an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2019 based on the criteria set forth in "Internal Control—Integrated Framework" (2013 framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management has concluded that our internal control over financial reporting was effective as of December 31, 2019 based on those criteria. The effectiveness of our internal control over financial reporting as of December 31, 2019 has been audited by our independent registered public accounting firm, PricewaterhouseCoopers LLP. PricewaterhouseCoopers LLP has issued an attestation report on our internal control over financial reporting, as stated in their report, which appears in Part II, Item 8 of this Annual Report on Form 10-K, and is incorporated herein by reference.

**Changes in Internal Control Over Financial Reporting**

There have been no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**Inherent Limitations on Effectiveness of Disclosure Controls and Procedures**

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

**Item 9B. Other Information**

None.

## PART III

### **Item 10. Directors, Executive Officers and Corporate Governance**

The information required by this item will be set forth in our definitive proxy statement to be filed with the Securities and Exchange Commission not later than 120 days after the end of our fiscal year ended December 31, 2019 in connection with our 2020 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](http://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 Accounting 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	Amended and Restated Bylaws.	S-1/A	3.4	August 28, 2018
4.1	Form of Class A Common Stock Certificate.	S-1/A	4.1	September 7, 2018
4.2	Description of Securities.			
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
10.1	Lease for 155 5th Street, San Francisco, CA, dated December 6, 2013, by and between the Registrant and University of the Pacific, as amended.	S-1	10.1	August 23, 2018
10.2	Lease for 209 10th Avenue South, Nashville, TN, dated May 12, 2014, by and between the Registrant and Cummins Station, LLC; First Amendment to Lease dated June 24, 2014; Second Amendment to Lease dated May 22, 2016; Third Amendment to Lease dated September 29, 2016; Fourth Amendment to Lease dated January 28, 2018; Fifth Amendment to Lease dated April 25, 2018; Sixth Amendment to Lease dated June 24, 2019; Seventh Amendment to Lease dated December 19, 2019.			Filed herewith
10.3#	Senior Executive Cash Incentive Bonus Plan.	S-1	10.4	August 23, 2018
10.4#	Non-Employee Director Compensation Policy.	S-1	10.5	August 23, 2018
10.5#	Eventbrite, Inc. (f/k/a Mollyguard Corporation) 2004 Stock Plan, as amended, and forms of agreements thereunder.	S-1	10.7	August 23, 2018
10.6#	Eventbrite, Inc. 2010 Stock Plan, as amended, and forms of agreements thereunder.	S-1/A	10.8	August 28, 2018
10.7#	Eventbrite, Inc. 2018 Stock Option and Incentive Plan and forms of agreements thereunder.	10-K	10.9	March 7, 2019
10.8#	Eventbrite, Inc. 2018 Employee Stock Purchase Plan.	S-1	10.10	August 23, 2018

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10.9#	Form of Indemnification Agreement, between the Registrant and each of its directors.	S-1	10.11	August 23, 2018
10.10#	Promotion Letter, dated April 21, 2016, between the Registrant and Julia Hartz.	S-1	10.13	August 23, 2018
10.11#	Offer Letter, dated November 30, 2005, between Mollyguard Corporation and Julia (Steen) Hartz.	S-1	10.14	August 23, 2018
10.12#	Form of Executive Severance and Change in Control Agreement between the Registrant and each of its executives.	S-1/A	10.18	August 28, 2018
10.13#	Non-Employee Directors' Deferred Compensation Program.	S-1/A	10.23	September 7, 2018
10.14#	Offer letter, dated October 26, 2015, between the Registrant and Samantha Harnett.	10-K	10.27	March 7, 2019
10.15#	Offer Letter, dated August 7, 2019, by and between the Registrant and Charles Baker.	8-K	10.1	August, 8 2019
10.16#	Independent Contractor Agreement between the Registrant and Lorrie Norrington, as amended	10-Q	10.2	August 7, 2019
10.17#	Offer letter, dated January 15, 2019, between the Registrant and Shane Crehan.	8-K	10.1	January 23, 2019
21.1	Subsidiaries of the Registrant.			Filed herewith
23.1	Consent of PricewaterhouseCoopers LLP			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	XBRL Instance Document			
101.SCH	XBRL Taxonomy Extension Schema Document			
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document			
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document			
101.LAB	XBRL Taxonomy Extension Label Linkbase Document			
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document			

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

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

**Item 16. Form 10-K Summary**

None.

### Signatures

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

March 2, 2020

**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, Charles Baker and Samantha Harnett, 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/> /s/ Julia Hartz <b>Julia Hartz</b>	Chief Executive Officer and Director (Principal Executive Officer)	March 2, 2020
<hr/> /s/ Charles Baker <b>Charles Baker</b>	Chief Financial Officer (Principal Financial Officer)	March 2, 2020
<hr/> /s/ Shane Crehan <b>Shane Crehan</b>	Chief Accounting Officer (Principal Accounting Officer)	March 2, 2020
<hr/> /s/ Katherine August-deWilde <b>Katherine August-deWilde</b>	Director	March 2, 2020
<hr/> /s/ Roelof Botha <b>Roelof Botha</b>	Lead Independent Director	March 2, 2020
<hr/> /s/ Kevin Hartz <b>Kevin Hartz</b>	Chairman and Director	March 2, 2020
<hr/> /s/ Jane Lauder <b>Jane Lauder</b>	Director	March 2, 2020
<hr/> /s/ Sean P. Moriarty <b>Sean P. Moriarty</b>	Director	March 2, 2020
<hr/> /s/ Lorrie M. Norrington <b>Lorrie M. Norrington</b>	Director	March 2, 2020
<hr/> /s/ Helen Riley <b>Helen Riley</b>	Director	March 2, 2020
<hr/> /s/ Steffan C. Tomlinson <b>Steffan C. Tomlinson</b>	Director	March 2, 2020

## DESCRIPTION OF SECURITIES

### General

The following description summarizes the most important terms of the securities of Eventbrite, Inc. (“we” or “our”) as set forth in our amended and restated certificate of incorporation and amended and restated bylaws. Because it is only a summary, it does not contain all the information that may be important to you. For a complete description of the matters set forth in this “Description of Securities,” you should refer to our amended and restated certificate of incorporation and amended and restated bylaws and our amended and restated investor rights’ agreement (“IRA”), which are included as exhibits to our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and to the applicable provisions of Delaware law. Our authorized capital stock consists of 1,000,000,000 shares of Class A common stock, \$0.00001 par value per share, 100,000,000 shares of Class B common stock, \$0.00001 par value per share, and 100,000,000 shares of undesignated preferred stock, \$0.00001 par value per share.

As of February 15, 2020, there were 61 holders of record of our Class A common stock and 113 holders of record of our Class B common stock. Because many of our shares of Class A common stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of beneficial owners of our Class A common stock represented by these record holders. Our board of directors is authorized, without stockholder approval except as required by the listing standards of the NYSE, to issue additional shares of our capital stock.

### Class A Common Stock and Class B Common Stock

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

### Dividend Rights

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

### Voting Rights

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

- if we were to seek to amend our amended and restated certificate of incorporation to increase or decrease the par value of a class of our capital stock, then that class would be required to vote separately to approve the proposed amendment; and
  - if we were to seek to amend our amended and restated certificate of incorporation in a manner that alters or changes the powers, preferences or special rights of a class of our capital stock in a manner that affected its holders adversely, then that class would be required to vote separately to approve the proposed amendment.
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We do not provide for cumulative voting for the election of directors in our amended and restated certificate of incorporation. Our amended and restated certificate of incorporation and amended and restated bylaws establish a classified board of directors that is divided into three classes with staggered three-year terms. Only the directors in one class are subject to election by a plurality of the votes cast at each annual meeting of our stockholders, with the directors in the other classes continuing for the remainder of their respective three-year terms.

#### **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 the outstanding shares of Class A and Class B common stock will convert automatically into shares of a single class of common stock on the earlier of the date that is 10 years from the date of the filing of our amended and restated certificate of incorporation filed in connection with the closing of our initial public offering 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 common stock and any participating preferred stock outstanding at that time, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights of and the payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

#### **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

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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. These registration rights are contained in our IRA. We, along with certain holders of our redeemable convertible preferred stock are parties to the IRA. The registration rights set forth in the IRA will expire five years following the completion of our initial public offering, or, with respect to any particular stockholder, when such stockholder is able to sell all of its shares pursuant to Rule 144 of the Securities Act during any 90-day period. 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. 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**

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 (1) a registration related to a company stock plan, (2) a registration related to an SEC Rule 145 transaction, (3) 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 (4) 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**

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

#### **Anti-Takeover Provisions**

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

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## Delaware Law

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

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

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

- **Dual Class Stock.** As described above in the subsection titled “—Class A Common Stock and Class B Common Stock—Voting Rights,” our amended and restated certificate of incorporation provides for a dual class common stock structure, which provides our founders, current investors, executives and employees with significant influence over all matters requiring stockholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or our assets.
  - **Board of Directors Vacancies.** Our amended and restated certificate of incorporation and amended and restated bylaws authorize only our board of directors to fill vacant directorships, including newly created seats. In addition, the number of directors constituting our board of directors is permitted to be set only by a resolution adopted by a majority vote of our entire board of directors. These provisions would prevent a stockholder from increasing the size of our board of directors and then gaining control of our board of directors by filling the resulting vacancies with its own nominees. This makes it more difficult to change the composition of our board of directors and promotes continuity of management.
  - **Classified Board.** Our amended and restated certificate of incorporation and amended and restated bylaws provide that our board of directors is classified into three classes of directors. A third party may be discouraged from making a tender offer or otherwise attempting to obtain control of us as it is more difficult and time consuming for stockholders to replace a majority of the directors on a classified board of directors. See the section titled “Management—Board of Directors.”
  - **Stockholder Action; Special Meeting of Stockholders.** Our amended and restated certificate of incorporation provides that our stockholders may not take action by written consent, but may only take action at annual or special meetings of our stockholders. As a result, a holder controlling a majority of our capital stock would not be able to amend our amended and restated bylaws or remove directors without holding a meeting of our stockholders called in accordance with our amended and restated bylaws. Our amended and restated bylaws further provide that special meetings of our stockholders may be called only by a majority of our board of directors, the Chairperson of our board of directors or our Chief Executive Officer, thus prohibiting a stockholder from calling a special meeting. These provisions might delay the ability of our stockholders to force consideration of a proposal or for stockholders controlling a majority of our capital stock to take any action, including the removal of directors.
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- **Advance Notice Requirements for Stockholder Proposals and Director Nominations.** Our amended and restated bylaws provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders or to nominate candidates for election as directors at our annual meeting of stockholders. Our amended and restated bylaws also specify certain requirements regarding the form and content of a stockholder's notice. These provisions might preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.
- **No Cumulative Voting.** The Delaware General Corporation Law provides that stockholders are not entitled to cumulate votes in the election of directors unless a corporation's certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation does not provide for cumulative voting.
- **Directors Removed Only for Cause.** Our amended and restated certificate of incorporation provides that stockholders may remove directors only for cause.
- **Amendment of Charter Provisions.** Any amendment of the above provisions in our amended and restated certificate of incorporation would require approval by holders of at least 66-2/3% of the voting power of the outstanding shares of our capital stock.
- **Issuance of Undesignated Preferred Stock.** Our board of directors has the authority, without further action by the stockholders, to issue up to 100,000,000 shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by our board of directors. The existence of authorized but unissued shares of preferred stock would enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or other means.
- **Choice of Forum.** Our amended and restated bylaws provide that a state or federal court located within the State of Delaware be the exclusive forum for: (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a breach of fiduciary duty; (iii) any action asserting a claim against us arising under the Delaware General Corporation Law; (iv) any action regarding our amended and restated certificate of incorporation or our amended and restated bylaws or (v) any action asserting a claim against us that is governed by the internal affairs doctrine.

#### **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."

## LEASE AGREEMENT

**Cummins Station**  
**209 - 10<sup>th</sup> Avenue South, Nashville, Davidson County, Tennessee 37203**  
**Schedule to Lease Agreement**

The following Schedule comprises an integral part of the Lease Agreement between the Landlord and Tenant hereinafter named, dated as of the \_\_\_\_\_ day of May, 2014 (as it may be amended from time to time, the "Lease"). Unless the context otherwise requires, the terms described below shall have the meanings ascribed to them and shall be governed and construed in accordance with the terms of the Lease.

**Landlord:** CUMMINS STATION, LLC, a Tennessee limited liability company whose address is 209 10<sup>th</sup> Avenue South, Suite 432, Nashville, Tennessee 37203, telephone: (615) 259-0999, facsimile: (615) 259-3141.

**Tenant:** EVENTBRITE, INC., a Delaware corporation, whose address for notices is 155 Fifth Street, San Francisco, CA, 94103, Attn: Eventbrite, Inc., Legal Department, telephone: (415) 694-7908, facsimile: (415) 694-7903. Tenant's Employer Identification Number or Tax Identification Number is 14-1888467.

**Surety:** None.

**Premises:** 2,920 rentable square feet designated as Suite 204 on the Second Floor of Cummins Station (the "Building"), and more particularly described on the Floor Plan attached to the Lease as Exhibit A and incorporated herein by this reference.

**Parking Passes:** Nine (9) parking passes for parking in lots serving the Building are included at an initial cost of \$100.94 per month per pass, subject to the provisions of Section 2(b) of the Lease.

**Term:** Thirty-six (36) months.

**Commencement Date:** June 1, 2014, subject to change as provided in Section 1 or Section 3 of the Lease.

**Expiration Date:** May 31, 2017, subject to change as provided in Section 1 or Section 3 of the Lease.

Base Rent:	<u>Lease Year</u>	<u>Annual</u>	<u>Monthly</u>
	1	\$78,840.00	\$6,570.00
	2	\$81,205.20	\$6,767.10
	3	\$83,641.36	\$6,970.11



Base Rent Paid at Execution:	\$6,570.
Base Year:	2014.
Tenant's Proportionate Share:	0.73% of the 400,000 rentable square feet within the Building.
Expense Stop	\$3.92 per rentable square foot of the Building.
Allowance:	\$5,000.00 to be used and applied for lighting fixtures or upgrades to existing fixtures in the manner specified in <u>Section 3</u> and the Workletter.
Security Deposit:	\$6,970.11 to be held and applied in accordance with <u>Section 2</u> of the Lease.
Permitted Use:	Office space that is consistent with a first class office building, excluding food services, and the hosting of certain events in connection with such office use for employees of Tenant and certain public events (each a " <u>Special Event</u> ") subject to the terms, limitations and conditions provided in the Lease.
Broker:	Jones Lang Lasalle, to whom a commission is to be paid by Landlord.
Improvements:	<p>Improvements to be made prior to the Commencement Date by Landlord ("<u>Landlord's Work</u>"):</p> <ol style="list-style-type: none"> <li>1) New bathroom doors (heavier).</li> <li>2) Landlord will make the bathrooms unisex with one toilet per restroom and put in new counters and new sinks.</li> <li>3) Landlord will relocate the full glass suite entry doors to the hallway and demolish the old door frame.</li> <li>4) Removal of the frosted glass in the conference room.</li> <li>5) Repaint the walls throughout the Premises with Building standard paint in the color of Tenant's selection.</li> <li>6) The existing bar top and window sills shall be replaced in new wood to match existing wood.</li> <li>7) All existing flooring installed in the Premises over the concrete floor shall be removed, and sealed concrete floors similar to Suite 300 or Suite 234, at Tenant's choice, in the Building shall be installed. Tenant recognizes that the concrete floors in the Building are over 100 years old, and results of any concrete sealing process varies greatly by</li> </ol>





space and the actual conditions at the location being sealed. Tenant may alternately elect to carpet or VCT in the suite. Total installed flooring budget maximum is \$13,000.

- 8) There are currently 7 tons of HVAC serving the Premises. Landlord will ensure 7 tons of HVAC is working in the Premises and is approximately evenly distributed throughout the Premises. Landlord to replace rooftop unit.
- 9) Landlord will ensure that the fire protection system in the Premises will be delivered in good condition and working order.
- 10) Landlord will ensure that the existing electrical service for the Premises is in good working order.
- 11) Other than as specifically mentioned above, the Premises shall be delivered in its "as-is" condition.



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## LEASE AGREEMENT

Cummins Station, LLC, a Tennessee limited liability company ("Landlord"), agrees to lease to the Tenant specified in the Schedule ("Tenant"), and Tenant accepts from Landlord the Premises described in the Schedule (the "Premises") in consideration of the following mutual covenants and conditions, including without limitation those matters set forth on the foregoing Schedule which is an integral part of this Lease and is incorporated herein by this reference:

1. Term. This Lease shall commence upon the Commencement Date specified in the Schedule (the "Commencement Date") and shall continue until the Expiration Date specified in the Schedule (the "Expiration Date") (the "Term"). If Landlord's Work is complete prior to such date, Tenant shall have the right, but not the obligation, to commence operations in the Premises and, should Tenant exercise such right, the Commencement Date and Expiration Date shall be accordingly adjusted. In the event of any delay on the part of Landlord in making the Premises available for occupancy by Tenant that is not caused by Tenant, the Commencement Date of the Term and the obligation of the Tenant to pay Rent (as defined in Section 2 hereof) on the Premises shall be extended to the date the Premises are ready for occupancy by the Tenant, and the Expiration Date shall be likewise extended. If the Commencement Date and Expiration Date are changed as set forth above, Landlord and Tenant shall enter into a Commencement Agreement in the form attached hereto as Exhibit D.

2. Rent.

(a) Payment of Rent. Tenant shall pay an annual base rental in the amount specified in the Schedule ("Base Rent"). Such Base Rent, together with one-twelfth (1/12) of the Base Rent Adjustment (as defined in Section 2(c) hereof) shall be due and payable in advance, without notice, demand, reduction, setoff or any defense, on the first day of each calendar month during the Term of this Lease; provided, however, upon execution of this Lease, Tenant shall deliver funds to Landlord in the amount of the first month's Base Rent. Tenant shall also pay Landlord as additional rent all such other sums of money as shall become due from and payable by Tenant to Landlord under this Lease (the "Additional Rent"). Base Rent, the Base Rent Adjustment and Additional Rent shall be referred to herein collectively as "Rent." All Rent shall be payable to Landlord at the address set forth on the Schedule unless Landlord shall provide Tenant written notice of a new address for the delivery of Rent pursuant to Section 36 hereof. Tenant shall pay to Landlord as Additional Rent any sales, use or other tax (excepting corporate excise and income tax) that may be levied upon or in any way measured by this Lease or the rents payable by Tenant, notwithstanding the fact that a statute, ordinance or enactment imposing the same may endeavor to impose such tax upon Landlord. If the Term of this Lease commences on a date other than the first day of a calendar month or terminates on a date other than the last day of a calendar month, then the Rent for such month or months shall be prorated according to the number of days in such month. Any payment of Rent not received by Landlord when due shall be deemed delinquent and Tenant shall pay to Landlord on demand a late charge equal to five percent (5%) of the amount of such Rent, provided, that on the first two (2) occasions that Rent is delinquent, the late charge shall apply only if Tenant fails to pay the amount due within five (5) business days of delivery of a written notice of delinquency by Landlord to Tenant. A late charge will not be imposed more than once with respect to any particular payment not paid by Tenant when due. Tenant acknowledges that such late charge is not a penalty, but is to



compensate Landlord for the additional administrative expenses and other expenses incurred by Landlord in handling delinquent payments (which expenses are not readily ascertainable), and is in addition to, not in lieu of, interest on late payments as provided herein and any other remedies that Landlord may have by virtue of Tenant's failure to make payments when due. Rent or other payments due hereunder, if not paid within five (5) business days after the due date, shall bear interest at a rate of ten percent (10%) per annum accruing from the date when due, but in no case exceeding the maximum lawful rate of interest chargeable under the laws of the State of Tennessee, from the date due until paid. In addition, Tenant shall pay to Landlord all costs of collection of the sums due hereunder including reasonable attorney fees. In the event Tenant provides a check in payment of Rent or any other amount due under this Lease, and such check is dishonored for any reason, such Rent shall be deemed unpaid when originally due, and Tenant shall pay, in addition to any other charge or payment, a dishonored check charge in the amount of Twenty-Five Dollars (\$25.00). All obligations to pay Rent under this Lease shall survive the termination of this Lease.

(b) Parking. Tenant shall be provided parking passes as set forth in the Schedule for parking of Tenant's automobiles and those of its employees and visitors, subject to the Rules and Regulations attached hereto as Exhibit B and incorporated herein by this reference (as they may be amended from time to time by Landlord, the "Rules and Regulations") and the provisions of this Section 2(b). Parking passes are non-transferrable but may be issued to Tenant's employees. Tenant shall not use nor permit any of its employees, agents or visitors to use any parking area provided by Landlord except as stated herein.

(i) Tenant will pay Tenant's share of any and all increases in expenses incurred by Landlord for the provision of parking to its tenants ("Parking Expense Increases") over the Base Year prorated for the number of spaces provided to and/or leased by Tenant compared to the total number of parking spaces available for parking to tenants of the Building, whether owned, rented, leased, or borrowed by Landlord (the "Tenant's Parking Expense Share").

(ii) Parking Expense Increases shall include without limitation non-management labor and operational expenses, including contracted labor, any governmental levy of taxes, surcharges, and/or any other fee on leasing and/or rental income or revenues from parking, or the receipt of income or rents or revenue from parking on the land and/or improvements used for parking under the Lease, any and all increases in Landlord's insurance covering and/or associated with the land and improvements used by the Building or Landlord for parking under the Lease and any and all insurance covering and/or associated with the usage of such land and improvements as parking facilities, and any increase in the rent paid by Landlord for the provision of parking facilities to the Building.

(iii) Landlord reserves the right to terminate all or any portion of the parking areas associated with the Building, and the rights set forth in this Lease as to parking, to relocate parking to suitable alternative parking of similar quality and convenience, or to construct structured parking facilities. If the rights of Tenant for parking are terminated under this Lease pursuant to the forgoing sentence, Tenant shall have no obligation to pay any amounts for Tenant's





Parking Expense Share or other costs for parking after such termination. Such termination, relocation or construction of other parking facilities shall be at the sole discretion of Landlord. In the event that Tenant's parking rights are relocated or if structured parking is provided, Landlord may make such parking available for Tenant, its employees or other persons on a nonexclusive basis, but such availability shall be based on rates for parking established by Landlord from time to time on terms generally applicable to tenants within the Building.

(iv) Tenant shall pay all parking charges for the number of parking passes set forth in the Schedule on a monthly basis as Additional Rent pursuant to the provisions of Section 2 of this Lease; provided, however, that if Tenant elects not to use parking passes, Tenant may turn in excess passes but must in any event pay for the number of parking passes set forth in the Schedule. Tenant acknowledges that Tenant's acceptance and payment for parking passes pursuant to this Lease is an integral covenant of Tenant under the Lease, and a default under this provision shall be deemed a default in the payment of Rent.

(v) Subject to the provisions of this Section 2(b) of the Lease, Tenant's initial cost for parking passes issued according to the Schedule shall be the monthly rate set forth on the Schedule for each parking pass issued. On the first day of each Calendar Year, the cost for each parking pass shall increase by three percent (3%) over the cost for the previous year; provided, however, that notwithstanding the foregoing, Landlord may increase the costs of parking passes from time to time to levels generally applicable to other tenants within the Building. Without limiting the foregoing, in the event of any assignment or sublease of the Premises, any parking passes assigned to any assignee or subtenant shall be at then-prevailing rates.

(vi) Landlord shall have the right to cause the above parking expenses, including without limitation monthly payment for parking passes, to be administered and collected by third parties, which entities may be affiliates of Landlord, and Tenant agrees to follow any written direction of Landlord to pay such expenses to such third party. Parking may be provided on locations not owned or controlled by Landlord so long as such locations are of comparable quality and convenience and Landlord's obligations for provision of parking to the extent set forth above are satisfied.

(c) Base Rent Adjustment. In addition to Base Rent, Tenant shall also pay its Base Rent Adjustment as set forth below:

(i) Definitions.

a) "Taxes" means, collectively, any and all ad valorem and property taxes based upon the value of the Building, its assets, improvements and the land associated with the same.

b) "Insurance" means, collectively, any and all costs and premiums for Landlord's insurance covering and associated with the



Building, its assets, improvements, and the land associated with the same and the use of such building assets, improvements, and land.

c) "Rentable Area" in the Premises is hereby stipulated to be the number of rentable square feet specified in the Schedule, whether the same should be more or less as a result of minor variations resulting from actual construction and completion of the Premises for occupancy. Tenant acknowledges and agrees that that the rentable square feet stated in the Schedule includes the Tenant's prorated portion of that common area such that a portion of the stated square footage is common area not located in the Premises.

d) "Proportionate Share" as set forth in the Schedule is equal to a fraction the numerator of which is the Rentable Area in the Premises and the denominator of which is Rentable Area in the Building. Landlord and Tenant hereby agree that the rentable square feet in the Premises and the rentable square feet in the Building are as set forth in the Schedule.

e) "Calendar Year" shall mean each of the twelve month periods (or any portion thereof) during the Term beginning on January 1 and ending on the next following December 31.

f) "Operating Expenses" means all charges, expenses and disbursements (subject to the limitations set forth below) incurred by Landlord in connection with the operation, and maintenance of the Building, determined in accordance with sound accounting principles consistently applied including, without limitation, the following costs: (A) wages and salaries of all on-site employees at or below the grade of senior building manager engaged in the operation, maintenance or security of the Building (together with Landlord's reasonable allocation of expenses of off-site employees at or below the grade of senior building manager who perform a portion of their services in connection with the operation, maintenance or security of the Building), including taxes, insurance and benefits relating thereto; (B) all supplies and materials used in the operation, maintenance, repair, replacement, and security of the Building; (C) costs of any capital improvements made by Landlord to the Building acquired to cause, and which actually do cause, an immediate (i.e., commencing within the first year after completion of such repairs or improvements or installation of such equipment) reduction in other Operating Expenses, amortized over the useful life of such improvements at an annual rate reasonably calculated to equal the amount of Operating Expenses to be saved in each calendar year throughout the Term (as determined at the time Landlord elected to proceed with the capital improvement or acquisition of the capital equipment to reduce Operating Expenses); (D) cost of all utilities, except the cost of other utilities reimbursable to Landlord by the Building's tenants other than pursuant to a provision similar to this subparagraph; (E) repairs and general maintenance of the Building; (F) fair market rental and other costs with respect to the management office for the Building; (G) a management fee



for the building manager, and (H) service, maintenance and other contracts with independent contractors for the operation, maintenance, repair, or security of the Building (including alarm service, window cleaning, and elevator maintenance).

Operating Costs shall not include costs for (i) capital improvements made to the Building, other than capital improvements described above and except for items that are generally considered maintenance and repair items, such as painting of Common Areas (as hereinafter defined), replacement of carpet and flooring in Common Areas, and the like; (ii) repair, replacements and general maintenance paid by proceeds of insurance or by Tenant or other third parties; (iii) interest, amortization or other payments on loans to Landlord; (iv) depreciation; (v) leasing commissions; (vi) legal expenses for services, other than those that benefit the Building tenants generally (e.g., tax disputes); (vii) renovating or otherwise improving leasable space for occupants of the Building or vacant space (not including Common Areas) in the Building; (viii) Taxes; (ix) Landlord's Building Insurance; and (x) federal income taxes imposed on or measured by the income of Landlord from the operation of the Building. If the Expense Stop is calculated on a base year basis, Operating Expenses for the base year only shall not include costs incurred due to extraordinary circumstances, including market-wide labor rate increases due to boycotts and strikes; utility rate increases due to extraordinary circumstances, including conservation surcharges, boycotts, embargos or other shortages; insurance deductibles; or amortized costs relating to capital improvements. Any charges or fees paid to entities that are affiliates of Landlord shall at commercially reasonable fees for the Nashville area for Class A office properties.

(ii) For each Calendar Year, Tenant will pay the following (collectively, the "Base Rent Adjustment"):

a) Tenant's Proportionate Share of any and all increases in Taxes above the Taxes for the Base Year;

b) Tenant's Proportionate Share of any and all increases in Insurance above the Insurance for the Base Year; and

c) Tenant's Proportionate Share of any and all increases in Operating Expenses above the Expense Stop set forth on the Schedule.

(iii) If during any Calendar Year (including the Base Year) the occupancy of rentable area in the Building is less than ninety-five percent (95%) full, then Operating Expenses will be adjusted for such Calendar Year as though at least 95% of the rentable area had been occupied.

(iv) Landlord may estimate the amount of the Base Rent Adjustment for each Calendar Year or portion thereof during the Term, and Tenant's Rent shall be increased by such estimated amount (the "Estimated Base Rent").



Adjustment”). The Estimated Base Rent Adjustment shall be divided by twelve and paid to Landlord as Additional Rent monthly on the same day the Base Rent is due and payable. Within one hundred fifty (150) days or as soon thereafter as may be reasonably practicable after the conclusion of each Calendar Year during the Term, Landlord shall furnish to Tenant a report describing the actual amount of Taxes, Insurance, the Parking Expense Increase and the Operating Expenses for such Calendar Year and the actual Base Rent Adjustment. A lump sum payment shall be made by Landlord to Tenant or by Tenant to Landlord, as appropriate, within ten (10) days after the delivery of such report equal to the amount of any difference between the actual Base Rent Adjustment payable by Tenant pursuant to this Section 2(c) and the Estimated Base Rent Adjustment paid to Landlord by Tenant for the Calendar Year in question. For a ninety (90) day period following the giving of such report, Landlord shall afford Tenant reasonable access to Landlord’s books and records with respect to Taxes, Insurance, Parking Expense Increase and Operating Expenses to enable Tenant to verify the amount of Taxes, Insurance, Parking Expense Increase and Operating Expenses that are the basis for the computation of the actual Base Rent Adjustment and the actual amount of the difference to be paid by Tenant or Landlord, as applicable; or, in lieu of such right of inspection, Landlord may, in its sole discretion, provide Tenant with an audit of Landlord’s books and records with respect to such amounts prepared by an independent certified public accountant.

(v) Tenant’s obligation to pay any and all Additional Rent under the Lease will continue and will cover all periods up to the Expiration Date of the Term. Tenant’s obligation to pay any and all Additional Rent, including without limitation any Base Rent Adjustment will survive any expiration and/or termination of the Lease or Tenant’s possession of the Premises.

(d) Validated Parking. If no Event of Default, as hereinafter defined, has occurred and is continuing, Tenant may request validated parking tickets in parking areas associated with the Building and designated by Landlord for validated parking from time to time (“Validation Tickets”). Tenant will pay a price established by Landlord from time to time for each Validation Ticket from Landlord. The price paid for the Validation Ticket is for the physical ticket, and the ticket carries no validation credit. In order to receive Validation Tickets, Tenant shall follow the process established by Landlord, as may be modified, including requirements for prepayment and delivery of Validation Tickets. The costs for parking accrued against such Validation Tickets and the unpaid price of the Validation Tickets, if any, will be billed to Tenant’s account as Additional Rent hereunder and Tenant shall pay such amount with the next installation of Rent. Upon the occurrence of an Event of Default under this Lease, or other occurrence that, with notice or the passage of time would constitute an Event of Default, and upon notice to Tenant, Landlord reserves the right to refuse to credit Validation Tickets provided by Tenant or to issue additional Validation Tickets.

(e) Security Deposit. Simultaneously with Tenant’s execution and delivery of the Lease, Tenant shall deposit with Landlord a Security Deposit in the amount set forth on the Schedule. Landlord shall retain the Security Deposit as security for the





performance by Tenant of all of its Lease obligations. The Security Deposit shall not bear interest. If Tenant at any time fails to perform any of its obligations under this Lease, including, without limitation, its Rent or other payment obligations, its restoration obligations, or its insurance and indemnity obligations, then Landlord, at its option, may apply the Security Deposit (or any portion) to cure Tenant's default or to pay for damages caused by Tenant's default. If the Lease has been terminated, then Landlord may apply the Security Deposit (or any portion) against the damages incurred as a consequence of Tenant's breach. The application of the Security Deposit shall not limit Landlord's remedies for an Event of Default under the terms of this Lease. If Landlord depletes the Security Deposit, in whole or in part, prior to the Expiration Date or any termination of this Lease, then Tenant shall restore immediately the amount so used by Landlord. Within 30 days after the expiration or earlier termination date of this Lease, Landlord shall refund to Tenant any unused portion of the Security Deposit after first deducting the amounts, if any, necessary to cure any outstanding Event of Default of Tenant, to pay any outstanding damages for Tenant's breach of the Lease, or to restore the Premises to the condition to which Tenant is required to leave the Premises upon the expiration or termination of the Lease. Landlord shall deliver the unused portion of the Security Deposit to Tenant's notice address. If Tenant's notice address is the address for the Premises, then Tenant shall notify Landlord in writing of a forwarding address to which Landlord should send the Security Deposit. If: (a) Landlord sends the unused portion of the Security Deposit to Tenant's notice address or, if applicable, the forwarding address as directed by Tenant; (b) the Security Deposit is returned to Landlord as "undeliverable" for any reason other than an error by Landlord or the mail courier; and (c) Landlord, after using its best efforts, is unable to locate Tenant within ninety (90) days thereafter, then Tenant shall be deemed to have waived any rights Tenant has to the unused portion of the Security Deposit, and Landlord may retain the Security Deposit for its own use. Tenant may not credit any unused portion of the Security Deposit against Rent owed under the Lease.

3. Improvements to Premises.

(a) Tenant shall not install improvements in the Premises reasonably determined by Landlord to be special or non-standard, including without limitation raised flooring and Halon or other fire control systems. If approved by Landlord, Tenant must remove such special or non-standard improvements, together with any wiring or cabling installed in the Premises, and restore the Premises to its original condition at Tenant's sole cost and expense upon the termination of this Lease by expiration of the Term or otherwise, unless at the time of the installation of such alterations Landlord agreed in writing that Tenant would have no responsibility to remove such alterations.

(b) Except as set forth in the Workletter attached hereto as Exhibit C, Tenant shall make no structural alterations of the Premises without Landlord's written consent in Landlord's sole discretion and Tenant shall make no non-structural alterations without Landlord's written consent which shall not be unreasonably withheld, conditioned or delayed, provided that such consent shall not be required for painting, decorating and other non-structural alterations under \$10,000.00 individually.



4. Services to be Furnished by Landlord.

(a) Provided no Event of Default has continued and is continuing, Landlord shall cause to be furnished to the Building, or as applicable, the Premises, in common with other tenants of the Building, the following services:

(i) Open entry to the Building will be open at least from 7:30 a.m. to 6:00 p.m. daily, Monday through Friday, and 7:00 a.m. to 5:00 p.m. on Saturday. On other days and after normal open hours, Tenant shall have 24/7 entry to the Premises and the Building by a key, card key system, or by signing in with a guard, whichever is chosen by Landlord. In the event Landlord uses a card key system, Landlord may establish procedures and rules for the issuance of such card keys, including without limitation issuing card keys to individual persons rather than generally to Tenant, and requiring the presentation of personal identification. Card keys shall not be transferred from individuals to other individuals unless properly registered with Landlord. The provisions of this subsection may be modified by rule, but hours of access shall not be less than those set forth herein.

(ii) Elevator facilities on call.

(iii) Hot and cold water at those points of supply provided for general use of tenants in the Building; routine maintenance, and heating, air conditioning, and electric lighting service for all public areas and special service areas of the Building in the manner and to the extent deemed by Landlord to be standard.

(iv) Bulb replacement in public areas, toilet and restroom areas, and stairwells.

(v) Security services as established by Landlord from time to time.

(vi) Landlord shall maintain the Common Areas of the Building in reasonably good order and condition.

(b) Landlord shall not provide janitorial services to the Premises unless Landlord and Tenant agree to such services pursuant to a separate written agreement and subject to the terms of such agreement. If Tenant requests Landlord or Landlord's agent to perform any work at Tenant's expense, whether pursuant to a written agreement or not, the amount due for such work shall be Additional Rent payable under this Lease.

(c) Failure by Landlord to any extent to furnish the services described in this Section 4, or any cessation thereof, resulting from the repair or alteration of the Building or causes beyond the reasonable control of Landlord shall not be construed as an eviction of Tenant, nor allow Tenant an abatement of Rent, nor relieve Tenant from fulfillment of any covenant or agreement hereof.

5. Utilities. Tenant will pay for the provision of utilities, including electric, water, gas, and all other utilities, used by and/or serving the Premises.



6. Common Areas. During the Term and in the absence of an Event of Default, Landlord grants Tenant a non-exclusive license to use and occupy in common with others so entitled the common areas of the Building, including, but not limited to, corridors, stairways, elevators, restrooms, lobbies, entranceways, parking areas, service roads, sidewalks and other facilities as may be designated as common areas from time to time by Landlord (collectively the "Common Areas"), subject to the terms and conditions of this Lease.

7. Keys, Locks and Card Keys. Landlord shall furnish Tenant with two (2) keys for each door directly entering the Premises and two (2) card keys (if applicable) to the Building. Additional keys will be furnished at a charge by Landlord consistent with that paid by other tenants in the Building on an order signed by Tenant or Tenant's authorized representative. All such keys shall remain the property of Landlord. No additional locks shall be allowed on any door directly entering the Premises nor shall Tenant change the locks without Landlord's permission, and Tenant shall not make, or permit to be made any duplicate keys, except those furnished by Landlord, provided, that Tenant may install such locks, safes, safe cabinets and vault doors within the Premises as Tenant shall determine necessary in its sole discretion, but subject to the prior written approval of Landlord if any such safe, safe cabinet or vault is heavier than normal office furniture and equipment. Upon termination of this Lease, Tenant shall surrender to Landlord all keys and card keys of the Premises and give to Landlord the explanation of the combination of all locks for safes, safe cabinets and vault doors, if any, installed in the Premises by Tenant.

8. Graphics. Landlord shall provide and install, at Landlord's cost, a suite sign in Landlord's scheme. All such signs shall be in the Building standard graphics, and no others shall be used or permitted on the Premises. Without limiting the foregoing, all artwork or other decoration that is visible from the exterior of the Premises is subject to the reasonable prior written approval of Landlord.

9. Permitted Uses.

(a) Tenant shall use and occupy the Premises for the purpose specified in the Schedule and for no other purpose; provided, however, Tenant shall not occupy or use, or permit any portion of the Premises to be occupied or used for any business or purpose that is unlawful, disreputable or deemed to be extra-hazardous on account of fire, or permit anything to be done which would in any way increase the rate of fire or liability or any other insurance coverage on the Building and/or its contents, cause the load upon any floor of the Building to exceed the load for which the floor was designed or the amount permitted by law, or use electrical energy exceeding the capacity of the then existing feeders or wiring installations. Tenant shall further conduct its business and control its agents, employees, invitees, and visitors in such manner as not to create any nuisance, or interfere with, annoy or disturb any other tenant or Landlord in its operation of the Building. No food, soft drink or other paid vending machine shall be installed within the Premises without the prior, written consent of Landlord.

(b) Without limiting the foregoing, any Special Event shall comply with the following:

(i) Each Special Event shall conform to applicable laws, statutes and ordinances as well as the Rules and Regulations for the Building and other



provisions of this Lease relating to the use, condition or occupancy of the Premises, and all applicable life, health, fire and safety laws.

(ii) No food shall be prepared in the Premises; provided, however, that this shall not preclude warming of food prepared in other locations.

10. Laws, Regulations, and Rules of Building.

(a) Tenant at Tenant's expense shall comply with the Rules and Regulations and all applicable laws and ordinances relating to the use, condition or occupancy of the Premises and all Common Areas and all rules and regulations of all governmental authorities and all insurance bodies at any time in force and applicable to the Premises or to the Tenant's use thereof. Tenant shall comply with reasonable rules and regulations as may be adopted or altered by Landlord from time to time for the safety, care and cleanliness of the Premises, Building and Common Area and for preservation of good order therein after receiving notice thereof, including, but not limited to, the Rules and Regulations. Any material breach of the Rules and Regulations shall constitute an Event of Default hereunder, subject to any applicable notice and cure period. Landlord may revise the Rules and Regulations in Landlord's discretion, provided, however, that no revision shall materially interfere with Tenant's use of the Premises.

(b) Notwithstanding the Rules and Regulations, the following shall be permitted:

(i) Tenant may store bicycles in the Premises; provided, however, that bicycles shall be carried and not wheeled or ridden from the entrance of the Building to the Premises. Tenant shall cause to be cleaned any dirt, mud or moisture in the Common Areas as a result of such transportation, bikes may not be transported in any elevator, and Landlord shall not in any event be responsible for the loss or damage to bicycles within the Building or Premises.

(ii) Tenant may serve alcohol in the Premises but only as consistent with all applicable laws, ordinances, statutes and regulations.

(iii) Tenant may take still, video or audio recordings in the Premises, but not the Common Areas.

(iv) Landlord's right to remove persons from the Building shall not include the right to remove Tenant's employees except upon reasonable cause for actions committed in the Common Areas.

11. Tenant's Acceptance and Maintenance of Premises; Landlord's Duties and Rights.

(a) Tenant's occupancy of the Premises and Building is Tenant's representation to Landlord that Tenant has examined and inspected the same, finds the Premises to be as represented by Landlord and satisfactory for Tenant's intended use, and constitutes Tenant's acceptance of the Premises in their "as is" condition, subject to completion and acceptance of the Landlord's Work as described in the Schedule. Landlord makes no representation or warranty as to the condition of the Premises, other than as set forth in the Schedule. All move-in activity of Tenant shall be subject to the





Rules and Regulations. During Tenant's move-in, a representative of Tenant must be on-site with Tenant's moving company to ensure proper treatment of the Building and the Premises, and Tenant shall provide Landlord no less than seventy-two (72) hours prior written notice of such move-in date. Elevators in multi-story office buildings must remain in use for the general public during the hours as defined herein in Section 4 hereof. Any specialized use of elevators must be coordinated with Landlord's property manager. Tenant must properly dispose of all packing material and refuse in accordance with the Rules and Regulations. Any damage or destruction to the Building or the Premises due to moving will be the sole responsibility of Tenant.

(b) Tenant shall deliver at the end of this Lease each and every part of the Premises in good repair and condition, ordinary wear and tear and damage by casualty excepted. The delivery of a key or other such tender of possession of the Premises to Landlord or to an employee of Landlord shall not operate as an early termination of this Lease or a surrender of the Premises except upon written notice by Landlord. Tenant shall: (i) be responsible for repairs and replacements to the Premises or Building needed because of Tenant's or Tenant's employees or invitees' misuse or primary negligence, including without limitation any repair due to clogged or blocked plumbing due to the insertion of paper, coffee grounds or other inappropriate substances; (ii) at the end of the Term, remove special equipment or non-standard equipment, appliances, or decorative treatments installed by or at Tenant's request and that serve the Premises only; (iii) not commit waste; and (iv) be responsible for low voltage lines, including data lines and phone lines, existing in the Premises.

(c) Tenant shall keep the Premises and the Building free from any liens arising out of any work performed, materials furnished, or obligations incurred by or on behalf of Tenant. Should any claim of lien or other lien be filed against the Premises or the Building by reason of any act or omission of Tenant or any of Tenant's agents, employees, contractors or representatives, then Tenant shall cause the same to be canceled and discharged of record by bond or otherwise within ten (10) days after the filing thereof. Should Tenant fail to discharge such lien within such ten (10) day period, then Landlord may discharge the same, in which event Tenant shall reimburse Landlord, on demand, as Additional Rent, for the amount of the lien or the amount of the bond, if greater, plus all administrative costs incurred by Landlord in connection therewith. The remedies provided herein shall be in addition to all other remedies available to Landlord under this Lease or otherwise. Tenant shall have no power to do any act or make any contract that may create or be the foundation of any lien, mortgage or other encumbrance upon the reversionary or other estate of Landlord, or any interest of Landlord in the Premises. NO CONSTRUCTION LIENS OR OTHER LIENS FOR ANY LABOR, SERVICES OR MATERIALS FURNISHED TO THE PREMISES SHALL ATTACH TO OR AFFECT THE INTEREST OF LANDLORD IN AND TO THE PREMISES OR THE BUILDING. Without limiting the foregoing, no lender or other creditor who provides funds for the procurement of materials, services or labor shall be entitled to a lien or any other interest in the Building or the Premises as a consequence of alterations or improvements being made to the Premises or the Building by the use of such funds.

(d) Notwithstanding anything to the contrary set forth above in this Section 11, if Tenant does not perform its maintenance obligations in a timely manner as



set forth in this Lease, commencing the same within five (5) business days after receipt of notice from Landlord specifying the work needed and thereafter diligently and continuously pursuing completion of unfulfilled maintenance obligations, then Landlord shall have the right, but not the obligation, to perform such maintenance, and any amounts so expended by Landlord shall be paid by Tenant to Landlord within thirty (30) days after demand, with interest at the maximum rate allowed by law accruing from the date of expenditure through the date paid.

(e) Except for repairs and replacements that Tenant must make under this Section 11, Landlord shall pay for and make all other repairs and replacements to the Premises, Common Areas and Building (including Building fixtures and equipment). This maintenance shall include the roof, foundation, exterior walls, interior structural walls, all structural components, and all exterior (outside of walls) systems, such as mechanical, electrical, HVAC, and plumbing the repair of which is not required by Tenant's misuse or abuse of such systems; provided, however, Landlord's failure to make such repairs shall not relieve Tenant of the obligation to pay all Rent due under this Lease, but provided, further, however, if such condition materially interferes with Tenant's use of the Premises and continues for more than three (3) days, Rent shall abate until Tenant's use of the Premises is restored. If the Premises are equipped with building standard light fixtures, Landlord will perform light bulb changes, the cost of which shall be charged to Tenant at rates established by Landlord from time to time according to Landlord's costs for such service. Repairs or replacements required under this Section 11(f) shall be made within a reasonable time (depending on the nature of the repair or replacement needed) after receiving notice from Tenant or Landlord's having actual knowledge of the need for a repair or replacement.

12. Care of Premises. Tenant shall not commit or allow any waste or damage to be committed on any portion of the Premises, and at the termination of this Lease, Tenant shall deliver possession of the Premises to Landlord in as good condition as at date of possession by Tenant, or as the same may have been improved during the term, ordinary wear and tear or damage resulting from casualty excepted.

13. Landlord's Right to Substitute Space. Landlord reserves the right, on thirty (30) days prior written notice, to substitute other comparable space within the Building for the Premises, provided Landlord pays all reasonable and actual moving expenses of Tenant incident to such substitution, but in no event shall Landlord be responsible for any lost profits or revenue resulting from such move; provided, however, that this right shall not be exercised during the initial thirty-six month Term.

14. Peaceful Enjoyment. Tenant shall have the right to peacefully occupy, use and enjoy the Premises during the Term, subject to the other terms hereof, provided Tenant pays the Rent and other sums herein required to be paid by Tenant and performs all of Tenant's covenants and agreements herein contained.

15. Landlord's Right of Entry. Landlord or its agents or representatives shall have the right to enter into and upon any part of the Premises to inspect the same, clean or make repairs, alterations or additions thereto, in each case (a) as Landlord may deem necessary or desirable, (b) upon providing reasonable advance notice (except in cases of emergency) and (c) in a manner that mitigates disruption of Tenant's operations in the Premises, including without limitation,



conducting such entry, inspection, cleaning, repairs, alterations and additions outside of Tenant's normal operating hours. Landlord further reserves the right to show the Premises to prospective tenants or brokers during the last six (6) months of the Term as extended, and to prospective purchasers or mortgagees, in each case (a) upon providing reasonable advance notice and (b) in a manner that mitigates disruption of Tenant's operations in the Premises. Tenant shall not be entitled to any abatement or reduction of Rent by reason of the exercise of the foregoing rights on the part of Landlord.

16. Limitation of Landlord's Liability. Each Party's liability shall be limited as follows:

(a) In no event shall either Party or its respective manager, agent, employees, or contractors be liable or responsible to the other for lost profits, business interruption or any other type of incidental, consequential, or special damages caused by the making of repairs or alterations to the Premises, the Building, or Common Area, the negligence or actions of any other tenant or invitee within the Building, failure to provide or interruption of services, failure to make repairs, injury to person or property, or otherwise. Tenant shall be responsible for the security of the Premises at all times. Landlord shall be responsible for the security of the Building and Common Areas at all time.

(b) All separate and personal liability of Landlord or Tenant or any partner, officer, director, employee or shareholder thereof of every kind or nature, if any, is hereby expressly waived by the other Party, and by every person now or hereafter claiming by, through, or under the other Party. Without limiting the foregoing, Tenant shall look solely to Landlord's interest in the Building and the proceeds of any insurance maintained by Landlord in connection with the Building for the payment of any claim against Landlord.

17. Defaults and Landlord's Remedies.

(a) Each of the following occurrences shall be an "Event of Default" under this Lease:

(i) Payment Default. Tenant's failure to pay Rent within five days of when due; provided; however, that no Event of Default shall occur if Tenant pays Rent within five (5) business days after written notice from Landlord, provided further, however, that Landlord shall not be obligated to provide such notice and an opportunity for cure more than twice in any twelve-month period.

(ii) Insurance. Tenant fails to procure, maintain and deliver to Landlord evidence of the insurance policies and coverages as required under Section 21 of this Lease;

(iii) Mechanic's Liens. Tenant fails to pay and release of record, or diligently contest and bond around, any mechanic's lien filed against the Premises or the Building for any work performed, materials furnished, or obligation incurred by or at the request of Tenant, within the time and in the manner required by Section 11(c) of this Lease;



(iv) Other Defaults. Tenant's failure to perform, comply with, or observe any other Rule and Regulation, agreement or obligation of Tenant under this Lease and the continuance of such failure for a period of more than thirty (30) days after Landlord has delivered to Tenant written notice thereof; and

(v) Insolvency. The filing of a petition by or against Tenant (the term "Tenant" shall include, for the purpose of this Section 17(a), any guarantor of Tenant's obligations hereunder) (1) in any bankruptcy or other insolvency proceeding; (2) seeking any relief under any state or federal debtor relief law; (3) for the appointment of a liquidator or receiver for all or substantially all of Tenant's property or for Tenant's interest in this Lease; (4) for the reorganization or modification of Tenant's capital structure; or (5) in any assignment for the benefit of creditors proceeding; however, if such a petition is filed against Tenant, then such filing shall not be an Event of Default unless Tenant fails to have the proceedings initiated by such petition dismissed within 90 days after the filing thereof.

(b) Upon the occurrence of an Event of Default, Landlord shall have all rights and remedies allowed at law or in equity; including, but not limited to the following:

(i) Termination of Lease. Terminate this Lease by giving Tenant written notice thereof, in which event Tenant shall pay to Landlord the sum of (1) all Rent accrued hereunder through the date of termination, (2) all amounts due under Section 17(e), and (3) an amount equal to (A) the total Rent that Tenant would have been required to pay for the remainder of the Term discounted to present value at a per annum rate equal to the "Prime Rate" as published on the date this Lease is terminated by *The Wall Street Journal*, in its listing of "Money Rates," minus (B) the then present fair rental value of the Premises for such period, similarly discounted;

(ii) Termination of Possession. Terminate Tenant's right to possess the Premises without terminating this Lease by giving written notice thereof to Tenant, in which event Tenant shall pay to Landlord (1) all Rent and other amounts accrued hereunder to the date of termination of possession, (2) all amounts due from time to time under Section 17(e), and (3) all Rent and other net sums required hereunder to be paid by Tenant during the remainder of the Term, diminished by any net sums thereafter received by Landlord through reletting the Premises during such period, after deducting all costs incurred by Landlord in reletting the Premises. If Landlord elects to proceed under this Section 17(b)(ii), Landlord may remove all of Tenant's property from the Premises and store the same in a public warehouse or elsewhere at the cost of, and for the account of, Tenant, without becoming liable for any loss or damage which may be occasioned thereby. Landlord shall use reasonable efforts to relet the Premises on such terms as Landlord in its sole discretion may determine (including a term different from the Term, rental concessions, and alterations to, and improvement of, the Premises); however, Landlord shall not be obligated to relet the Premises before leasing other portions of the Building and Landlord shall not be obligated to accept any prospective tenant proposed by Tenant. Landlord shall not be liable for, nor shall Tenant's obligations hereunder be diminished because of,





Landlord's failure to relet the Premises or to collect rent due for such reletting unless a court determines that Landlord has failed to pursue its legal obligation to mitigate damages. Tenant shall not be entitled to the excess of any consideration obtained by reletting over the Rent due hereunder. Reentry by Landlord in the Premises shall not affect Tenant's obligations hereunder for the unexpired Term; rather, Landlord may, from time to time, bring an action against Tenant to collect amounts due by Tenant, without the necessity of Landlord's waiting until the expiration of the Term. Unless Landlord delivers written notice to Tenant expressly stating that it has elected to terminate this Lease, all actions taken by Landlord to dispossess or exclude Tenant from the Premises shall be deemed to be taken under this Section 17(b)(ii). If Landlord elects to proceed under this Section 17(b)(ii), Landlord may at any time elect to terminate this Lease under Section 17(b)(i);

(iii) Perform Acts on Behalf of Tenant. Perform any act Tenant is obligated to perform under the terms of this Lease (and enter upon the Premises in connection therewith if necessary) in Tenant's name and on Tenant's behalf, without being liable for any claim for damages therefor, and Tenant shall reimburse Landlord on demand for any reasonable expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease (including, but not limited to, collection costs and legal expenses), plus interest thereon at the highest rate permitted by applicable law; or

(iv) Alteration of Locks. Additionally, with or without notice, and to the extent permitted by applicable law, Landlord may alter locks or other security devices at the Premises to deprive Tenant of access thereto, and Landlord shall not be required to provide a new key or right of access to Tenant.

(c) Upon any termination of this Lease, or upon any termination of the Tenant's right to possession without termination of this Lease, Tenant shall immediately vacate the Premises and remove all personal property, and deliver possession to Landlord. In the event personal property is not removed by Tenant, Landlord shall, in addition to any other right provided to Landlord hereunder, may charge Tenant reasonable amounts for storage of such personal property, even if the personal property is thereafter stored by Landlord in the Premises.

(d) Any property which may be removed from the Premises by the Landlord pursuant to the authority of this Lease or of law, to which Tenant is or may be entitled, may be handled, removed or stored by Landlord at the risk, cost and expense of Tenant, and Landlord shall in no event be responsible for the value, preservation or safe-keeping thereof. Tenant shall pay to Landlord, upon demand, any and all expenses incurred in such removal and all storage charges against such property so long as the same shall be in Landlord's possession or under Landlord's control. Any such property of Tenant not retaken from storage by Tenant within thirty (30) days after the end of the Term, however terminated, or Landlord's possession of the Premises pursuant to Section 17(b)(ii), shall be conclusively presumed to have been conveyed by Tenant to Landlord under this Lease as a bill of sale.



(e) Upon any Event of Default, Tenant shall pay to Landlord all costs incurred by Landlord (including court costs and reasonable attorneys' fees and expenses) in (i) obtaining possession of the Premises, (ii) removing and storing Tenant's or any other occupant's property, (iii) repairing, restoring, altering, remodeling, or otherwise putting the Premises into condition acceptable to a new tenant, (iv) if Tenant is dispossessed of the Premises and this Lease is not terminated, reletting all or any part of the Premises (including brokerage commissions, cost of tenant finish work, and other costs incidental to such reletting), (v) performing Tenant's obligations which Tenant failed to perform, and (vi) enforcing, or advising Landlord of, its rights, remedies, and recourses arising out of the default. To the full extent permitted by law, Landlord and Tenant agree the federal and state courts of the state in which the Premises are located shall have exclusive jurisdiction over any matter relating to or arising from this Lease and the parties' rights and obligations under this Lease.

(f) Failure of Landlord to declare any default or Event of Default immediately upon occurrence thereof, or delay in taking any action in connection therewith, shall not waive such default or Event of Default, but Landlord shall have the right to declare any such default or Event of Default at any time and take such action as might be lawful or authorized hereunder, either at law or in equity.

(g) All rights and remedies of Landlord are cumulative, and the exercise of any one shall not be an election excluding Landlord at any other time from exercise of a different or inconsistent remedy. No exercise by Landlord of any right or remedy granted herein shall constitute or effect a termination of this Lease unless Landlord shall so elect by notice delivered to Tenant. The failure of Landlord to exercise its rights in connection with this Lease or any breach or violation of any term, or any subsequent breach of the same or any other term, covenant or condition herein contained shall not be a waiver of such term, covenant or condition or any subsequent breach of the same or any other covenant or condition herein contained.

(h) No notice to Tenant shall be required prior to the exercise of any right or remedy of Landlord under this Lease except to the extent such notice is expressly required by this Lease or applicable law.

18. Holding Over. If Tenant retains possession of the Premises or any part thereof after the termination of this Lease, Tenant shall pay Rent (including Base Rent and any Additional Rent) at double the rate payable on the month preceding such holding over computed on a daily basis for each day that Tenant remains in possession. In addition thereto, if Tenant fails to vacate the Premises within thirty (30) days after written demand from Landlord, Tenant shall be liable for and pay to Landlord, all damages, consequential as well as direct, sustained by Landlord as a result of Tenant's holding over.

19. Condemnation. If the Premises shall be partially taken or condemned for any public purpose to such an extent as to render a portion of the Premises untenable, the Rent shall abate as to the portion rendered untenable. In the event the whole of the Premises shall be so taken or condemned, this Lease shall terminate as of the date of taking of possession. All proceeds from any taking or condemnation of the Premises shall belong to and be paid to Landlord.



20. Damage or Destruction to the Premises.

(a) If the Building or Premises are damaged by fire or other casualty ("Casualty"), then Landlord shall repair and restore the Premises to substantially the same condition of the Premises immediately prior to such Casualty, subject to the following terms and conditions:

(i) The casualty must be insured under Landlord's insurance policies, and Landlord's obligation is limited to the extent of the insurance proceeds received by Landlord. Landlord's duty to repair and restore the Premises shall not begin until receipt of the insurance proceeds.

(ii) Landlord's lender(s) must permit the insurance proceeds to be used for such repair and restoration.

(iii) Landlord shall have no obligation to repair and restore any alterations or betterments within the Premises (which shall be promptly and with due diligence repaired and restored by Tenant at Tenant's sole cost and expense) or any furniture, equipment, trade fixtures or personal property of Tenant or others in the Premises or the Building.

(b) Landlord shall have the option of terminating the Lease if: (i) the Premises are rendered wholly untenable; (ii) the Premises are damaged in whole or in part as a result of a risk which is not covered by Landlord's insurance policies; (iii) Landlord's lender does not permit a sufficient amount of the insurance proceeds to be used for restoration purposes; (iv) the Premises is damaged in whole or in part during the last two years of the Term; or (v) the Building containing the Premises is damaged (whether or not the Premises is damaged) to an extent of fifty percent (50%) or more of the fair market value thereof. If Landlord elects to terminate this Lease, then it shall give notice of the cancellation to Tenant within sixty (60) days after the date of the Casualty. Tenant shall vacate and surrender the Premises to Landlord within sixty (60) days after receipt of the notice of termination.

(c) Tenant shall have the option of terminating the Lease if: (i) Landlord has failed to substantially restore the damaged Building or Premises within one hundred eighty (180) days of the Casualty (the "Restoration Period"); (ii) the Restoration Period has not been delayed by *force majeure*; and (iii) Tenant gives Landlord notice of the termination within fifteen (15) days after the end of the Restoration Period (as extended by any *force majeure* delays). If Landlord is delayed by *force majeure*, then Landlord must provide Tenant with notice of the delays within fifteen (15) days of the *force majeure* event stating the reason for the delays and a good faith estimate of the length of the delays.

(d) Unless terminated, the Lease shall remain in full force and effect, and Tenant shall promptly repair, restore, or replace Tenant's trade fixtures, decorations, signs, contents, and any improvements to the Premises at such time as Landlord has completed Building repairs sufficient to permit Tenant to proceed. All repair, restoration or replacement shall be at least to the same condition as existed prior to the Casualty.



The proceeds of all insurance carried by Tenant on its property shall be held in trust by Tenant for the purposes of such repair, restoration, or replacement.

(e) If the Premises are rendered wholly untenable by the Casualty, then the Rent payable by Tenant shall be fully abated. If the Premises are only partially damaged and Tenant can continue the operation of Tenant's business in any part not damaged to the extent reasonably practicable from the standpoint of prudent business management (taking into account the damage to the Building, Common Areas and building systems), then Rent and other charges shall be abated proportionately to the portion of the Premises rendered untenable. The abatement shall be from the date of the Casualty until the Premises have been substantially repaired and restored, or until Tenant's business operations are restored in the entire Premises, whichever shall first occur. However, if the Casualty is caused by the negligence or other wrongful conduct of Tenant or of Tenant's subtenants, licensees, contractors, or invitees, or their respective agents or employees, there shall be no abatement of Rent.

(f) The abatement of the Rent set forth above is Tenant's exclusive remedy against Landlord in the event of a Casualty. Tenant hereby waives all claims against Landlord for any compensation or damage for loss of use of the whole or any part of the Premises and/or for any inconvenience or annoyance occasioned by any Casualty and any resulting damage, destruction, repair, or restoration.

## 21. Insurance Requirements.

(a) As part of Landlord's Building Insurance, Landlord shall keep the Building insured against damage and destruction by perils insured by the equivalent of ISO Special Form Property Insurance in the amount of the full replacement value of the Building. All insurance required to be maintained by Landlord under this Section 21(a) shall be effected by valid and enforceable policies issued by insurance companies licensed to do business in the state in which the Premises are located.

(b) Throughout the Term, Tenant, at its sole cost and expense, shall keep or cause to be kept for the mutual benefit of Landlord, Landlord's managing agent and Tenant Commercial General Liability Insurance (1986 ISO Form or its equivalent) in the amount of Two Million and No/100 Dollars (\$2,000,000.00) per occurrence and Two Million and No/100 Dollars (\$2,000,000.00) general aggregate, which policy shall insure against claims for bodily injury, death or property damage occurring in, on or about the Premises. Tenant hereby acknowledges that all property kept, stored or maintained on the Premises shall be kept, stored or maintained at the risk of Tenant only. Not more frequently than once every three (3) years, Landlord may require the limits of Tenant's liability insurance to be increased if in Landlord's reasonable judgment (or that of Landlord's mortgagee) the coverage is insufficient. All insurance required to be maintained by Tenant under this paragraph shall (1) be effected by valid and enforceable policies issued by insurance companies licensed to do business in the state in which the Premises are located with a general policyholder's ratings of at least A- and a financial rating of at least VIII in the most current Best's Insurance Reports available on the Commencement Date, or if the Best's ratings are changed or discontinued, the parties shall agree to a comparable method of rating insurance companies, (2) name Landlord and Landlord's managing agent as an additional insured, (3) state that such insurance





shall not be canceled, non-renewed or coverage materially reduced unless ten (10) days advance written notice is provided to Landlord, and (4) be maintained during the entire Term. On or before the Commencement Date, and upon reasonable request thereafter, Tenant shall provide evidence of the insurance required by this paragraph on a certificate acceptable to Landlord. If Tenant fails to provide Landlord with such certificates or other evidence of insurance coverage during the thirty (30) day period following Landlord's written demand for same, Landlord may obtain such coverage and Tenant shall reimburse the cost thereof on demand.

(c) Tenant shall maintain at its expense (i) property insurance coverage at full replacement cost on all interior portions of the Premises, and all of Tenant's personal property, including removable trade fixtures, located in the Premises, and on all additions and improvements (including fixtures) made by Tenant or by Landlord for the benefit of Tenant, (ii) builder's risk insurance during construction of all additions and improvements whether such improvements are made by Tenant or by Landlord on Tenant's behalf, and (iii) such workers compensation insurance coverage as required by law at any time during the Term. Tenant hereby acknowledges that all property kept, stored or maintained on the Premises shall be kept, stored or maintained at the risk of Tenant only. Landlord shall not be responsible for and shall not be obligated to insure against any loss of or damage to any of Tenant's property described in this Section 21(c).

(d) All policies of insurance required hereunder shall contain language to the extent obtainable that the insurer waives all right of recovery by way of subrogation against Landlord and Tenant, their agents, employees and representatives in connection with any loss or damage covered by such policy. Any cancellation notices received in relation to the required policies will be sent by Tenant to Landlord or Landlord's managing agent within two (2) business days of receipt.

(e) Anything in this Lease to the contrary notwithstanding, Landlord and Tenant each hereby waive any and all rights of recovery, claim, action or cause of action against the other, its agents, officers, or employees, for any loss or damage that may occur to the Premises, or any improvements thereto, or to the Building, or any improvements thereto, or any personal property of such party therein, by reason of fire, the elements, or any other cause to the extent that such rights of recovery, claim, action or cause of action are or would be covered by insurance required under this Lease (regardless of whether or not the party required to carry such insurance in fact carries such insurance), regardless of cause or origin, including negligence of the other party hereto, its agents, officers or employees, and covenants that no insurer shall have any right of subrogation against such other party.

(f) Subject to the terms of Section 21(e) hereof, Tenant hereby indemnifies and holds Landlord harmless from and against any and all claims arising out of any occurrence in, upon or at the Premises, and in each case from and against any and all damages, losses, claims, actions, liabilities, lawsuits, costs and expenses, including without limitation attorneys' fees and loss of life, personal injury and/or damage to property, arising in connection with any such claim or claims as described in this paragraph, or any action brought thereon. If such action is brought against Landlord, Tenant upon notice from Landlord shall defend the same through counsel selected by Tenant's insurer, or other counsel reasonably acceptable to Landlord.



(g) Subject to the terms of Section 21(e) hereof, Landlord hereby indemnifies and holds Tenant harmless from and against any and all claims arising out of any occurrence in, upon or at the Common Areas of the Building, and in each case from and against any and all damages, losses, claims, actions, liabilities, lawsuits, costs and expenses, including without limitation attorneys' fees and loss of life, personal injury and/or damage to property, arising in connection with any such claim or claims as described in this paragraph, or any action brought thereon. If such action is brought against Tenant, Landlord upon notice from Tenant shall defend the same through counsel selected by Landlord's insurer, or other counsel reasonably acceptable to Tenant.

22. Subordination, Non-Disturbance and Attornment. Tenant agrees that its rights hereunder shall be subordinate to the lien of any mortgage or mortgages, or the lien resulting from any other method of financing or refinancing or any ground lease, now or hereafter in force against the Building and land upon which the Building is located (each an "Encumbrance") and to all advances made or hereafter to be made upon the security thereof. Tenant shall, in the event any proceeding is brought for the foreclosure of, or in the event a deed is given in lieu of foreclosure of, any mortgage made by Landlord covering the Building, attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Lease, provided such purchaser elects to adopt this Lease and gives Tenant written notice thereof. Tenant agrees to execute any instruments evidencing such subordination and attornment as reasonably may be required by the holder or prospective holder of any mortgage or deed of trust on the Building within ten (10) days of written request from Landlord. At the request of Tenant, Landlord shall use its commercially reasonable efforts to obtain from the holder of the Encumbrance the execution of a Subordination, Non-Disturbance and Attornment Agreement in a form reasonably acceptable to Landlord, Tenant and such holder.

23. Estoppel Letter. Tenant shall at any time, within ten (10) days after written request from Landlord, execute and deliver in form and substance satisfactory to Landlord and any current or potential party in connection with a financing or sale of the Building, an estoppel letter certifying:

- (a) The Commencement Date and the Expiration Date;
- (b) The date to which Rent has been paid;
- (c) That Tenant has accepted the Premises and that all improvements have been satisfactorily completed (or if not so accepted or completed, the matters objected to by Tenant);
- (d) That this Lease is in full force and effect and has not been modified or amended (or if modified or amended, a description of same);
- (e) That there are no defaults by Landlord under this Lease nor any existing condition with respect to which the giving of notice or lapse of time would constitute a default;
- (f) That Tenant has not received any concession;



- (g) That Tenant has received no notice from any insurance company of any defects or inadequacies in the Premises;
- (h) That Tenant has no options or rights other than as set forth in this Lease or any amendment thereto described in such letter; and
- (i) Such other matters as may be necessary or appropriate to qualify Tenant's response to any of the foregoing statements that Landlord may reasonably request.

If such letter is to be delivered to a purchaser of the Building, it shall further include the agreement of Tenant to recognize such purchaser as Landlord under this Lease, and thereafter to pay Rent to the purchaser or its designee in accordance with the terms of this Lease. Tenant acknowledges that any purchaser or prospective mortgagee of the Building may rely upon such estoppel letter and that Landlord may incur substantial damages by reason of any failure on the part of Tenant to provide such letter as required herein.

24. Hazardous Substance - General. The term "Hazardous Substances" as used in this Lease shall mean pollutants, contaminants, toxic or hazardous wastes, or any other substances, the use and/or the removal of which is restricted, prohibited or penalized by any "Environmental Law," which term shall mean any federal, state or local law, ordinance or other statute of a governmental authority relating to pollution or protection of the environment. Tenant hereby agrees that (a) no activity will be conducted on the Premises or in the Building that will produce any Hazardous Substance, except for such activities that are part of the ordinary course of Tenant's business activities (the "Permitted Activities"), provided the Permitted Activities are conducted in accordance with all Environmental Laws and have been approved in advance in writing by Landlord and Tenant shall be responsible for obtaining any required permits and paying any fees and providing any testing required by any governmental agency in connection therewith; (b) the Premises will not be used in any manner for the storage of any Hazardous Substances except for the temporary storage of such materials that are used in the ordinary course of Tenant's business (the "Permitted Materials"), provided such Permitted Materials are properly stored in a manner and location meeting all Environmental Laws and approved in advance in writing by Landlord and Tenant shall be responsible for obtaining any required permits and paying any fees and providing any testing required by any governmental agency in connection therewith; (c) no portion of the Premises will be used as a landfill or a dump; (d) Tenant will not install any underground tanks of any type; (e) Tenant will not allow any surface or subsurface conditions to exist or come into existence in the Premises that constitute, or with the passage of time may constitute a public or private nuisance; (f) Tenant will not permit any Hazardous Substances to be brought into the Premises except for the Permitted Materials, and if so brought or found located thereon, the same shall be immediately removed, with proper disposal, and all required cleanup procedures shall be diligently undertaken pursuant to all Environmental Laws. Upon prior notice and during normal business hours, Landlord or Landlord's representative shall have the right but not the obligation to enter the Premises for the purpose of inspecting the storage, use and disposal of Permitted Materials, and if such Permitted Materials are being improperly stored, used or disposed of, then Tenant shall immediately take such corrective action as requested by Landlord. Should Tenant fail to take such corrective action within 24 hours, Landlord shall have the right to perform such work and Tenant shall promptly reimburse Landlord for any and all costs associated with said work. If at any time during or after the Term the Premises are found to be so contaminated or subject to said conditions, Tenant shall diligently institute proper and thorough cleanup procedures at Tenant's



sole cost, and Tenant agrees to indemnify and hold Landlord harmless from all claims, demand, actions, liabilities, costs, expenses, damages and obligations of any nature arising from or as a result of Tenant's violation of this Section 25. The foregoing indemnification and the responsibilities of Tenant shall survive the termination or expiration of this Lease. Nothing set forth in this Section 24 shall preclude Landlord from enforcing Rules and Regulations that impose additional requirements on Tenant.

25. General Compliance; ADA. Tenant, at Tenant's sole expense, shall comply with all laws, rules, orders, ordinances, directions, regulations and requirements of federal, state, county and municipal authorities now in force or which may hereafter be in force, which shall impose any duty upon the Landlord or Tenant with respect to the use, occupation or alteration of the Premises, and Tenant shall use all reasonable efforts to fully comply with The American's With Disabilities Act of 1990 ("ADA"). Landlord's responsibility for compliance with ADA shall include the Common Areas and the Building but not the Premises. Within ten (10) days after receipt, Tenant shall advise Landlord in writing, and provide the Landlord with copies of (as applicable), any notices alleging violation of ADA relating to any portion of the Building or of the Premises; any claims made or threatened in writing regarding noncompliance with the ADA and relating to any portion of the Building or of the Premises; or any governmental or regulatory actions or investigations instituted or threatened regarding noncompliance with ADA and relating to any portion of the Building or the Premises.

26. Lease Commission. Tenant represents and warrants that Tenant has dealt with and only with the broker or brokers named in the Schedule (whether one or more, the "Broker"), in connection with this Lease and Tenant hereby indemnifies and holds harmless Landlord and any broker employed by Landlord from any claims of any other broker(s) in connection with this Lease resulting from the actions of Tenant. Tenant hereby indemnifies and holds harmless Landlord and any broker employed by Landlord from any claims of any broker(s) claiming a commission in connection with any renewal, extension or any type of option relating to this Lease resulting from the actions of Tenant. Landlord represents and warrants that Landlord has dealt with and only with the Broker in connection with this Lease and Landlord hereby indemnifies and holds harmless Tenant and any broker employed by Tenant from any claims of Broker and any other broker(s) in connection with this Lease resulting from the actions of Landlord. Landlord hereby indemnifies and holds harmless Tenant and any broker employed by Tenant from any claims of any broker(s) claiming a commission in connection with any renewal, extension or any type of option relating to this Lease resulting from the actions of Landlord.

27. Assignment by Landlord. Landlord shall have the right to transfer and assign, in whole or in part, all its rights and obligations hereunder and in the Building. In such event and upon such transfer, no further liability or obligation shall accrue against the assigning Landlord.

28. Assignment or Sublease. In the event Tenant should desire to assign this Lease or sublet the Premises or any part thereof, Tenant shall give Landlord at least thirty (30) days prior written notice, which shall specify the terms and effective date thereof. Landlord shall have thirty (30) days following receipt of such notice to notify Tenant in writing that Landlord elects (a) to permit Tenant to assign or sublet such space, subject, however, to subsequent written approval of the proposed assignee or sublessee by Landlord, or (b) to refuse to consent to Tenant's proposed assignment or sublease and to continue this Lease in full force and effect as to the entire Premises. If Landlord should fail to notify Tenant in writing of such election within such thirty (30) day period, Landlord shall be deemed to have elected the option in Section 28(a)





hereof. No assignment or subletting by Tenant shall relieve Tenant of any obligation under this Lease. Any attempted assignment or sublease by Tenant in violation of the terms and covenants of this Section 28 shall be void. At Landlord's request, Tenant shall reimburse Landlord for the reasonable costs incurred by Landlord and associated with such sublease or assignment, including without limitation reasonable attorney's fees up to \$1,500. If Tenant assigns this Lease or subleases all or part of the Premises at a rental rate per square foot that exceeds the rentals paid to Landlord, then one-half of any such excess shall be paid over to Landlord by Tenant. Without limiting the foregoing, the term "assignment" shall include any distribution of substantially all of the assets of Tenant to other persons or entities.

29. Amendments. This Lease may not be altered or amended, except by an instrument in writing signed by all parties hereto. Tenant agrees that it shall execute such further amendments to this Lease as may be reasonably requested by any future holder of a first mortgage on the Building, provided such amendments do not materially and adversely affect the interest of Tenant hereunder.

30. Binding Agreement. This Lease shall be binding upon and inure to the benefit of the successors and assigns of Landlord, and to the extent assignment may be approved by Landlord hereunder, Tenant's successors and assigns.

31. Counterparts. This Lease may be executed by each of the parties hereto in separate counterparts with the same effect as if all parties hereto executed the same counterpart. Each such counterpart shall be deemed an original and all of such counterparts together shall constitute one and the same instrument. A counterpart executed by a party hereto and transmitted to the other parties hereto via facsimile will have the same effect as the delivery of the original counterpart.

32. Gender. The pronouns of any gender shall include the other genders, and either the singular or the plural shall include the other.

33. Governing Law. This Lease shall be governed, construed and enforced in accordance with the laws of the State of Tennessee.

34. Entire Agreement. This Lease and the Exhibits attached hereto and forming a part hereof set forth the entire agreement between Landlord and Tenant.

35. Severability. The invalidity or unenforceability of a particular provision of this Lease shall not affect the other provisions hereof, and this Lease shall be construed in all respects as if such invalid or unenforceable provision were omitted.

36. Notices. All notices, requests, demands, tenders and other communications under this Lease shall be in writing. Any such notice, request, demand, tender or other communication shall be deemed to have been duly given when actually delivered, or the next business day following delivery to a nationally recognized commercial courier for next business day delivery, to the address for each party set forth in the Schedule, or when transmitted by facsimile to the telecopy number for each party set forth in the Schedule. Rejection or other refusal to accept, or inability to deliver because of changed address of which no notice was given, shall be deemed to be receipt of such notice, request, demand, tender or other communication. Any party, by written notice to the others in the manner herein provided, may designate an address different



from that stated herein. If Tenant fails to provide the notice address on the Schedule, the notice address for Tenant shall be deemed to be the address of the Premises.

37. Mortgagee Protection. Tenant agrees that it will not exercise any right arising out of Landlord's breach of this Lease or institute any judicial or other proceedings as a consequence thereof without giving notice to Landlord and to any first mortgagee of the Building or any portion thereof the address of which has been provided to Tenant, and affording Landlord and such mortgagee reasonable opportunity, but in no event less than thirty (30) days, to cure such breach. Tenant agrees that Tenant will not terminate this Lease or make any expenditures as a result of Landlord's failure to perform obligations imposed upon Landlord by this Lease until Tenant has given Landlord and Landlord's mortgagee (a) notice of Landlord's failure to perform, and (b) reasonable time, but in no event less than thirty (30) days with additional allowance for events beyond Landlord's or Landlord's mortgagee's control, to undertake performance of such obligations by Landlord or Landlord's mortgagee.

38. Right of Way. Tenant grants Landlord right of way to add pipes, conduit, and other infrastructure for plumbing, electrical, sprinkler lines, telephone lines, data lines, other low-voltage systems, and any and all other similar items pertaining to building infrastructure whether such items serve the Premises, the Common Areas or other areas within the Building, provided such items and infrastructure and the work to install the same do not materially interfere with the Premises or Tenant's course of business.

39. Compliance with Federal Law. Neither Tenant nor Tenant's principals is identified on the list of specially designated nationals and blocked persons subject to financial sanctions that is maintained by the U.S. Treasury Department, Office of Foreign Assets Control and any other similar list maintained by the Office of Foreign Assets Control pursuant to any authorizing United States law, regulation or Executive Order of the President of the United States nor is Tenant subject to trade embargo or economic sanctions pursuant to any authorizing United State law, regulation or Executive Order of the President of the United States. The execution of this Lease by Tenant will not violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto. In addition, Tenant warrants, represents and covenants that neither Tenant nor any permitted assignee or subtenant, is or will be an entity or person (i) that is listed in the Annex to, or is otherwise subject to the provisions of Executive Order 13224 issued on September 24, 2001 ("EO13224"), (ii) whose name appears on the United States Treasury Department's Office of Foreign Assets Control ("OFAC") most current list of "Specifically Designed National and Blocked Persons" (which list may be published from time to time in various mediums including, but not limited to, the OFAC website, <http://www.treas.gov/ofac/tl1sbn.pdf>), (iii) who commits, threatens to commit or supports "terrorism," as that term is defined in EO 13224, or (iv) who is otherwise affiliated with any entity or person listed in subparts (i) – (iv) above (any and all parties or persons described in subparts [i] – [iv] above are herein referred to as a "Prohibited Person"). Tenant covenants and agrees that neither Tenant, nor any permitted assignee or subtenant, will knowingly (i) conduct any business, nor engage in any transaction or dealing, with any Prohibited Person, including, but not limited to, the making or receiving of any contribution of funds, goods, or services, to or for the benefit of a Prohibited Person, or (ii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in EO13224.



Tenant further covenants and agrees to deliver (from time to time) to Landlord any such certification or other evidence as may be reasonably requested by Landlord, confirming that neither Tenant, nor any permitted assignee or subtenant (i) is a Prohibited Person, (ii) has knowingly engaged in any business, transaction or dealings with a Prohibited Person, including, but not limited to, the making or receiving of any contribution of funds, goods, or services, to or for the benefit of a Prohibited Person, and (iii) is, or shall become, a person or entity whose activities are regulated by the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 or the regulations or orders thereunder.

40. Right of First Offer. Provided that Tenant is not in default of this Lease, after commencement of and during the term of this lease, Tenant shall have an on-going right (the "Right of First Offer ") to lease Suite 206 consisting of approximately 1,950 rentable square feet, which is contiguous to the Premises (the "First Offer Space"). Tenant has been advised that the First Offer Space is available for occupancy after December 1, 2014, and that Tenant has the right to lease the First Offer Space. Landlord shall have the right to continue to market the First Offer Space and the Right of First Offer shall expire at such time following December 1, 2014, as Landlord accepts an offer to lease the First Offer Space from a third party, regardless whether such acceptance is binding or non-binding and evidenced only by a letter of intent or other non-binding agreement.

(c) If Tenant exercises its Right of First Offer by providing written notice to Landlord of such exercise, Landlord and Tenant shall commence good faith negotiations for the lease for the First Offer Space. In no event shall such good faith negotiations exceed thirty (30) days; otherwise, Landlord shall be free to lease the First Offer Space to a third party. Lease terms for the First Offer Space shall in any event be the then-market rates for space in the Building but in no event less than the current Base Rent applicable to the Premises.

**[SIGNATURE PAGE TO FOLLOW]**



IN WITNESS WHEREOF, the parties hereto have executed this foregoing Lease as of the date of last signature below.

**LANDLORD:**

CUMMINS STATION, LLC, a Tennessee  
limited liability company

By: \_\_\_\_\_

Print Name: Zach Liff

Title: President

Date: May 12, 2014

**TENANT:**

EVENTBRITE, INC., a Delaware corporation

By: Mark J. Rubash

Print Name: MARK J. RUBASH

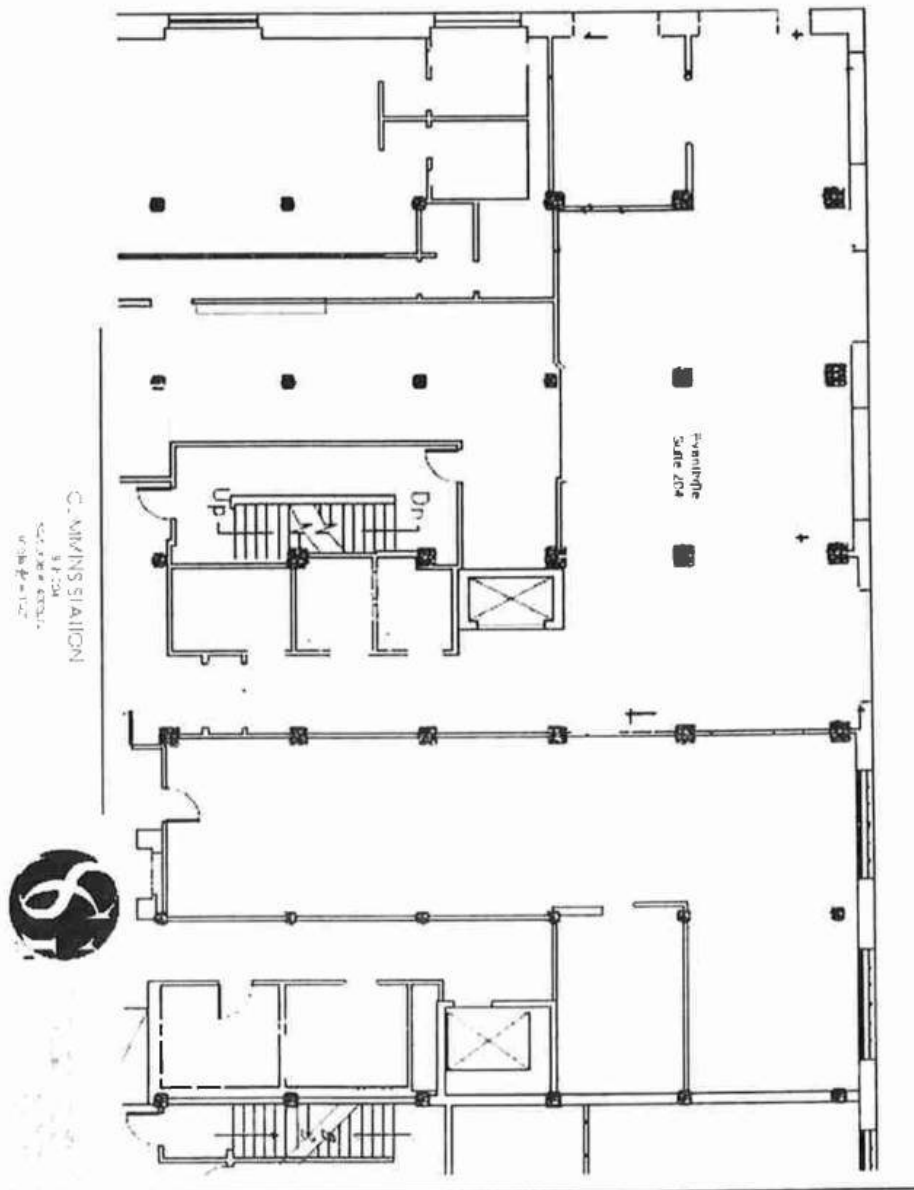
Title: CFO

Date: 5/7, 2014





**EXHIBIT A**  
**FLOOR PLAN**





**EXHIBIT B**  
**RULES AND REGULATIONS**

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**RULES AND REGULATIONS FOR CUMMINS STATION -  
A COMMUNITY OF RESOURCES**

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## ARTICLE I

### PURPOSE, OBJECTIVE, AND SCOPE

Section 1. **Purpose.** The purpose of this document is to provide rules and regulations for all parties on the property of Cummins Station, 209 10<sup>th</sup> Avenue South, Nashville, Tennessee 37203. The adoption of these Rules and Regulations will create uniformity in the way all parties are treated; promote safety; and increase the viability and ultimate success of the Cummins Station property for its tenants, contractors, employees, and patrons.

Section 2. **Objective.** To ensure a safe, respectful and secure environment for all tenants, contractors, employees, and patrons.

Section 3. **Scope.**

(a) **Applicability.** All parties, including, without limitation, tenants, contractors, employees, and patrons, must abide by the Rules and Regulations as listed below and incorporated herein, as published and periodically revised. The Landlord and/or the Management Company have sole discretion to elect how and when to enforce these Rules and Regulations, provided that such enforcement is on a nondiscriminatory basis.

(b) **Applicability of Local, State, and Federal Laws.** All Rules and Regulations are made in strict compliance with Local, State, and Federal laws and shall be construed in accordance therewith.

(c) **Amendments.** These Rules and Regulations may be amended by Cummins Station, LLC, The Gateway To Nashville, LLC and/or DZL Management Company, LLC, at any time, with advance notice.

(d) **No Waiver.** Any decision not to enforce a specific Rule or Regulation does not waive the right to enforce such Rule or Regulation at a later time against any party, or against any other party, regardless of the fact the specific Rule or Regulation was not enforced against that specific party at a previous time.

(e) **Contact Information.** The Management Company will address any questions, concerns, or inquiries regarding these Rules and Regulations. The contact address for the Management Company is as follows:

DZL Management Company, LLC  
209 10<sup>th</sup> Avenue South, Suite 432  
Nashville, Tennessee 37203  
(615) 259-0999

## ARTICLE II

### DEFINITIONS

Section 1. **"Common Area"** means the common areas of the Building or Property, including, but not limited to, corridors, stairways, elevators, restrooms, lobbies, entranceways,



parking areas, service roads, sidewalks and other facilities as may be designated as common areas from time to time by Landlord.

Section 2. **“Property”** means properties leased or owned by Cummins Station, 209 10<sup>th</sup> Avenue South, Nashville, Tennessee, The Gateway to Nashville, 111 10<sup>th</sup> Avenue South, Nashville, Tennessee, or their subsidiaries or related companies, and any Building or other structure thereon. Property also includes all parking areas.

Section 3. **“Building”** means any fixed structure located in or at Cummins Station, 209 10<sup>th</sup> Avenue South, Nashville, Tennessee or The Gateway to Nashville, 111 10<sup>th</sup> Avenue South, Nashville, Tennessee, or their subsidiaries or related companies.

Section 4. **“Contractor”** means any contractor or subcontractor, and their employees, workers, assigns, or related contractor engaged in any form of work or service on the Property including, but not limited to, janitorial services.

Section 5. **“Landlord”** means Cummins Station, LLC.

Section 6. **“Management Company”** means DZL Management Company, LLC.

Section 7. **“Tenant”** means any individual or entity leasing space on the Property, as well as that individual's or entity's employees, workers, or assigns.

Section 8. **“Patron”** means any individual or entity that enters the Property with the purpose of engaging the services or purchasing the goods of a Tenant.

### ARTICLE III

#### GENERAL RULES APPLICABLE TO ALL TENANTS, CONTRACTORS, EMPLOYEES, AND PATRONS

Section 1. **Safety Regulations.**

- (a) Proper safety devices and gear are to be worn at all times.
- (b) All work must be performed consistent with OSHA standards and standards and regulations of all other governing agencies and entities.
- (c) Nothing shall be thrown out of windows or doors or from the roof of the Building.
- (d) No person may undertake any improper use of any safety features (such as fire alarms or elevator alarms). No person may change, alter or disable any emergency devices.
- (e) No bicycles or other vehicles are permitted in the Building, except as approved by Landlord or the Management Company.
- (f) Windows that open outward from the Building may not be opened.





Section 2. **Fire Regulations.**

(a) No smoking is permitted in the Building or in any exterior area that is within twenty-five (25) feet of an exterior door. Smoking on the Property is permitted only in designated areas as established from time to time.

(b) Except as required for immediate use by an approved Contractor or as permitted by a lease, flammable or combustible liquids are prohibited inside the Building, except as approved by the Management Company. Flammable thinners, solvents and paints, including aerosol cans, are strictly prohibited within the Building, except as approved by the Management Company.

(c) All materials used in construction and decoration of any space in the Building must be certified as flame retardant or a sample must be available for testing. Materials that cannot be treated to meet the requirements may not be used.

(d) Except for pre-approved equipment that uses LPG (Liquid Propane Gas) or natural gas as fuel, compressed gas cylinders, including LPG, and all flammable or combustible liquids are prohibited inside the Building, except as approved by the Management Company.

(e) No hazardous materials are permitted on the Property, except as allowed by the Management Company or as permitted by a lease. All hazardous materials brought into the Building must be accompanied by the applicable MSDS (Material Safety Data Sheet) and the MSDS must be produced immediately if requested by Landlord or Management Company. The Tenant, or Contractor shall be responsible for the handling and removal of hazardous materials used in the Building in accordance with the applicable governmental regulations, rules or statutes in effect at the time of the event. Arrangements must be made in advance for disposal. Disposal of hazardous waste is prohibited in the sewer lines or drains of the Building.

(f) Pyrotechnics of any type on the Property are strictly prohibited. Candles may not be used in any manner that threatens to start or spread a fire.

Section 3. **Firearms.** There shall be no firearms of any kind on the Property, except with the written approval of Landlord.

Section 4. **Alcohol.**

(a) Alcohol may only be served and consumed on the Property in designated areas with the express written authorization of Landlord or Management Company.

(b) Contractors shall not consume any alcohol on the Property (subject to subpart (A) above) or arrive on the Property under the influence of alcohol.

(c) Alcohol may never be served to any individual on the Property under the age of twenty-one years old, pursuant to state law.

(d) Landlord reserves the right, but shall not have a duty, to remove any person demonstrably under the influence of alcohol.



Section 5. **Illegal Drugs and Substances.**

- (a) Illegal drugs and substances are not permitted on the Property in any form.
- (b) Tenants, Contractors, and Patrons shall not consume, ingest, or otherwise use any illegal drug or substance on the Property or arrive on the Property under the influence of any illegal drug or substance.
- (c) Sale of illegal drugs and substances is not permitted on the Property pursuant to state and federal law.
- (d) Landlord reserves the right, but shall not have a duty, to remove any person demonstrably under the influence of drugs, whether illegal or legal.

Section 6. **Animals.** No animals or pets of any kind are permitted on the Property except registered or licensed dogs for use by blind or disabled individuals.

Section 7. **Lodging or Sleeping.** The Property shall not be used for lodging or sleeping.

Section 8. **Lost or Stolen Property.** Landlord and Management Company shall not be responsible for lost or stolen property, money, jewelry or other items from Property, including without limitation Property leased by Tenants, construction sites, or public areas, regardless of whether such loss occurs when the area is locked against entry or not. Each Tenant must provide security for its own leased space.

Section 9. **Loitering.** There shall be no loitering by any party on the Property.

Section 10. **Disturbances.**

- (a) Fighting or other physical altercations are expressly prohibited on the Property, and may be the basis for removal of persons from the Property.
- (b) There shall be no threats of physical violence made by any party against another party.
- (c) There shall be no use of profanity in Common Areas on the Property.
- (d) **Appearance.** Shoes, shirts, and other proper clothing are required at all times. No contractors or tenants shall be permitted to display offensive material, logos, and/or writings on clothing or otherwise displayed, including without limitation, jewelry and tattoos. It shall be the sole discretion of Landlord and/or Management Company to determine what material, logos, and/or writings are "offensive." The Landlord reserves the right to exclude anyone from the Property if their appearance is deemed objectionable.

Section 11. **Physical Characteristics of Property.**

- (a) Any alteration of the Property requires advance written approval of the Landlord.



(b) Sidewalks, doorways, vestibules, hall, stairways, and other similar Common Areas shall not be obstructed by any party or used by Tenants, Contractors, or Patrons for any purpose other than ingress and egress to and from the Property and for going from one to another part of the Building. Any party involved in construction or maintenance must obtain permission to obstruct such area from the Management Company, and such permission may restrict the hours of such activity.

(c) No signs, advertisements, or notices shall be painted or affixed on or to any windows or doors or any other part of the Building, without written permission of the Landlord and at the Landlord's sole discretion. Any signs, advertisements or notices permitted by the Landlord must be of such color, size, and style and in such places as shall be acceptable to Landlord and Management Company. No nails, hooks, or screws shall be driven or inserted into any part of the Building except by the Building maintenance personnel or contractors (with Landlord's consent), nor shall any part of the Building be defaced by Tenants or Contractors. No curtains or other window treatments shall be placed between the glass and the Building standard window treatments without express permission of Landlord or Management Company.

(d) Landlord shall provide all locks for doors in each Tenant's leased property or construction site on the property. No Tenant, Contractor, or Patron shall change the locks or place any additional lock or locks on any door accessing the Premises without Landlord's or Management Company's prior written consent. At all times, all locks on any door accessing the Premises are to be keyed to the Landlord's master key system. Keys to the locks on the doors accessing the Premises in each Tenant's leased property or construction site shall be furnished by Landlord to each Tenant or Contractor and the Tenants or Contractors shall not have any duplicate keys made. Upon termination of the Lease or construction, Tenant or Contractor shall surrender to Landlord all keys to the leased property and give to Landlord the combination of all locks for safes, post office boxes, safe cabinets and vault doors, if any, in the leased or construction Property.

Section 12. **Raffles.** Raffles or games of chance are permitted within the bounds of local, state, and federal law, only if approved in advance, in writing, by the Management Company. Any violation of the law thereof is strictly prohibited.

Section 13. **Literature Disbursements, Giveaways, Surveys.**

(a) Literature disbursements, giveaways, surveys and other promotional items in Common Areas are permitted only if approved in writing, in advance, by the Landlord at the sole discretion of the Landlord. Any party distributing such material will be subject to full costs of clean-up of such items.

(b) Canvassing, soliciting and peddling within the Building are prohibited, except for retail Tenants, and then only as permitted by their lease, or as permitted by a Tenant with their own Premises.

(c) No "stick-on" decals or other similar adhesive backed promotional items may be distributed or used in or around the Building or Property.

(d) No balloons of any kind may be used for giveaway. Any damage to the Building caused by such unauthorized giveaways will be paid for by the party responsible.



Section 14. **Good Neighbor Policy.**

(a) No photos, video recording or audio recording may be done on Property without prior written approval of the Landlord.

(b) Without Landlord or Management Company's approval, no Tenant shall install any radio or television antenna, loudspeaker, music system or other device on the roof or exterior walls of the Building or on common walls with adjacent tenants.

Section 15. **Crowd Control.**

(a) As a matter of safety and courtesy to others, Patrons of Tenants must be hosted within Tenant's premises so as not to interfere with traffic flow or encroach neighboring tenants. It is Tenants' duty to lease sufficient space in order to comply with this rule.

(b) If any party anticipates the gathering of a large crowd, the party is responsible to assign sufficient personnel and/or hire security guards, with the Management Company's consent, to manage crowd control and keep the sidewalks, Common Areas, and other areas near neighboring Tenants clear. The Management Company reserves the right to determine whether excessive crowds are in violation of this rule, and if so, will hire security to manage crowd control at the exhibitor's expense, or may terminate the event or activity and disburse the attendees.

Section 16. **Performance of Music.**

(a) If any copyrighted music is to be played or publicly performed and a license would be required by applicable law, then the necessary licenses from the copyright owner or licensing agency representing the copyright owner must be obtained. The licensing requirements include without limitation the playing of all live as well as recorded music (compact disks, records, tapes, MP3s, or other format) and also include music, whether it is the essence of the presentation or is only used as background, on a video tape or presentation.

(b) The proper license must be posted in the immediate area and available for inspection at the request of Landlord or Management Company or properly authorized agents of SESAC, the American Society of Composers, Authors and Publishers (ASCAP) or Broadcast Music Inc. (BMI).

(c) We advise contact with the agencies listed below to acquire proper licenses:

ASCAP General Licensing  
Phone: (800) 505-4052  
<http://www.ascap.com>

or

BMI General Licensing  
Phone: (800) 925-8541  
<http://www.bmi.com>





or

SESAC  
Phone: (615) 320-0055  
<http://www.sesac.com>

Section 17. **FCC Requirements.** Most electronic equipment that uses radio frequency energy must meet Federal Communications Commission (FCC) regulations limiting such emissions and must receive a grant of the appropriate equipment authorization from the FCC prior to being manufactured, imported or marketed. Equipment requiring such an authorization, which is displayed on Property, must either have already received the necessary FCC authorization or must be accompanied by the following notice conspicuously displayed:

"This device has not been approved by the Federal Communications Commission. This device is not, and may not be, offered for sale or lease, or sold or leased until the approval of the FCC has been obtained."

Radio frequency devices that could not be granted an equipment authorization or operated legally may not be advertised, displayed or sold. Failure to follow these guidelines, as well as other appropriate FCC rules, is a violation of federal law (47 U.S.C. § 302(b)).

Notwithstanding that equipment has been approved by the FCC, no Tenant may use any equipment in any manner that violates the applicable lease.

Section 18. **No Interference with Others.**

(a) No person shall be permitted to unduly disturb others as a result of sounds or other activities.

(b) All radios, cellular telephones, and other beeping and ringing devices are to be kept at a low level of volume while in Common Areas. All parties are encouraged to use silent modes or vibrating modes whenever possible.

(c) No Tenant, Contractor, or Patron shall make, or permit to be made, any unseemly or disturbing noises that may arise from use of any musical instrument, radio, television set, or other audio device, unmusical noise, whistling, singing, or in any other way.

Section 19. **Lighting Restrictions.**

(a) Except as provided for in the applicable lease, no changes or alterations to any lighting on Property may be done without advance written approval of the Landlord.

(b) **Halogen Lighting Policy.** Without limiting any provision of a lease regarding improvements to leased premises, stem-mounted halogen lamps are limited to 75 watts and must be of the sealed variety, which prevent direct handling of the bulb. Halogen lighting not covered by this policy includes halogen bulbs, or lighting fixtures containing halogen bulbs, that are being displayed or demonstrated as part of an exhibiting company's product line or business in its lease space, and any theater, stage, or studio lighting equipment utilizing halogen



bulbs. In addition, conventional track lighting systems that use any of the approved types of halogen bulbs and that are securely mounted to stable structures are permitted.

**Section 20. Movement of Furniture or Other Large Items.**

(a) Without limiting any provision of a lease, movement in or out of the Building of furniture or office equipment, or the dispatch or receipt by Tenants, Contractors, or Patrons of any bulky material or merchandise or materials which require use of elevators or stairways or movement through the Building entrances or lobby, shall be restricted to such hours as Landlord or Management Company shall designate. The freight elevator must be used for these activities unless the Landlord approves the use of a different elevator.

(b) All such movement shall be under the supervision of Landlord or Management Company, at the Landlord's sole discretion, and in the manner agreed between the Tenant, Contractor, or Patron and Landlord or Management Company by prearrangement. Such prearrangement initiated by a Tenant, Contractor, or Patron will include determination by Landlord or Management Company, and be subject to their decision and control, as to the time, method, and routing of such movement and as to limitations for safety or other concerns, which may prohibit any article of equipment or any other item from being brought into the Building.

(c) The Tenant, Contractor, or Patron assumes all risks as to the damage to articles moved and injury to persons or the public engaged or not engaged in such movement, including equipment, property, and personnel of Landlord or Management Company if damaged or injured as a result of acts in connection with carrying out this service for a Tenant, Contractor, or Patron from the time of entering the Property to completion of work.

(d) Landlord and Management Company shall not be liable for the acts of any person engaged in, or any damage or loss to any of said property or persons resulting from, any act in connection with, such service performed for a Tenant, Contractor, or Patron.

(e) Any hand trucks or other means of conveyance used to move items on the Property must have rubber tires, rubber side guards, and such other safeguards as Landlord or Management Company may require.

**Section 21. Large or Heavy Equipment Placement.** Except as set forth in any lease, no Tenant, Contractor, or Patron shall place, or permit to be placed, on any part of the floor or floors of the Property demised to such Tenant or Contractor, a load exceeding the floor load per square foot which such floor was designed to carry and which is allowed by law. Written consent of the Landlord is required prior to installing safes and other heavy objects. Landlord and Management Company reserve the right to prescribe the weight and position of safes and other heavy matter, which must be placed so as to distribute the weight.

**Section 22. Garbage and Waste.** There shall be no littering on the Property. Each Tenant, Contractor, and Patron shall deposit all trash and garbage in the appropriate location or in such other areas specifically designated by Landlord or Management Company. No material shall be placed in the trash boxes or receptacles in the Building unless such material may be disposed of in the ordinary and customary manner of removing and disposing of trash. Garbage and refuse disposal shall be only through entryways and elevators provided for such purposes and at such times as Landlord or Management Company shall designate. Any damage to or



sullying of Common Areas will be cleaned and/or repaired by the Landlord, with all costs for such efforts charged to the Tenant or other responsible party.

Section 23. **Construction Sites.**

(a) Subject to the limitations contained in subsections (b) and (c), only Contractors are permitted in construction sites.

(b) Representatives of Landlord or Management Company are permitted in construction sites at any time.

(c) Employees, including without limitation maintenance and security personnel, are permitted in construction sites subject to prior approval by Landlord or Management Company.

Section 24. **Removal from Property.** Subject to the provisions of any applicable lease, Landlord and Management Company reserve the right to remove any individual, including Contractors, from the Property at the discretion of Landlord and the Management Company.

Section 25. **Security Employees.**

(a) (Security employees of Tenants or Contractors must wear uniforms and visible identification at all times.

(b) Security employees may not work on Property without a signed contract and the prior written approval of Landlord or the Management Company and the compliance with such conditions as may be imposed for such approval.

## ARTICLE IV

### TENANT SPECIFIC RULES

Section 1. **Bound by Rules and Regulations.** Tenants shall be bound by all rules and regulations found in Sections I, II, III, and IV.

Section 2. **Janitorial and Maintenance Lighting.** Each Tenant shall, at its own expense, provide artificial light and electric current in the property demised to such Tenant for Landlord's agents, Contractors, and employees while performing janitorial or other cleaning services and making repairs or alterations in said property.

Section 3. **Construction in Tenant's Leased Property.** With respect to construction or alteration work being performed by Tenants in the leased premises with the approval of Landlord or Management Company, all Tenants must obtain Landlord's or Management Company's written approval, which may be conditioned on provision of proof of insurance, licensing, and otherwise, before the performance of any contractual services. Such review shall be for the benefit of Landlord and Management Company only, and shall not be for the benefit of or reliance by any other party. The Landlord may deny any Contractor the right to work on the Property at any time for any reasonable purpose, including without limitation a failure to provide required insurance or a failure to adhere to the Rules and Regulations. This provision shall apply to all work performed in the Building and on the Property, including, but



not limited to, installations of telephones, telegraph equipment, electrical devices and attachments, and any and all installations of every nature affecting floors, walls, woodwork, trim, windows, ceilings, equipment, and any other physical portions of the Building or Property

Section 4. **Complaints Regarding Contractors, Employees, Patrons, or Other Tenants.** Issues or complaints regarding Contractors, employees, Patrons or other Tenants, except for those persons within the control of the complaining party, are to be reported directly to Management Company. Tenants are not to address such issues or complaints directly.

Section 5. **Indemnity.** Subject to the provisions of any lease, any Tenant who hires a Contractor who causes damage to the Property, violates the law, or violates any rule or regulation set forth herein shall be required to indemnify and hold Landlord and Management Company harmless for any costs, fees, expenses or other liability that arises as a result.

## ARTICLE V

### CONTRACTOR SPECIFIC RULES

Section 1. **Bound by Rules and Regulations.** Contractors shall be bound by all rules and regulations found in Section I, II, III, and V. No Contractor may begin work of any type on the Property without obtaining the Landlord's prior written approval.

Section 2. **Safety.**

(a) Proper safety devices and gear are to be worn at all times.

(b) Contractors must wear a DZL Management Maintenance/Construction identity tag while performing work on the Property or an identifiable worker-style uniform with company tag prominently displayed. Identity tags can be checked out of the Management Company office in Cummins Station. The cost of lost tags will be deducted from the Contractor's invoice or billed to the appropriate Tenant.

(c) All work must be consistent with current laws (including the American with Disabilities Act), building codes and regulations including standards regarding fire safety. If a Contractor or worker is asked to perform work not consistent with such standards to the knowledge of such Contractor or worker, then such Contractor or worker should immediately report the matter to the Management Company.

(d) No individual under the age of eighteen years old is permitted on construction sites.

(e) All construction sites or other areas where work has been performed must be locked upon exit.

Section 3. **Visitor/Guest Policy.**

(a) Contractors are not permitted to bring guests upon Property without prior approval of Management Company. Permitted guests must be accompanied at all times.





(b) No family members, who are not also employed by Landlord, Management Company, or Contractor, are permitted on construction sites.

(c) The Landlord reserves the right to exclude any person from the Property.

Section 4. **Interaction with Tenants.**

(a) It is of the utmost importance that respect is shown for Tenants, employees, and Patrons occupying the Property, their person, their property, and their quiet enjoyment of the Property. There shall be no actions taken to violate this respect.

(b) Contractors should endeavor to have as little interaction as possible with Tenants, employees, or Patrons. Contractors should not discuss construction or other issues with Tenants, employees, or Patrons without Landlord's or Management Company's permission.

(c) There shall be no framing, hanging of boards, drilling, other loud construction noise or any other disturbance of other Tenant's quiet enjoyment of the Property without prior written approval of Landlord or Management Company.

(d) There shall be no authorized day work performed between 3:30 p.m. and 5:30 p.m. on weekdays without an employee of Landlord or Management Company on site to supervise or without prior authorization from Landlord or Management Company.

(e) Contractors are not permitted to wear tank tops of any type.

(f) Contractors, and specifically employees of Contractors, are required to be clean shaven or maintain a well-trimmed beard or mustache. Long hair must be in a ponytail. The general appearance of all persons must be neat and clean.

Section 5. **Complaints Regarding Tenants, Employees, Patrons, or Other Contractors.** Issues or complaints regarding Tenants, employees, Patrons, or other Contractors are to be reported directly to Management Company. Contractors are not to address such issues or complaints directly.

Section 6. **Trash Disposal.** All trash must be disposed of at the end of each day.

Section 7. **Right to Remove from Property.** Landlord and Management Company shall have the right to require any Contractor that fails to comply with these rules and regulations to depart from the Property, and neither Landlord nor Management Company shall have any financial or other responsibility arising from such removal.



**EXHIBIT C**  
**WORKLETTER**

This Exhibit C sets forth the rights and obligations of Landlord and Tenant with respect to space planning, engineering, final workshop drawings, and the construction and installation of any improvements to the Premises to be completed by Tenant ("Tenant Improvements").

1. Space Planning, Design and Working Drawings. If any of the Tenant Improvements are of the type that require a building or other governmental permit ("Permitted Work"), Tenant shall submit a plan to Landlord for Landlord's approval prepared by an architect selected by Tenant ("Tenant's Architect"), which plans shall constitute plans and working drawings for the construction and completion of the Tenant Improvements ("TI Plans"). Landlord shall approve or make objections to the TI Plans within five (5) business days after receipt of the same; provided, however, Landlord shall have sole and absolute discretion to approve or disapprove any TI Plans that will be visible to the exterior of the Premises, or which may affect the structural integrity of the Building. If Landlord has comments to the TI Plans submitted by Tenant, it shall provide such comments in reasonable detail within such five (5) business day period, and the parties shall thereafter continue to work in good faith to finalize the TI Plans within ten (10) business days following the date the TI Plan was first submitted to Landlord. If Landlord does not respond within such five (5) business day period, the TI Plans shall be deemed approved. After the TI Plans are finalized and approved pursuant to the foregoing provisions, Tenant shall construct its Tenant Improvements in accordance and in compliance with applicable laws, including applicable codes requirements, consistent with the TI Plans. Should Tenant desire to materially deviate from the TI Plans approved by Landlord, Tenant shall first submit its proposed revised TI Plans to Landlord for Landlord's approval, which shall not be unreasonably withheld, conditioned or delayed.

2. Approved Tenant Improvements. Subject to the other provisions of this Workletter, the following Tenant Improvements shall be approved by Landlord:

- (a) Add carpet;
- (b) Paint ceiling;
- (c) Refresh restroom finishes;
- (d) Power and Data to desks and conference table;
- (e) Security System (card readers and cameras);
- (f) IDF security enclosure (fence or full partitions);
- (g) IDF room infrastructure for network and security (cabinet, power, UPS, etc., backboard, grounding, security panel);
- (h) IDF cooling 24/7 (estimate 1-1.5 tons);
- (i) Lighting (ceiling hung pendants);



- (j) Floating acoustic ceilings; and
- (k) AV system - 3 monitors, one projector/screen.

3. Tenant's Contractor. Tenant shall select a licensed general contractor (the "Contractor"), approved by Landlord, to construct and install the Tenant Improvements in accordance with the TI Plans, at Tenant's expense (subject to payment by Landlord to Tenant of the Allowance). Landlord agrees to reasonably cooperate with Tenant, Tenant's Architect, and Contractor and to attend a reasonable number of meetings with Tenant and Tenant's Architect and/or Contractor as necessary throughout the course of construction of the Tenant Improvements, all without charge, cost or expense to Tenant.

4. Tenant's Covenants and Warranties. Tenant covenants and agrees that all work performed in connection with the construction of the Tenant Improvements shall be performed in a good and workmanlike manner and in accordance with all applicable laws and regulations and the TI Plans. The Contractor shall provide a warranty on workmanship and materials and Landlord shall be a named beneficiary of such warranty. Tenant agrees to secure the release of any mechanic's or materialmen's lien filed against the Building and arising from the Tenant Improvements within thirty (30) days of written notice to Tenant of such lien.

5. Lease Provisions; Insurance. Contractor shall, prior to the commencement of any Tenant Improvements, obtain or cause to be obtained from an insurance carrier reasonably satisfactory to Landlord, and shall thereafter maintain in full force and effect until such work or improvements are completed, builders risk insurance written on a completed value (non-reporting) basis and required workman's compensation insurance. Contractor shall also obtain and maintain general public liability insurance in amount not less than one million dollars (\$1,000,000). Contractor shall provide Landlord prior to commencement of any such work with certificates of such insurance, which shall name Landlord its successors and assigns as additional insured parties and shall provide that Landlord will be given not less than ten (10) days written notice prior to cancellation or expiration of the insurance evidenced thereby.

6. Signage.

(a) Landlord will provide signage within Landlord's scheme to direct patrons to the proper entrance to the Premises and the Building.

(b) Tenant's installation of signage shall be subject to the following conditions:

(i) Landlord shall provide prior written approval in Landlord's discretion of the design, color, illumination, size and method of installation of such signage;

(ii) Landlord shall have the right to approve the contractor installing the signage, who shall in any event carry adequate insurance, including without limitation workman's compensation insurance;

(iii) All such signage shall comply with any all ordinances, rules, regulations, statutes and codes of any applicable governmental authority, provided that no refusal



of approval by any governmental authority shall constitute a default or breach of this Lease by Landlord; and

(iv) Tenant shall comply with the provisions of Section 11(c) of this Lease with regard to liens.

7. Allowance. Tenant may, but has no obligation to, elect to receive an allowance (the "Allowance") in the maximum amount of up to \$15,000.00 to be used for improvements to the Premises. The Allowance shall be paid to Tenant upon satisfaction of the following conditions:

(a) Landlord and Tenant shall have executed an amendment to this Lease providing for an increase in Base Rent over the Term of the Lease that reflects an amortization of the Allowance over the balance of the Term of the Lease at an interest rate of seven percent (7.0%);

(b) Tenant shall have executed and delivered to Landlord a letter acknowledging Tenant's receipt of possession and acceptance of the condition of the Premises;

(c) No Default exists under this Lease;

(d) Tenant shall have fully completed all construction and installations required of it and such construction and installations shall have been approved and accepted by Landlord;

(e) To the extent any construction or other Permitted Work is involved, Tenant shall have delivered to Landlord the following items:

(i) A detailed breakdown of Tenant's final and total construction costs, including copies of all invoices;

(ii) Two (2) complete sets of Record Drawings (i.e., "as-built" plans) of the Premises, along with a list and description of all work performed by the contractors, subcontractors, and material suppliers;

(iii) A completed Form W-9; and

(iv) Tenant's written request for payment of the Allowance.

(f) Tenant shall have fully paid all bills for labor, materials and services in connection with its construction and installations and shall have provided Landlord with satisfactory evidence of such payment, including, without limitation, receipted bills for materials and the following documents:

(i) True and correct original unconditional and final releases or waivers of lien from Tenant's general contractor and all subcontractors;

(ii) An affidavit executed by Tenant stating that all invoices for work and materials performed or used in connection with Tenant's Work have been paid;





(iii) If applicable, a copy of the Certificate of Occupancy for the Premises.

(g) Tenant shall have opened the Premises for business to the general public; and

(h) Tenant shall have paid the first monthly installment of Base Rent and Additional Rent as well as any payment of any charges incurred by Landlord on behalf of the Tenant during the construction of Landlord's or Tenant's Work.

8. Amounts Due to Landlord. In the event that there shall be due to Landlord any amounts, whether by way of reimbursement for services performed by Landlord for Tenant, or by way of charges to be paid by Landlord pursuant to the provisions of this Lease, such amount or amounts shall be subtracted from the Allowance, and Landlord shall provide to Tenant a statement of any such amount and the items to which the same is attributable.



### **FORM OF COMMENCEMENT AGREEMENT**

This COMMENCEMENT AGREEMENT (this "Agreement") is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between CUMMINS STATION, LLC, a Tennessee limited liability company ("Landlord"), and \_\_\_\_\_, a \_\_\_\_\_ ("Tenant");

#### **WITNESSETH:**

WHEREAS, Tenant and Landlord entered into that certain Lease Agreement dated as of \_\_\_\_\_ (the "Lease"), regarding certain premises located within the Cummins Station Building, Nashville, Davidson County, Tennessee; and

WHEREAS, certain improvements related to the Premises have been completed, and the parties desire to establish the Commencement Date and the Expiration Date of the Lease as set forth below.

NOW, THEREFORE, in consideration of the mutual and reciprocal agreement herein contained, Tenant and Landlord hereby agree that the Lease be, and the same is hereby modified in the following particulars:

1. The term of the Lease by and between Landlord and Tenant commenced on and the Commencement Date is defined as \_\_\_\_\_, 20\_\_\_\_ (the "Commencement Date"). The initial term of said Lease shall terminate on \_\_\_\_\_ (the "Expiration Date"). Section 1 of the Lease, entitled "Term," is hereby amended to the extent necessary to incorporate the foregoing.

2. Except as modified and amended by this Agreement, the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Agreement to be duly executed, as of the day and year first above written.

#### **LANDLORD:**

CUMMINS STATION, LLC, a Tennessee  
limited liability company

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_, 20\_\_\_\_

#### **TENANT:**

\_\_\_\_\_, a \_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_, 20\_\_\_\_



**INTENTIONALLY DELETED**



## FIRST AMENDMENT TO LEASE

This First Amendment to Lease Agreement (this "Amendment") is dated to be effective as of June 24, 2014, by and between CUMMINS STATION, LLC, a Tennessee limited liability company ("Landlord"), and EVENTBRITE, INC., a Delaware corporation ("Tenant").

### RECITALS:

WHEREAS, Landlord and Tenant entered into a Lease Agreement effective as of May 12, 2014 (the "Lease"), with regard to certain real property more particularly described in the Lease (the "Premises"); and

WHEREAS, Landlord and Tenant desire to increase the Premises under the Lease and to amend certain terms and provisions of the Lease pursuant to the terms hereof.

NOW, THEREFORE, for and in consideration of the foregoing premises and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby amend the Lease as follows:

1. Defined terms herein shall have the same meanings as set forth in the Lease or the recitals unless otherwise provided herein. The matters set forth in the recitals above are hereby incorporated by reference.

2. Tenant has occupied the Premises with a Commencement Date of June 16, 2014. All of Landlord's Work has been completed.

3. Landlord hereby agrees that the Premises will be increased to include an additional 1,965 rentable square feet within the Building as shown on Exhibit A attached hereto and incorporated herein by this reference (the "Additional Premises"). Effective as of the date that Landlord delivers the Additional Premises to Tenant with the Expansion Improvements complete (the "Effective Date"), the Premises shall consist of 4,885 rentable square feet and the Proportionate Share shall correspondingly increase.

4. The Base Rent shall continue as set forth in the Lease until the Effective Date, and thereafter the Base Rent due under the Lease shall be as set forth below. If the Effective Date is not the first day of a calendar month, the Tenant will deliver on the Effective Date the prorated increased Base Rent for the calendar month in which the Effective Date occurs:

Base Rent:	Lease Year	Annualized	Monthly
	Year 1 to Effective Date	\$78,840.00	\$6,570.00
	Effective Date to end of Year 1	\$131,895.00	\$10,991.25
	2	\$135,851.85	\$11,320.99
	3	\$139,927.41	\$11,660.62





5. On the Effective Date, Tenant shall deposit additional Security Deposit amounts for a total of \$11,660.62.

6. Tenant shall be entitled to and must pay for six (6) additional parking passes in parking lots serving the Building, subject to the provisions of Section 2 of the Lease.

7. Landlord agrees to make the following improvements (the "Expansion Improvements") to the Additional Premises at Landlord's cost prior to the Effective Date:

(a) Repaint the walls throughout the Additional Premises with Building standard paint in the color of Tenant's selection.

(b) Landlord will ensure that the fire protection system in the Additional Premises will be delivered in good condition and working order.

(c) Landlord will ensure that the existing electrical service for the Additional Premises is in good working order.

(d) Tenant's occupancy of the Additional Premises is Tenant's representation to Landlord that Tenant has examined and inspected the same, including the Expansion Improvements, and finds the Additional Premises to be as represented by Landlord and satisfactory for Tenant's intended use, and constitutes Tenant's acceptance of the Additional Premises in the condition as of the Effective Date.

8. The HVAC in the Additional Premises shall remain in place and be evenly distributed throughout the Additional Premises. Landlord will provide a flooring budget to Tenant in the amount of \$8,748.00 for improvements to flooring in the Additional Premises.

9. This Amendment may be executed by each of the parties hereto in separate counterparts with the same effect as if all parties hereto executed the same counterpart. Each such counterpart shall be deemed an original and all of such counterparts together shall constitute one and the same instrument. A counterpart executed by a party hereto and transmitted to the other parties hereto via facsimile will have the same effect as the delivery of the original counterpart.

10. Except as herein modified and amended, the terms and conditions of the Lease shall remain in full force and effect.

11. This Amendment shall be governed by and construed in accordance with the laws of the State of Tennessee.

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed pursuant to authority duly given as of the day and year first above written.

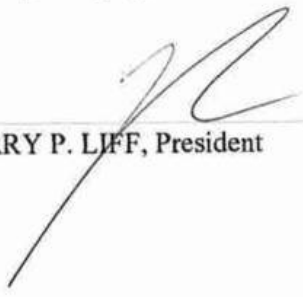


**LANDLORD:**

CUMMINS STATION, LLC, a Tennessee  
limited liability company

By: \_\_\_\_\_

ZACHARY P. LIFF, President

A handwritten signature in black ink, appearing to be 'Z. Liff', written over a horizontal line.

**TENANT:**

EVENTBRITE, INC., a Delaware corporation

By: \_\_\_\_\_

MARK RUBASH, CFO

A handwritten signature in blue ink, appearing to be 'M. Rubash', written over a horizontal line.



## **SECOND AMENDMENT TO LEASE**

This Second Amendment to Lease (this "Amendment") is dated to be effective as of March 22, 2016 (the "Effective Date") by and between CUMMINS STATION, LLC, a Tennessee limited liability company ("Landlord"), and EVENTBRITE, INC., a Delaware corporation ("Tenant").

### **RECITALS:**

WHEREAS, Landlord and Tenant entered into a Lease Agreement effective as of May 12, 2014, as amended from time to time (as amended, the "Lease") within the Cummins Station Building (the "Building"), with a Commencement Date of May 12, 2014; and

WHEREAS, Landlord and Tenant desire to provide for certain expansion, surrender, extension and other rights related to the Premises, all as set forth herein.

NOW, THEREFORE, for and in consideration of the foregoing premises and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby amend the Lease as follows:

1. Incorporation. Defined terms herein shall have the same meanings as set forth in the Lease or the recitals unless otherwise provided herein. The matters set forth in the recitals above are hereby incorporated by reference.

2. Increase in Premises and Surrender of Space. Following the respective commencement dates set forth in Sections 2(a), 2(c) and 2(e) below, the Premises are amended to include the Phase 1 Premises, the Phase 2 Premises, and the Phase 3 Premises, as each is hereinafter defined, and subject to the terms of this Amendment. The "Phase 1 Premises" shall be designated as Suite 302 in the Building consisting of approximately 6,605 rentable square feet, as set forth on Exhibit A attached hereto and incorporated herein by reference. The "Phase 2 Premises" shall be Suite 300 in the Building consisting of approximately 7,267 rentable square feet, plus approximately 604 rentable square feet of balcony space including three (3) outdoor balcony spaces (the "Balcony Space") as set forth on Exhibit A attached hereto and incorporated herein by reference. The "Phase 3 Premises" shall be designated as Suite 301 in the Building consisting of approximately 3,300 rentable square feet, as set forth on Exhibit A attached hereto and incorporated herein by reference. The Balcony Space shall be subject to such reasonable rules and regulations as Landlord may establish from time to time for safety and welfare and promoting a clean and reputable look to the exterior of the Building following reasonable written notice to Tenant. Such rules and regulations shall not prevent Tenant from occupying the Balcony Space at any time, subject to reasonable periodic closures for maintenance. Without limiting the foregoing or any other provision of the Lease, the loss of use of the Balcony Space due to reasonable periodic closures for maintenance shall not be deemed a default of Landlord under the Lease or provide Tenant a right of termination. Following the Phase 3 Commencement Date, as hereinafter defined, and the surrender of the existing Premises consisting of Suites 206 and 204, as hereinafter provided, the total rentable square feet within the Premises shall be deemed to be 17,172 rentable square feet, excluding the Balcony Space. The Balcony Space, although deemed a portion of the Premises for all purposes under the Lease, shall not be used to calculate Base Rent or Tenant's Proportionate Share.



(a) Landlord shall deliver the Phase 1 Premises to Tenant on the Effective Date. The date of commencement for the Phase 1 Premises shall be the date that is the earlier of (i) one hundred fifty (150) days after execution of this Amendment and (ii) Tenant's occupancy of the Phase 1 Premises for the commencement of business operations (the "Phase 1 Commencement Date"). From and after the Phase 1 Commencement Date, the annual Base Rent applicable to the Phase 1 Premises shall be \$34.00 per rentable square foot, payable in equal monthly installments, with increases of three percent (3.0%) on the annual anniversary of the Phase 1 Commencement Date; provided, however, that for the first two (2) months following the Phase 1 Commencement Date, the Base Rent shall be \$0.00. Tenant shall vacate Suite 206 within the existing Premises on or before the sixtieth (60th) day following the Phase 1 Commencement Date. The date on which Tenant vacates Suite 206 shall be the "Suite 206 Vacation Date." Landlord and Tenant's rights and obligations as to Suite 206 will continue until the Suite 206 Vacation Date, and Rent will be paid for Suite 206 through the Suite 206 Vacation Date. Conditioned on Tenant's vacation of Suite 206 as required hereunder, Landlord and Tenant's rights and obligations as to Suite 206 will cease from and after the Suite 206 Vacation Date as though the Lease for those portions of the Premises had expired as of such date. Notwithstanding anything in the Lease to the contrary, Tenant shall have no restoration obligations with respect to Suite 206 other than repair of damage caused by the removal of its personal property pursuant to the terms of the Lease.

(b) Notwithstanding the foregoing, in the event that the Phase 2 Premises Delivery Date, as hereinafter defined, is delayed, Tenant may remain in Suite 206 beyond the sixty (60) days otherwise provided for vacation or, if Tenant has previously vacated Suite 206, Tenant may elect to re-occupy such premises for the period of such delay, subject only to payment of the Rent otherwise payable for Suite 206.

(c) The date of commencement for the Phase 2 Premises shall be the date that is the earlier of (i) ninety (90) days after delivery to Tenant of the Phase 2 Premises in its "as is" condition (the "Phase 2 Delivery Date") (which is anticipated to be September 1, 2016) and (ii) Tenant's occupancy of the Phase 2 Premises for the commencement of business operations (the "Phase 2 Commencement Date"). If Landlord, for any reason whatsoever, cannot deliver possession of the Phase 2 Premises to Tenant in accordance with this Amendment on or before November 1, 2016 (the "Phase 2 Delayed Delivery Date"), (i) this Amendment shall not be void or voidable except as set forth below, (ii) all Rent applicable to the Phase 2 Premises shall be waived until the time when Landlord can deliver possession as set forth above and (iii) Tenant shall be entitled to a credit against Base Rent owed under the Lease as follows (a) one-half (1/2) day of the Phase 2 Penalty Amount for every day of delay beyond the Phase 2 Delayed Delivery Date if delivery of possession occurs after the Phase 2 Delayed Delivery Date but less than or equal to sixty (60) days after the Phase 2 Delayed Delivery Date and (b) one (1) day of the Phase 2 Penalty Amount for every day of delay if delivery of possession occurs more than sixty (60) days after the Phase 2 Delayed Delivery Date (collectively, "Phase 2 Late Delivery Abatements"). For this purpose, the "Phase 2 Penalty Amount" shall mean the 7,267 rentable square feet in the Phase 2 Premises calculated at the daily Base Rent then applicable for the Phase 1 Premises. Tenant shall immediately apply any accrued Phase 2 Late Delivery Abatements against payments of Rent as they become due. From and after the Phase 2 Commencement Date, Tenant shall pay the annual Base Rent applicable to the Phase 2 Premises, which shall be \$36.00 per rentable square foot, payable in equal monthly installments, with increases of three percent (3.0%) on the annual anniversary of the Phase 2 Commencement Date;





provided, however, that for the first two (2) months following the Phase 2 Commencement Date, the Base Rent shall be \$0.00. Tenant shall vacate Suite 204 within the existing Premises on or before the sixtieth (60th) day following the Phase 2 Commencement Date. The date on which Tenant vacates Suite 204 shall be the "Suite 204 Vacation Date." Landlord and Tenant's rights and obligations as to Suite 204 will continue until the Suite 204 Vacation Date and Rent will be paid in Suite 204 through the Suite 204 Vacation Date. Conditioned on Tenant's vacation of Suite 204 as required hereunder, Landlord and Tenant's rights and obligations as to Suite 204 will cease from and after the Suite 204 Vacation Date as though the Lease for those portions of the Premises had expired as of such date. Notwithstanding anything in the Lease to the contrary, Tenant shall have no restoration obligations with respect to Suite 204 other than repair of damage caused by the removal of its personal property pursuant to the terms of the Lease.

(d) Notwithstanding the foregoing, in the event that the Phase 3 Premises Delivery Date, as hereinafter defined, is delayed, Tenant may remain in Suite 204 beyond the sixty (60) days otherwise provided for vacation or, if Tenant has previously vacated Suite 204, Tenant may elect to re-occupy such premises for the period of such delay, subject only to payment of the Rent otherwise payable for Suite 204.

(e) The date of commencement for the Phase 3 Premises shall be the date that is the earlier of (i) ninety (90) days after delivery to Tenant of the Phase 3 Premises in its "as is" condition (the "Phase 3 Delivery Date") (which is anticipated to be February 1, 2017) and (ii) Tenant's occupancy of the Phase 3 Premises for the commencement of business operations (the "Phase 3 Commencement Date"). If Landlord for any reason whatsoever, cannot deliver possession of the Phase 3 Premises to Tenant in accordance with this Amendment on or before April 1, 2017 (the "Phase 3 Delayed Delivery Date"), (i) this Amendment shall not be void or voidable except as set forth below, (ii) all Rent applicable to the Phase 3 Premises shall be waived until the time when Landlord can deliver possession as set forth above and (iii) Tenant shall be entitled to a credit against Base Rent owed under the Lease as follows (a) one half (1/2) day of the Phase 3 Penalty Amount for every day of delay beyond the Phase 3 Delayed Delivery Date if delivery of possession occurs after the Phase 3 Delayed Delivery Date but less than or equal to sixty (60) days after the Phase 3 Delayed Delivery Date and (b) one (1) day of the Phase 3 Penalty Amount for every day of delay if delivery of possession occurs more than sixty (60) days after the Phase 3 Delayed Delivery Date (collectively, "Phase 3 Late Delivery Abatements"). For this purpose, the "Phase 3 Penalty Amount" shall mean the 3,300 rentable square feet in the Phase 3 Premises calculated at the daily Base Rent then applicable for the Phase 1 Premises. Tenant shall immediately apply any accrued Phase 3 Late Delivery Abatements against payments of Rent as they become due. From and after the Phase 3 Commencement Date, the annual Base Rent applicable to the Phase 3 Premises shall be the same Base Rent as is applicable to the Phase 1 Premises, for the remainder of the Term; provided, however, that for the first two (2) months following the Phase 3 Commencement Date, the Base Rent shall be \$0.00.

(f) Landlord shall deliver the Phase 1 Premises, Phase 2 Premises and Phase 3 Premises (each a "Phase") in their unimproved, "as is" condition as of such delivery, and Tenant shall make any and all improvements therein in each case pursuant to the Workletter attached as Exhibit B hereto; provided, however, that the tenant improvement allowance as to each Phase shall be \$40.00 per rentable square foot in each such Phase, (Two Hundred Sixty-Four Thousand Two Hundred Dollars (\$264,200.00) for the Phase 1 Premises, Two Hundred Ninety Thousand



Six Hundred Eighty Dollars (\$290,680.00) for the Phase 2 Premises and One Hundred Thirty-Two Thousand Dollars (\$132,000.00) for the Phase 3 Premises) (each, "Allowance"), and the applicable Allowance for each such Phase shall be used only on the applicable Phase.

(g) Within ten (10) business days following the commencement date applicable to each Phase, Landlord and Tenant shall execute a memorandum stating such Phase's commencement date and confirming the applicable Base Rent schedule and the Tenant's Proportionate Share. Further, the Expiration Date of the Lease shall be extended to the date that is sixty-eight (68) months following the Phase 3 Commencement Date (the "Extended Expiration Date"). Notwithstanding the foregoing, Tenant's failure to timely execute and deliver to Landlord the memorandum shall not affect any right or obligation of Landlord or Tenant under this Amendment.

3. First Offer Right. Provided that no uncured Event of Default exists, Tenant shall have an on-going right of first offer (the "First Offer Right") to lease available space within the Building as hereinafter identified. Space shall be deemed to be available if such space is not (i) subject to a prior right of first offer or first refusal of another tenant in the Building, (ii) occupied pursuant to a lease or sublease that provides a right of renewal or extension to such tenant or subtenant or (iii) occupied pursuant to a lease or sublease and the existing tenant or subtenant extends the current lease or enters into a new lease for all or a portion of the space, even if the original or base lease does not contain specific renewal or extension rights. The First Offer Right shall be applicable to Suites 307, 309, 311 and 313/319 (the "Coterminous Space") and to Suites 316 and 318 (the "Term Extension Space") (the Coterminous Space and Term Extension Space collectively, "First Offer Space") as such suites are depicted on Exhibit C attached hereto and incorporated herein by reference.

(a) To the extent any portion of the First Offer Space is to be vacated and available, Landlord shall provide Tenant with written notice ("First Offer Notice") specifying such availability and the terms (including, but not limited to Rent and tenant improvement allowances) on which Landlord would lease such First Offer Space to Tenant. Tenant shall then have twenty (20) business days from the date of receipt of Landlord's written notice to either (i) accept the offered First Offer Space pursuant to the terms set forth in the written notice, (ii) accept the offered First Offer Space but reject the terms set forth in the written notice in which case the parties shall use reasonable efforts to agree on such terms, and if unable to do so within five (5) additional business days shall use the procedures in subsection (b) below to determine Market Rent, or (iii) reject the offered First Offer Space in which case Landlord shall have the right to lease such offered First Offer Space to a third party.

(b) In any situation where Landlord and Tenant are unable to agree on the Base Rent applicable to First Offer Space within the applicable time frame set forth in Section 3(a) above ("Notice Date"), then Landlord and Tenant shall each appoint an independent MAI appraiser with at least seven (7) years of experience in the leasing of commercial office space in the Nashville market (respectively, "Landlord's Appraiser" and "Tenant's Appraiser") within ten (10) business days of the Notice Date. Landlord's Appraiser and Tenant's Appraiser shall mutually agree upon a third independent similarly qualified MAI appraiser (the "Third Appraiser") within five (5) business days thereafter. Landlord's Appraiser and Tenant's Appraiser shall each deliver their respective determinations of the Fair Market Rent (as defined below) to the Third Appraiser, within thirty (30) days of the selection of the Third Appraiser.



"Fair Market Rent" shall mean the monthly Base Rent at which a new or renewal, non-equity tenant which is not affiliated with Landlord and has no financial relationship with Landlord would pay for "triple net" leases as of the commencement date for the applicable First Offer Space for non-sublease space of a similar term for top quality Class A buildings in the Nashville market and which are comparable in size, location and quality to the First Offer Space; provided, however, that if a reasonable number of leases within the Building are available within the previous twelve-month period, leases within the Building shall be used as the primary comparable leases. Fair Market Rent shall be determined without regard to the then existing tenant improvements. The Third Appraiser shall select either Landlord's Appraiser's determination of Fair Market Rent or Tenant's Appraiser's determination of Fair Market Rent, as most closely approximating the fair market rent (the "Market Rent"). The Third Appraiser shall not have the authority to vary either Landlord's Appraiser's determination of fair market rent or Tenant's Appraiser's determination of fair market rent. Each party shall be responsible for the cost of the appraiser selected by such party, plus one-half of the cost of the Third Appraiser. In the event that any appraiser selected is unwilling or unable to appraise the property, the party or the appraisers, as applicable, shall select another appraiser that is willing and able to appraise. Notwithstanding the foregoing, Market Rent for First Offer Space shall not be less than the then-applicable Base Rent for the Phase I Premises, with three percent (3%) annual increases.

(c) As to any First Offer Space that is Coterminous Space, no allowance for tenant improvements shall be provided unless Landlord agrees in Landlord's sole discretion, which shall be considered in determining the Market Rent. The term for any Coterminous Space shall be coterminous with the Term of the Lease; however, if any commencement date for Coterminous Space is less than twelve (12) months prior to the Extended Termination Date, the Extended Termination Date shall be extended to the date that is twelve (12) months after such commencement date for the applicable Coterminous Space and annual Base Rent increases for the remainder of the Premises shall continue at a rate of three percent (3%) per year.

(d) If Tenant accepts First Offer Space that is Term Extension Space, the Term of the Lease shall be extended sixty (60) months from the Extended Termination Date, and the Base Rent during such extension as to the Term Extension Space shall be Market Rent, as determined according to subsection (b) above; provided, however that the Base Rent shall not be less than the applicable Base Rent as of the original Extended Termination Date and annual Base Rent increases for the remainder of the Premises shall continue at a rate of three percent (3%).

4. Parking. From and after each revision of rentable square feet within the Premises pursuant to the terms hereof, including decreases with the termination of certain portions of the Premises, Tenant shall be entitled to five and one-half (5.5) parking passes per 1,000 rentable square feet in the Premises, rounded to the nearest whole number, up to a maximum of one hundred eighty (180) passes, all in parking lots serving the Building in common with other tenants within the Building, pursuant to the provisions of the Lease pertaining to parking and monthly charges therefor, as set forth in subsection (c) below. The current parking lots serving the Building ("Current Parking Areas") are set forth in Exhibit D attached hereto. Tenant shall pay all parking charges for the parking passes on a monthly basis as Additional Rent; provided, however, that if Tenant elects not to use parking passes, Tenant may turn in excess passes but must in any event pay for all passes to which Tenant is entitled based on the rentable square feet in the Premises, as increased from time to time pursuant to this Amendment. Tenant acknowledges that Tenant's acceptance and payment for parking passes pursuant to this Lease is



an integral covenant of Tenant under the Lease, and a default under this provision shall be deemed a default in the payment of Rent.

(a) Tenant's 2016 cost for the first three (3) parking passes per 1,000 rentable square feet in the Premises shall be \$107.09, and on the first day of each subsequent Calendar Year, the cost for each parking pass shall increase by three percent (3%) over the cost for the previous year. Tenant's 2016 cost for the remaining two and one-half (2.5) parking passes per 1,000 rentable square feet in the Premises shall be Landlord's market rate for the Building, which is currently \$119.11 per parking pass per month and increasing three percent (3%) each January 1st, which rate may be increased from time to time provided the new rate applicable to Tenant is no greater than the market rate generally applicable to other tenants in the Building.

(b) In addition to the parking passes set forth above, Tenant shall have thirty (30) Multi-Person Parking Access Passes. A "Multi-Person Parking Access Pass" shall be a parking pass that may be shared among up to three (3) different employees of Tenant; provided that only one (1) employee shall be able to use the Multi-Person Parking Access Pass at any one time. Tenant's 2016 rate for each Multi-Person Parking Access Pass shall be \$171.75 per parking pass per month, and on the first day of each subsequent Calendar Year, the cost for each parking pass shall increase by three percent (3%) over the cost for the previous year; provided, however, that the rate for Multi-Person Parking Access Passes shall be increased beyond the foregoing when and if the rate for parking passes for the Building are increased according to the terms of the Lease and Section 10(a) above, proportionally with such increases.

(c) Landlord shall have the right to cause the parking expenses, including without limitation monthly payment for parking passes, to be administered and collected by third parties, which entities may be affiliates of Landlord, and Tenant agrees to follow any written direction of Landlord to pay such expenses to such third party. Parking may be provided on locations not owned or controlled by Landlord so long as Landlord's obligations for provision of parking to the extent set forth above are satisfied.

(d) The first two sentences of Section 2(b)(iii) of the Lease are hereby deleted. Landlord reserves the right to terminate portions of the Current Parking Areas serving the Building from time to time as may be deemed appropriate by Landlord and in conjunction with maintenance or construction of new facilities, including without limitation structured parking. In such events, Landlord shall provide alternative parking systems within the boundaries depicted on Exhibit E attached hereto and incorporated herein, or in other locations by valet, shuttle or other parking arrangements that are of reasonably comparable effectiveness for Tenant's employees.

5. Limitations on Rights. The above provisions are limited and condition as follows:

(a) Tenant shall have no right to exercise any First Offer Right if there is an uncured Event of Default at the time such right is to be exercised or if Tenant assigns or sublet more than ten percent (10%) of the Premises, as determined prior to such exercise.

(b) Except as expressly provided in this Amendment, Landlord will have no obligations for tenant improvements as a result of Tenant's exercising of any First Offer Right or any Phase.





6. Temporary Space. During the period between the Effective Date and the Phase 1 Commencement Date, Landlord hereby licenses to Tenant the space known as Suites 205 and 209 within the Building consisting of approximately 5,500 rentable square feet (the "Licensed Space") for transition between the existing Premises and the Phase 1 Premises. No Base Rent shall be due for the Licensed Space but Tenant shall be responsible for the proportionate share of Operating Expenses for the Licensed Space and the payment of all utilities, and for any wiring, cabling or telephone services installation. The Licensed Space shall be delivered in its "as is" condition. All provisions of the Lease, including without limitation liability, indemnity and insurance, shall be applicable to the Licensed Space.

7. Right of Renewal. Prior to the expiration of the Lease with all extensions as may be applicable under this Amendment, Tenant shall have the right and option to renew the Lease as to the Premises in its entirety (the "Renewal Option") for one (1) additional period of sixty (60) months (the "Renewal Term"); provided, however, such Renewal Option is contingent upon the following : (i) no Event of Default has occurred and is continuing at the time Tenant gives Landlord notice of Tenant's intention to exercise the Renewal Option and (ii) Tenant shall exercise such option no later than twelve (12) months prior to the then-applicable Expiration Date by providing written and unequivocal notice of such extension to Landlord. Unless otherwise agreed to by and between Landlord and Tenant within thirty (30) days after Tenant's notice to exercise the option, Base Rent during the Renewal Term shall be the Market Rent determined according the provisions of Section 3(b) above.

8. The following provision is further added to the Lease at the end of Section 15:

"In the event Landlord deems it necessary or advisable to provide additional structural support for the Building, Landlord may reinforce the perimeter and/or interior walls of the Premises and, for ground floor tenants, may install footers below the finished floor and may enter the Premises with at least five (5) business days' notice at reasonable times and without material inconvenience to or effect on Tenant's use and occupancy of the Premises for such purposes, provided such structural support does not diminish the aesthetics of the Premises or affect Tenant's use and occupancy of the Premises. If alteration of the interior finishes of such walls is made, Landlord will at Landlord's expense restore such finish to the same condition as before such alteration. If such alteration of walls results in a decrease of the rentable square footage within the Premises, an equitable adjustment of Rent shall be made to reflect such reduction."

9. Landlord's Right to Substitute Space. On execution of this Amendment, the provisions of Section 13 of the Lease shall be deemed deleted, and Landlord shall have no right to relocate Tenant or substitute any other space for all or any portion of the Premises.

10. Confirmation of Lease. Except as herein modified and amended, the terms and conditions of the Lease shall remain in full force and effect.

11. Execution. This Amendment may be executed by each of the parties hereto in separate counterparts with the same effect as if all parties hereto executed the same counterpart. Each such counterpart shall be deemed an original and all of such counterparts together shall constitute one and the same instrument. A counterpart executed by a party hereto and transmitted



to the other parties hereto via facsimile will have the same effect as the delivery of the original counterpart.

12. Applicable Law. This Amendment shall be governed by and construed in accordance with the laws of the State of Tennessee.

13. Brokers. Tenant represents and warrants to Landlord that, except with respect to Colliers International ("Tenant's Broker"), Tenant has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Amendment, and Tenant shall indemnify, defend and hold harmless Landlord against any loss, cost, liability or expense incurred by Landlord as a result of any claim asserted by any such broker, finder or other person (other than Tenant's Broker) on the basis of any arrangements or agreements made or asserted to have been made by or on behalf of Tenant. Landlord represents and warrants to Tenant that, except with respect to Jones Lang LaSalle ("Landlord's Broker"), Landlord has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Amendment, and Landlord shall indemnify, defend and hold harmless Tenant against any loss, cost, liability or expense incurred by Tenant as a result of any claim asserted by any such broker, finder or other person (other than Landlord's Broker) on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Landlord. Landlord shall pay a commission of four percent (4%) of Base Rent to Tenant's Broker and such amounts as may be due to Landlord's Broker arising out of this Amendment, in each case pursuant to a separate written agreement.



IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed pursuant to authority duly given to be effective as of the Effective Date.

**LANDLORD:**

CUMMINS STATION, LLC, a Tennessee limited liability company

By:   
ZACHARY P. LIFF, President

Date: 3/22/2016

**TENANT:**

EVENTBRITE, INC., a Delaware corporation

By: 

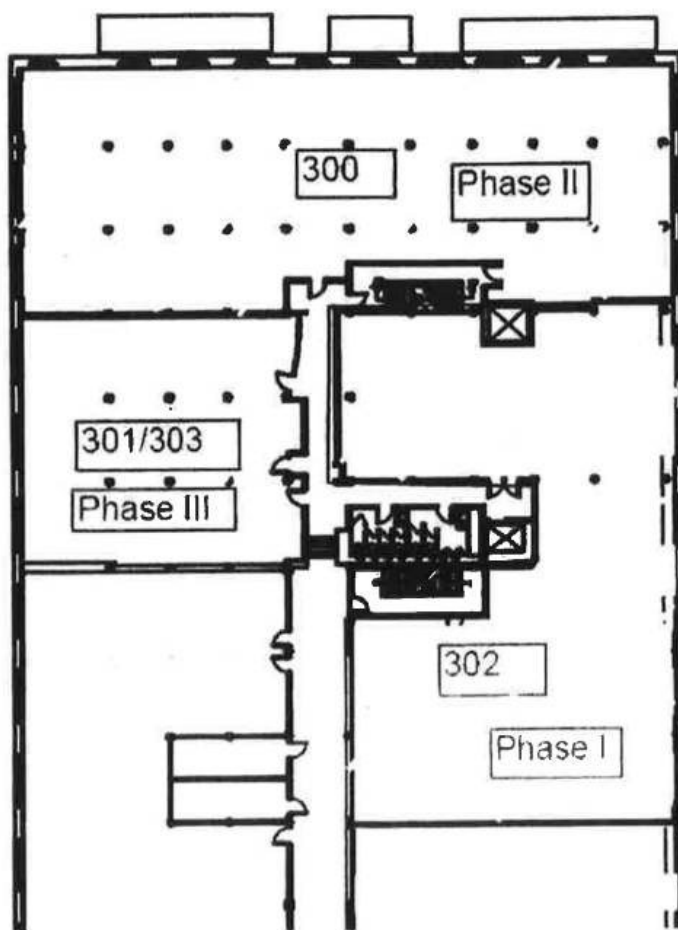
Print Name: MARK J RUBASH

Title: CFO

Date: 3/21/16



**EXHIBIT A**  
**DEPICTION OF PHASES**







**EXHIBIT B**  
**WORKLETTER**

1. **Space Planning, Design and Working Drawings.** Tenant shall submit a plan to Landlord for Landlord's approval prepared by an architect selected by Tenant ("**Tenant's Architect**"), which plans shall constitute plans and working drawings for the construction and completion of the Tenant Improvements ("**TI Plans**"). Landlord shall approve or make reasonable objections to the TI Plans within five (5) business days after receipt of the same; provided, however, Landlord shall have sole and absolute discretion to approve or disapprove any TI Plans that will be visible to the exterior of the Premises, or which may affect the structural integrity of the Building. If Landlord has comments to the TI Plans submitted by Tenant, it shall provide such comments in reasonable detail within such five (5) business day period, and the parties shall thereafter continue to work in good faith to finalize the TI Plans within ten (10) business days following the date the TI Plan was first submitted to Landlord. If Landlord does not respond within such five (5) business day period, the TI Plans shall be deemed approved. After the TI Plans are finalized and approved pursuant to the foregoing provisions, Tenant shall construct its Tenant Improvements in accordance and in compliance with applicable laws, including applicable codes requirements, consistent with the TI Plans. Should Tenant desire to materially deviate from the TI Plans approved by Landlord, Tenant shall first submit its proposed revised TI Plans to Landlord for Landlord's approval, which shall not be unreasonably withheld, conditioned or delayed. Notwithstanding anything in this Amendment to the contrary, Landlord hereby consents that following the delivery of the Phase II Premises, Tenant may remove any demising wall separating the Phase I Premises from the Phase II Premises, and following the delivery of the Phase III Premises, Tenant may remove any demising wall separating the Phase II Premises from the Phase III Premises.

2. **Tenant's Contractor.** Tenant shall select a licensed general contractor (the "**Contractor**"), reasonably approved by Landlord, to construct and install the Tenant Improvements in accordance with the TI Plans, at Tenant's expense (subject to payment by Landlord to Tenant of the applicable Allowance). Landlord agrees to reasonably cooperate with Tenant, Tenant's Architect, and Contractor and to attend a reasonable number of meetings with Tenant and Tenant's Architect and/or Contractor as necessary throughout the course of construction of the Tenant Improvements, all without charge, cost or expense to Tenant.

3. **Tenant's Covenants and Warranties.** Tenant covenants and agrees that all work performed in connection with the construction of the Tenant Improvements shall be performed in a good and workmanlike manner and in accordance with all applicable laws and regulations and the TI Plans. The Contractor shall provide a warranty on workmanship and materials and Landlord shall be a named beneficiary of such warranty. Tenant agrees to bond over or secure the release of any mechanic's or materialmen's lien filed against the Building which arises from the Tenant Improvements within thirty (30) days of written notice to Tenant of such lien.

4. **Insurance.** Contractor shall, prior to the commencement of any Tenant Improvements, obtain or cause to be obtained from an insurance carrier reasonably satisfactory to Landlord, and shall thereafter maintain in full force and effect until such work or improvements are completed, builders risk insurance written on a completed value (non-reporting) basis and required workman's compensation insurance. Contractor shall also obtain



and maintain general public liability insurance in amount not less than One Million Dollars (\$1,000,000). Contractor shall provide Landlord prior to commencement of any such work with certificates of such insurance, which shall name Landlord its successors and assigns as additional insured parties and shall provide that Landlord will be given not less than ten (10) days written notice prior to cancellation or expiration of the insurance evidenced thereby.

5. Landlord's Services. During the construction of Tenant's work pursuant to the TI Plans, Tenant shall not be charged for, and Landlord shall provide (i) electricity, (ii) use of the loading dock and freight elevator for the Building, (iii) standard security, and (iv) other similar costs with respect to Tenant's work.

6. Allowance.

(a) Landlord agrees to provide each Allowance as set forth in the foregoing Amendment. So long as no Event of Default exists under the Lease, Landlord shall pay the applicable Allowance to or on behalf of Tenant in installments not more frequently than once a month, within thirty (30) days following Landlord's receipt of (i) a payment request from Tenant specifying which Phase the payment request is for and describing the work performed, materials supplied and/or costs incurred and bills, invoices, receipts or any other documents evidencing the total amount of the cost of the work for which payment is requested and (ii) conditional, partial or final lien releases (as appropriate) for payments or disbursements to any contractor, subcontractor, materialman, supplier or other potential lien claimant. Payments issued by Landlord shall be in an amount equal to the lesser of (A) the amount requested by Tenant pursuant to the provisions of this Paragraph 5, less a ten percent (10%) retention (the aggregate amount of which for each Phase shall be referred to as the "Final Retention"), or (B) the amount of any remaining portion of the applicable Allowance (not including the Final Retention), provided that Landlord does not in good faith dispute any amounts for which payment is requested.

(b) Landlord shall deliver a check for the Final Retention for each Phase upon satisfaction of the following conditions:

(i) Tenant shall have delivered to Landlord a final application for payment of an Allowance for a particular Phase;

(ii) Tenant shall have fully completed all construction and installations with respect to the particular Phase required of it substantially in accordance with the TI Plans;

(iii) Tenant shall have fully paid all bills for labor, materials and services in connection with its construction and installations for the particular Phase and shall have provided Landlord with satisfactory evidence of such payment, including, without limitation, receipted bills for materials and the following documents:

(1) True and correct original unconditional and final releases or waivers of lien from Tenant's general contractor and all subcontractors for the particular Phase;

(2) An affidavit executed by Tenant stating that all invoices for work and materials performed or used in connection with Tenant's Work have been paid for the



particular Phase;

(3) A copy of Tenant's recorded Notice of Completion in accordance with Tennessee law for the particular Phase; and

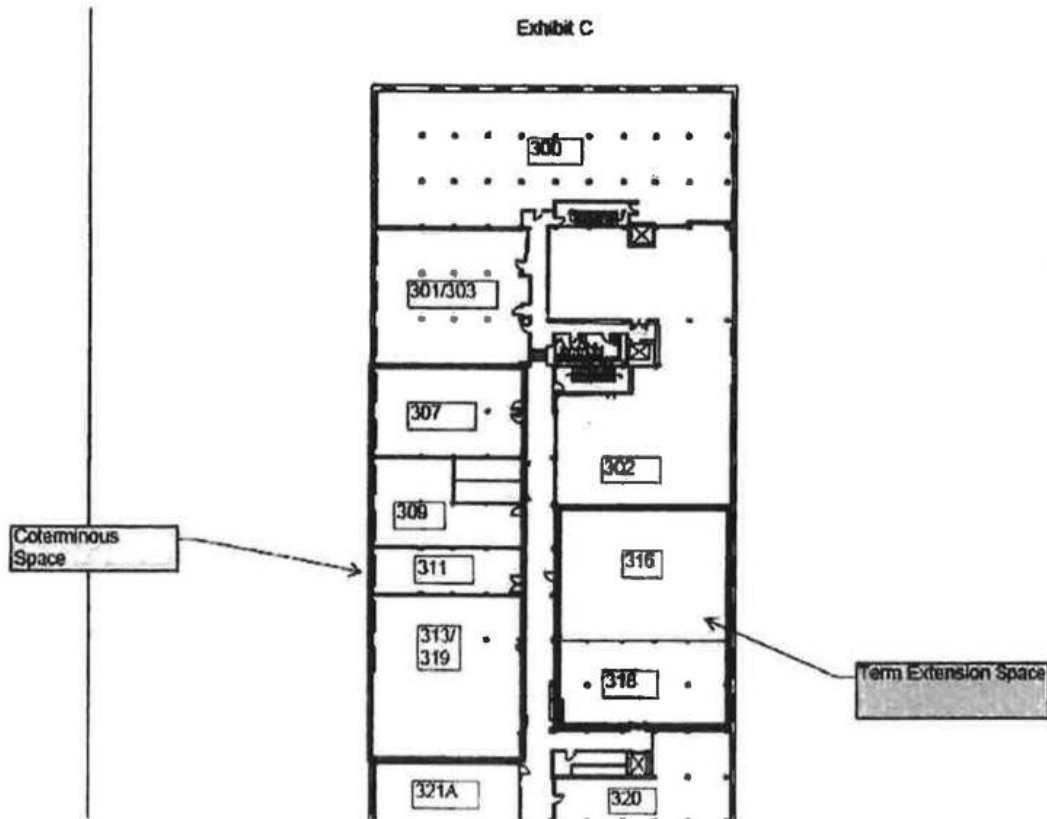
(4) A copy of the Certificate of Occupancy for the Phase.

(c) On or before the date occurring thirty (30) days after satisfaction of all of the requirements set forth in clauses (i) through (iii) above, Landlord shall make payment to Tenant in payment of the lesser of: (x) the amounts so requested by Tenant as set forth in the final payment application for the particular Phase, and (y) the balance of any remaining portion of the applicable Allowance, provided that Landlord does not dispute in good faith the final payment application based on non-compliance of any work with the terms of this Workletter.

(d) Notwithstanding anything to the contrary in the Lease, should Landlord fail to pay any Allowance to Tenant pursuant to this Paragraph 5, then Tenant may (i) with at least ten (10) days prior written notice to Landlord that it has elected to do so, seek damages for Landlord's failure to pay such Allowance.



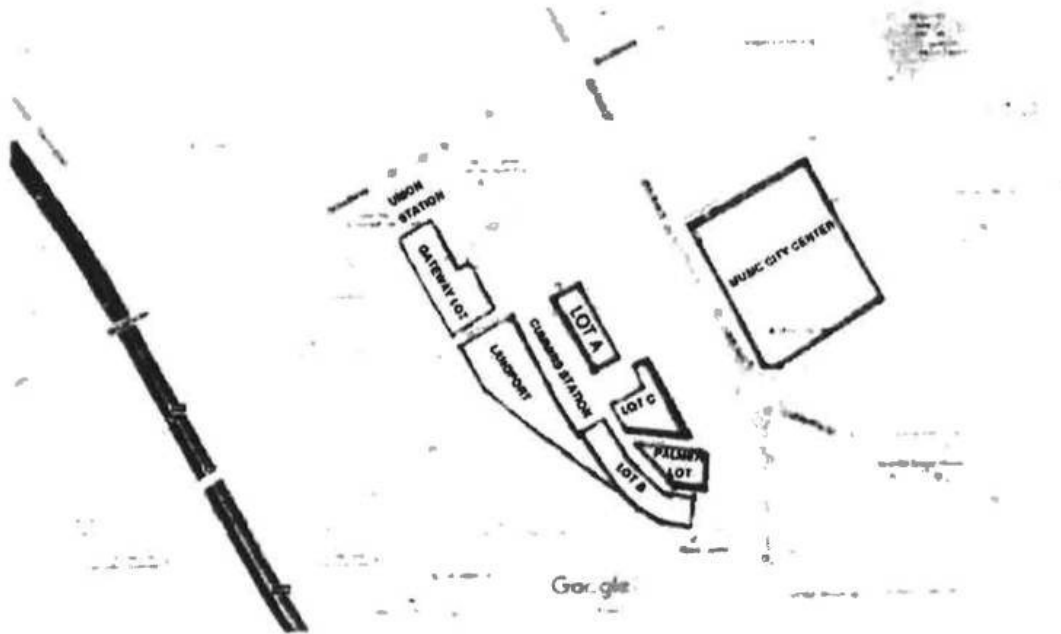
**EXHIBIT C**  
**FIRST OFFER SPACE DEPICTIONS**







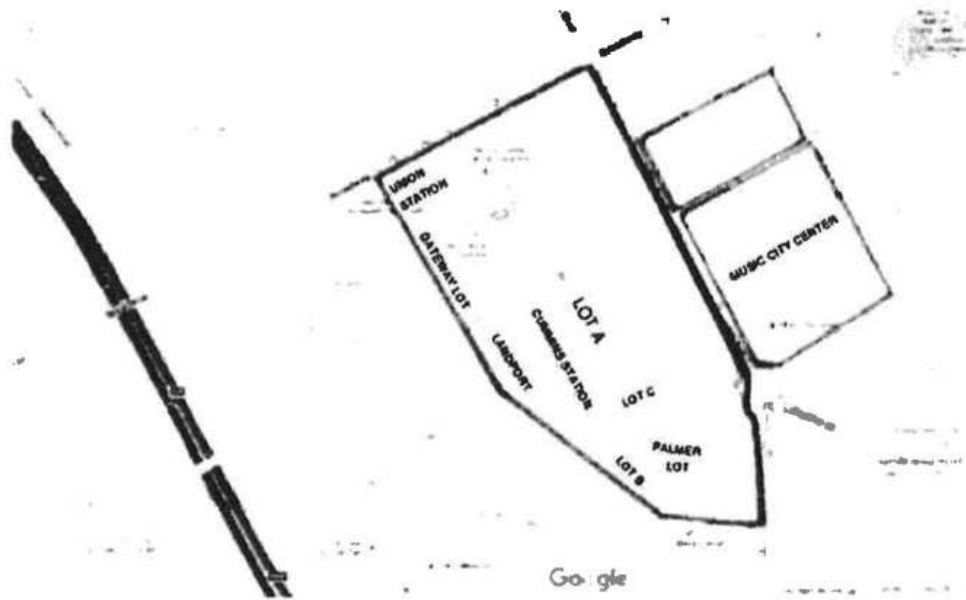
**EXHIBIT D**  
**CURRENT PARKING AREAS**





**EXHIBIT E**

**PARKING AREA BOUNDARIES**





### THIRD AMENDMENT TO LEASE

9/29/ This Third Amendment to Lease (this "Amendment") is dated to be effective as of June 12, 2016 (the "Effective Date") by and between CUMMINS STATION, LLC, a Tennessee limited liability company ("Landlord"), and EVENTBRITE, INC., a Delaware corporation ("Tenant").

#### RECITALS:

WHEREAS, Landlord and Tenant entered into a Lease Agreement effective as of May 12, 2014, as most recently amended by that certain Second Amendment to Lease dated to be effective as of May 22, 2016 (as amended, the "Lease") within the Cummins Station Building (the "Building"); and

WHEREAS, Landlord and Tenant desire to amend certain portions of the Lease, all as set forth herein.

NOW, THEREFORE, for and in consideration of the foregoing premises and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby amend the Lease as follows:

1. Incorporation. Defined terms herein shall have the same meanings as set forth in the Lease or the recitals unless otherwise provided herein. The matters set forth in the recitals above are hereby incorporated by reference.

2. Suite 206. Pursuant to the Lease, as amended, Tenant was to vacate Suite 206 within the existing Premises on or before the sixtieth (60th) day following the Phase 1 Commencement Date. Landlord and Tenant hereby agree that Tenant shall not be required to vacate Suite 206 until on or before the sixtieth (60th) day following the Phase 2 Commencement Date. Base Rent for Suite 206 shall continue according to the current schedule applicable to such portion of the Premises, with such increases as are provided for the existing Premises. Notwithstanding that Tenant's rights and obligations as to Suite 206 will continue until the Suite 206 Vacation Date, as extended hereby, parking passes to which Tenant may be entitled due to the Suite 206 portion of the Premises shall terminate as of the sixtieth (60th) day following the Phase 2 Commencement Date.

3. Confirmation of Lease. Except as herein modified and amended, the terms and conditions of the Lease shall remain in full force and effect.

4. Execution. This Amendment may be executed by each of the parties hereto in separate counterparts with the same effect as if all parties hereto executed the same counterpart. Each such counterpart shall be deemed an original and all of such counterparts together shall constitute one and the same instrument. A counterpart executed by a party hereto and transmitted to the other parties hereto via facsimile will have the same effect as the delivery of the original counterpart.


5. Applicable Law. This Amendment shall be governed by and construed in accordance with the laws of the State of Tennessee.



IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed pursuant to authority duly given to be effective as of the Effective Date.

**LANDLORD:**

CUMMINS STATION, LLC, a Tennessee limited liability company

DocuSigned by:  
  
By: 140AB84983BA422  
ZACHARY P. LIFF, President

Date: 9/29/2016

**TENANT:**

EVENTBRITE, INC., a Delaware corporation

By: Julia D. Taylor  
Print Name: JULIA D. TAYLOR

Title: SENIOR Corp. Counsel

Date: SEPTEMBER 19, 2016





#### **FOURTH AMENDMENT TO LEASE**

This Fourth Amendment to Lease (this "Amendment") is dated to be effective as of January 28, 2018 (the "Effective Date") by and between CUMMINS STATION, LLC, a Tennessee limited liability company ("Landlord"), and EVENTBRITE, INC., a Delaware corporation ("Tenant").

#### **RECITALS:**

WHEREAS, Landlord and Tenant entered into a Lease Agreement effective as of May 12, 2014, as most recently amended by that certain Third Amendment to Lease dated to be effective as of September 29, 2016 (as amended, the "Lease") within the Cummins Station Building (the "Building"); and

WHEREAS, Landlord and Tenant desire to amend certain portions of the Lease, all as set forth herein.

NOW, THEREFORE, for and in consideration of the foregoing premises and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby amend the Lease as follows:

1. Incorporation. Defined terms herein shall have the same meanings as set forth in the Lease or the recitals unless otherwise provided herein. The matters set forth in the recitals above are hereby incorporated by reference.
2. Expansion. Landlord shall deliver to Tenant the existing Suite 307 Coterminous Space consisting of approximately 2,200 rentable square feet, as shown on Exhibit A to this Amendment (the "Expansion Space") on May 1, 2018 (the "Delivery Date").
3. Allowance. Landlord will provide to Tenant an allowance of \$40.00 per rentable square foot within the Expansion Space, or \$88,000.00, for improvements to be made by Tenant in the Expansion Space (the "Allowance"), payable as set forth in Section 6 of the Workletter attached to that Second Amendment to Lease dated as of March 22, 2016 (the "Workletter").
4. Commencement. Commencement of the Term applicable to the Expansion Space (the "Expansion Commencement Date") shall be the earlier of (a) Tenant's occupancy and business use of the Expansion Space or (b) July 1, 2018.
5. Base Rent. Commencing on the Expansion Commencement Date, the Base Rent payable under the Lease shall be the sum of the Base Rent for the current Premises plus the Base Rent for the Expansion Space. Base Rent for the Expansion Space shall be as set forth below, with changes on the dates noted:

<u>Change Date</u>	<u>Base Rent</u>	<u>Annual</u>	<u>Monthly Installment</u>
7/1/18	\$37.09	\$81,598.00	\$6,799.83
12/1/18	\$38.20	\$84,045.94	\$7,003.83
12/1/19	\$39.35	\$86,567.32	\$7,213.94
12/1/20	\$40.53	\$89,164.34	\$7,430.36



12/1/21	\$41.75	\$91,839.27	\$7,653.27
12/1/22	\$43.00	\$94,594.45	\$7,882.87

6. Proportionate Share. From and after the Delivery Date, the Premises shall be deemed to include 19,372 rentable square feet. The Proportionate Share of Tenant shall be 4.84%.

7. Parking Passes. Tenant shall have a total of 107 parking passes, not including multi-person parking passes, in lots serving the Building from and after the Expansion Commencement, not including Multi-Person Parking Access Passes, subject to the provisions, including payment amounts, as set forth in the Second Amendment to Lease. The cost for fifty-eight (58) of the parking passes shall be the Building's "by right" parking pass rate of \$113.61 for 2018, with three percent (3.0%) increases each January 1<sup>st</sup> thereafter, and the cost for the remaining forty-nine (49) parking passes will be the market rate applicable to parking passes for the Building, calculated as \$145.75 per pass per month, with three percent (3.0%) increases each January 1<sup>st</sup> thereafter, in each case not including Parking Expense Increases, but subject to the provisions and limitations regarding market rate as set forth in Section 4(a) of the Second Amendment to Lease.

8. HVAC Repair. Unrelated to Expansion Space, Landlord will pay the sum of \$7,625.00 for repair and replacement of building systems consisting of an HVAC unit in Suite 303 of the Tenant's Premises. Tenant agrees to coordinate and perform the HVAC unit replacement during Tenant's build-out of the Expansion Space in order to minimize disruption of Tenant's use of the Premises, and Landlord's payment of \$7,625.00 to Tenant shall serve as having fulfilled the maintenance request for the HVAC unit to be repaired. Notwithstanding the application of this amount to repairs and replacements for operating expenses in the Lease, Landlord and Tenant agree that the \$7,625.00 shall be deemed to have been applied to the completion of improvements to building systems and improvements that qualify as qualified leasehold improvement property under applicable Internal Revenue Service regulations.

9. Confirmation of Lease. Except as herein modified and amended, the terms and conditions of the Lease shall remain in full force and effect.

10. Execution. This Amendment may be executed by each of the parties hereto in separate counterparts with the same effect as if all parties hereto executed the same counterpart. Each such counterpart shall be deemed an original and all of such counterparts together shall constitute one and the same instrument. A counterpart executed by a party hereto and transmitted to the other parties hereto via facsimile will have the same effect as the delivery of the original counterpart.

11. Applicable Law. This Amendment shall be governed by and construed in accordance with the laws of the State of Tennessee.



IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed pursuant to authority duly given to be effective as of the Effective Date.

**LANDLORD:**

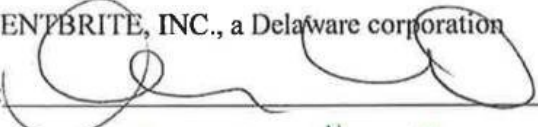
CUMMINS STATION, LLC, a Tennessee limited liability company

By:   
ZACHARY P. LIFF, President

Date: 1/30/2017

**TENANT:**

EVENTBRITE, INC., a Delaware corporation

By: 

Print Name: Samantha Harnett

Title: VP, General Counsel

Date: January 26, 2018



**EXHIBIT A**  
**EXPANSION SPACE**

To Be Attached





## FIFTH AMENDMENT TO LEASE

This Fifth Amendment to Lease (this "Amendment") is dated to be effective as of Wed Apr 25, 2018 (the "Effective Date") by and between CUMMINS STATION, LLC, a Tennessee limited liability company ("Landlord"), and EVENTBRITE, INC., a Delaware corporation ("Tenant").

### RECITALS:

WHEREAS, Landlord and Tenant entered into a Lease Agreement effective as of May 12, 2014, as most recently amended by that certain Fourth Amendment to Lease dated to be effective as of January 28, 2018 (as amended, the "Lease") within the Cummins Station Building (the "Building"); and

WHEREAS, Landlord and Tenant desire to amend certain portions of the Lease, all as set forth herein.

NOW, THEREFORE, for and in consideration of the foregoing premises and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby amend the Lease as follows:

1. Incorporation. Defined terms herein shall have the same meanings as set forth in the Lease or the recitals unless otherwise provided herein. The matters set forth in the recitals above are hereby incorporated by reference.

2. Expansion. Landlord shall deliver to Tenant the Coterminous Space consisting of Suites 309 and 311 consisting of approximately 6,800 rentable square feet, as shown on Exhibit A to this Amendment (the "Expansion Space"). Suite 309 will be delivered in its "as is" condition on July 1, 2018 (the "309 Delivery Date"). Suite 311 will be delivered in its "as is" condition on January 1, 2019 (the "311 Delivery Date").

3. Allowance. Landlord will provide to Tenant an allowance of \$45.00 per rentable square foot within the Expansion Space, plus \$10.00 per rentable square foot in the existing Premises of 19,372 rentable square feet, for a total of \$499,720.00 (the "Allowance"), which may be used in the existing Premises or the Expansion Space, and shall payable as set forth in Section 6 of the Workletter attached to that Second Amendment to Lease dated as of March 22, 2016 (the "Workletter"). Landlord and Tenant agree that Landlord shall have full discretion to allocate or apportion the Allowance in a way that maximizes Landlord's tax benefits under applicable Internal Revenue Service regulations, including without limitation the application or allocation to the completion of improvements to building systems and improvements that qualify as qualified improvements and or qualified real property and/or repairs and maintenance under tangible asset regulations. Tenant agrees to report such expenses consistently with Landlord's determination.

4. Commencement. Commencement of the Term applicable to Suite 309 of the Expansion Space (the "309 Commencement Date") shall be the earlier of (a) Tenant's occupancy and business use of Suite 309, or (b) September 1, 2018. Commencement of the Term applicable to Suite 311 of the Expansion Space (the "311 Commencement Date") shall be the earlier of (a) Tenant's occupancy and business use of Suite 311, or (b) March 1, 2019.



5. Extension of Term. The Term of the Lease shall be extended to the date that is the later of (a) eighty-four (84) months following the 311 Commencement Date, or February 28, 2026. Base Rent per rentable square foot on the existing Premises from and after January 1, 2023, shall be the same as set forth in Section 6 below.

6. Base Rent. Commencing on the 309 Commencement Date and 311 Commencement Date, respectively, the Base Rent payable under the Lease for Suite 309 and Suite 311 shall be the sum of the Base Rent for the current Premises plus the Base Rent for Suite 309 and Suite 311. Base Rent for Suite 309 and Suite 311 of the Expansion Space shall be as set forth below, with changes on the dates noted:

<u>Suite 309</u>			
<u>Change Date</u>	<u>Base Rent</u>	<u>Annual</u>	<u>Monthly Installment</u>
12/1/2018	\$38.20	\$63,034.46	\$5,252.87
12/1/2019	\$39.35	\$64,925.49	\$5,410.46
12/1/2020	\$40.53	\$66,873.25	\$5,572.77
12/1/2021	\$41.75	\$68,879.45	\$5,739.95
12/1/2022	\$43.00	\$70,945.83	\$5,912.15
12/1/2023	\$44.29	\$73,074.21	\$6,089.52
12/1/2024	\$45.62	\$75,266.44	\$6,272.20
12/1/2025	\$46.98	\$77,524.43	\$6,460.37

<u>Suite 311</u>			
<u>Change Date</u>	<u>Base Rent</u>	<u>Annual</u>	<u>Monthly Installment</u>
12/1/2018	\$38.20	\$196,743.91	\$16,395.33
12/1/2019	\$39.35	\$202,646.22	\$16,887.19
12/1/2020	\$40.53	\$208,725.61	\$17,393.80
12/1/2021	\$41.75	\$214,987.38	\$17,915.61
12/1/2022	\$43.00	\$221,437.00	\$18,453.08
12/1/2023	\$44.29	\$228,080.11	\$19,006.68
12/1/2024	\$45.62	\$234,922.51	\$19,576.88
12/1/2025	\$46.98	\$241,970.19	\$20,164.18

7. Proportionate Share. From and after the 309 Commencement Date, the Premises shall be deemed to include 21,022 rentable square feet. The Proportionate Share of Tenant shall be 5.26%. From and after the 311 Commencement Date, the Premises shall be deemed to include 26,172 rentable square feet. The Proportionate Share of Tenant shall be 6.54%.

8. Parking Passes.

(a) Suite 309. Tenant shall have an additional ten (10) parking passes, not including multi-person parking passes, in lots serving the Building from and after the 309 Expansion Commencement, not including Multi-Person Parking Access Passes, subject to the

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provisions, including payment amounts, as set forth in the Second Amendment to Lease. The cost for five (5) of the parking passes shall be the Building's "by right" parking pass rate of \$113.61 for 2018, with three percent (3.0%) increases each January 1<sup>st</sup> thereafter, and the cost for the remaining five (5) parking passes will be the market rate applicable to parking passes for the Building, calculated as \$145.75 per pass per month, with three percent (3.0%) increases each January 1<sup>st</sup> thereafter, in each case not including Parking Expense Increases, but subject to the provisions and limitations regarding market rate as set forth in Section 4(a) of the Second Amendment to Lease.

(b) Total Parking. From and after the 309 Expansion Commencement, Tenant shall have a total of 117 parking passes. The cost for sixty three (63) of the parking passes shall be the Building's "by right" parking pass rate of \$113.61 for 2018, with three percent (3.0%) increases each January 1<sup>st</sup> thereafter, and the cost for the remaining fifty four (54) parking passes will be the market rate applicable to parking passes for the Building, calculated as \$145.75 per pass per month, with three percent (3.0%) increases each January 1<sup>st</sup> thereafter, in each case not including Parking Expense Increases, but subject to the provisions and limitations regarding market rate as set forth in Section 4(a) of the Second Amendment to Lease

(c) Suite 311. Tenant shall have an additional twenty-nine (29) parking passes, not including multi-person parking passes, in lots serving the Building from and after the 311 Expansion Commencement, not including Multi-Person Parking Access Passes, subject to the provisions, including payment amounts, as set forth in the Second Amendment to Lease. The cost for sixteen (16) of the parking passes shall be the Building's "by right" parking pass rate of \$117.02 for 2019, with three percent (3.0%) increases each January 1<sup>st</sup> thereafter, and the cost for the remaining thirteen (13) parking passes will be the market rate applicable to parking passes for the Building, calculated as \$150.12 per pass per month, with three percent (3.0%) increases each January 1<sup>st</sup> thereafter, in each case plus Parking Expense Increases, but subject to the provisions and limitations regarding market rate as set forth in Section 4(a) of the Second Amendment to Lease.

(d) Total Parking. From and after the 311 Expansion Commencement, Tenant shall have a total of 146 parking passes. The cost for seventy nine (79) of the parking passes shall be the Building's "by right" parking pass rate of \$117.02 for 2019, with three percent (3.0%) increases each January 1<sup>st</sup> thereafter, and the cost for the remaining sixty seven (67) parking passes will be the market rate applicable to parking passes for the Building, calculated as \$150.02 per pass per month, with three percent (3.0%) increases each January 1<sup>st</sup> thereafter, in each case not including Parking Expense Increases, but subject to the provisions and limitations regarding market rate as set forth in Section 4(a) of the Second Amendment to Lease.

9. Base Rent Adjustment. There is hereby added to the Lease a new Section 2(c)(vi) as follows:

“(vi) Taxes, Insurance, Operating Expenses, and Parking Expense Increases are determined for the Expense Stop, Base Year, and annual determinations of the Base Rent Adjustment and charge for Parking Expense Increases based on the current configuration of buildings, improvements and parcels of real property providing tenant premises, parking and other support services for the Building, including parcels owned by Landlord



affiliates. In the event that real property or improvements is reconfigured or replaced by, among other things, structured parking, whether on a temporary or permanent basis, and whether on parcels owned by Landlord or Landlord's affiliates, Landlord may recalculate the component elements of Taxes, Insurance, Operating Expenses, and the calculation of Parking Expense Increases consistent with such reconfiguration or other services that may be provided, and make revisions to the Expense Stop and Base Year as may be deemed necessary or appropriate by Landlord to reflect such reconfiguration; provided:

a. Landlord provides written notice of the adjustment to Tenant and a description of the basis for such adjustment;

b. The adjustment shall result in no net increase to Tenant for the Base Rent Adjustment or Parking Expense Increases for the Calendar Year in which the adjustment is applicable, and in no event shall any cost component be double-billed to Tenant, whether as a component of Taxes, Insurance, Operating Expenses, or Parking Expense Increases;

c. The elements of Operating Expenses and Parking Expense Increases shall comply with the provisions of Section 2(b)(ii) of the Lease with respect to Parking Expense Increases and with the provisions of Section 2(c)(i)(f) of the Lease with regard to Operating Expenses; and

d. The adjustment shall take effect at such time as may be required or approved by Landlord's lender."

10. Confirmation of Lease. Except as herein modified and amended, the terms and conditions of the Lease shall remain in full force and effect.

11. Execution. This Amendment may be executed by each of the parties hereto in separate counterparts with the same effect as if all parties hereto executed the same counterpart. Each such counterpart shall be deemed an original and all of such counterparts together shall constitute one and the same instrument. A counterpart executed by a party hereto and transmitted to the other parties hereto via facsimile will have the same effect as the delivery of the original counterpart.

12. Applicable Law. This Amendment shall be governed by and construed in accordance with the laws of the State of Tennessee.

[SIGNATURES ON FOLLOWING PAGE]


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IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed pursuant to authority duly given to be effective as of the Effective Date.


LANDLORD:

CUMMINS STATION, LLC, a Tennessee limited liability company

DocuSigned by:  
  
By: 140AB84983BA422...  
ZACHARY P. LIFF, President  
2018-04-25  
Date: \_\_\_\_\_

TENANT:

EVENTBRITE, INC., a Delaware corporation

DocuSigned by:  
  
By: E28ADF8663A440F...  
Samantha Harnett  
Print Name: \_\_\_\_\_  
Title: Vice President, General Counsel  
2018-04-30  
Date: \_\_\_\_\_

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EXHIBIT A  
EXPANSION SPACE

Eventbrite CUMMINS STATION

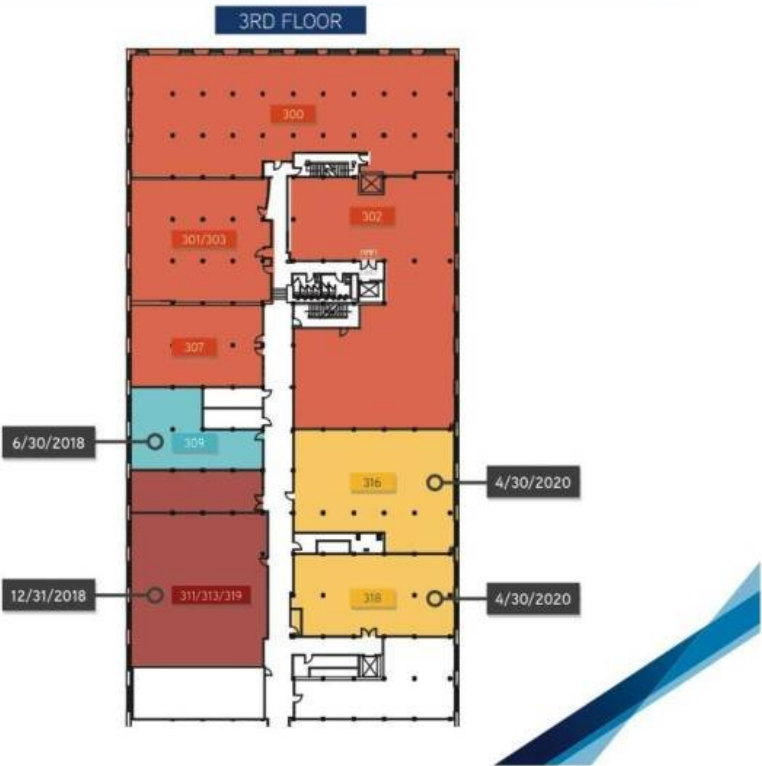


COMMITTED SQUARE FEET

SUITE	SQ. FT.	PHASE
SUITE 302	6,605 RSF	PHASE 1
SUITE 300	7,267 RSF	PHASE 2
SUITE 301/303	3,300 RSF	PHASE 3
SUITE 307	2,200 RSF	PHASE 4
TOTAL	19,372 RSF	

3RD FLOOR FUTURE EXPANSION

SUITE	SQ. FT.	DATE AVAILABLE
SUITE 309	1,650 RSF	6/30/2018
SUITE 311/313/319	5,150 RSF	12/31/2018
SUITE 316	3,900 RSF	4/30/2020
SUITE 318	2,600 RSF	4/30/2020
TOTAL	13,300 RSF	



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## SIXTH AMENDMENT TO LEASE

This Sixth Amendment to Lease (this "Amendment") is dated to be effective as of June 24, 2019 (the "Effective Date") by and between CUMMINS STATION, LLC, a Tennessee limited liability company ("Landlord"), and EVENTBRITE, INC., a Delaware corporation ("Tenant").

### RECITALS:

WHEREAS, Landlord and Tenant entered into a Lease Agreement effective as of May 12, 2014, as most recently amended by that certain Fifth Amendment to Lease dated to be effective as of April 25, 2018 (as amended, the "Lease") within the Cummins Station Building (the "Building"); and

WHEREAS, Landlord and Tenant desire to amend certain portions of the Lease, all as set forth herein.

NOW, THEREFORE, for and in consideration of the foregoing premises and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby amend the Lease as follows:

1. Incorporation. Defined terms herein shall have the same meanings as set forth in the Lease or the recitals unless otherwise provided herein. The matters set forth in the recitals above are hereby incorporated by reference.

2. Expansion and Term. Landlord shall deliver to Tenant Suite 402 consisting of approximately 3,200 rentable square feet, as shown on Exhibit A to this Amendment (the "Sixth Amendment Expansion Space"). The Sixth Amendment Expansion Space will be delivered in its "as is" condition on July 1, 2019 (the "Expansion Commencement Date"), and the Term applicable to the Sixth Amendment Expansion Space shall commence on the Expansion Commencement Date. The Term applicable to the Sixth Amendment Expansion Space only shall terminate on July 31, 2021, notwithstanding any other provision of the Lease; provided, however, that Tenant may terminate the Term applicable to the Sixth Amendment Expansion Space only, such termination to be effective on any date following July 31, 2020, with no less than sixty (60) days prior written notice to Landlord.

3. Base Rent. Commencing on the Expansion Commencement Date, the Base Rent payable under the Lease for the Sixth Amendment Expansion Space shall be at the same rate as applicable to Suites 309 and 311 as set forth in that certain Fifth Amendment to Lease dated April 25, 2018 (the "Fifth Amendment"), as set forth on Exhibit B to this Amendment; provided, however, that no Base Rent shall be due for the month of July, 2019. Base Rent Adjustment shall be due pursuant to the terms of the Lease for the additional rentable square footage in the Sixth Amendment Expansion Space during the Term applicable to the Sixth Amendment Expansion Space.

4. Allowance. Landlord has provided to Tenant an Allowance under the Fifth Amendment. In the event the budget for Tenant Improvements in the Expansion Space, as defined in the Fifth Amendment, is less than the Allowance, the excess Allowance may be used for Tenant Improvements in the Sixth Amendment Expansion Space.

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5. Parking Passes. Notwithstanding any other provision of the Lease, Tenant shall be issued no additional parking passes in connection with the Sixth Amendment Expansion Space.

6. Consideration of Sixth Amendment Expansion Space. The Sixth Amendment Expansion Space shall be deemed a portion of the Premises for all purposes under the Lease, except as limited or altered by the provisions of this Amendment. For purposes of any right of expansion, right of first offer, or right of first refusal now or hereafter accruing to Tenant, the Sixth Amendment Expansion Space shall not be deemed a portion of the Premises except to the extent that any right of expansion, offer, refusal, or renewal is capped by or contingent on the total rentable square footage within the Premises prior to or after such expansion; provided, however, that the Sixth Amendment Expansion Space shall be included in the calculation of total rentable square footage for the Premises during the Term applicable to the Sixth Amendment Expansion Space.

7. Confirmation of Lease. Except as herein modified and amended, the terms and conditions of the Lease shall remain in full force and effect.

8. Execution. This Amendment may be executed by each of the parties hereto in separate counterparts with the same effect as if all parties hereto executed the same counterpart. Each such counterpart shall be deemed an original and all of such counterparts together shall constitute one and the same instrument. A counterpart executed by a party hereto and transmitted to the other parties hereto via facsimile will have the same effect as the delivery of the original counterpart.

9. Applicable Law. This Amendment shall be governed by and construed in accordance with the laws of the State of Tennessee.

[SIGNATURES ON FOLLOWING PAGE]


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IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed pursuant to authority duly given to be effective as of the Effective Date.


LANDLORD:

CUMMINS STATION, LLC, a Tennessee limited liability company

DocuSigned by:  
  
By: 140AB84983BA422...  
ZACHARY P. LIFF, President  
Date: 6/26/2019

TENANT:

EVENTBRITE, INC., a Delaware corporation

DocuSigned by:  
  
By: 578097AA585048D...  
Print Name: Simaanthi Balaraman  
Title: Global Head, Real Estate & Facilities  
Date: 2019-06-24

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EXHIBIT A  
EXPANSION SPACE

To Be Attached

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**EXHIBIT B**  
**BASE RENT SCHEDULE**

<u>Suite 402</u>			
<u>Change Date</u>	<u>Base Rent</u>	<u>Annual</u>	<u>Monthly Installment</u>
7/1/2019*	\$38.20	\$122,240.00	\$10,186.67
12/1/2019	\$39.35	\$125,920.00	\$10,493.33
12/1/2020	\$40.53	\$129,696.00	\$10,808.00

\* No rent will be due for the month of July 2019.

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## SEVENTH AMENDMENT TO LEASE

This Seventh Amendment to Lease (this “Amendment”) is dated to be effective as of December 19, 2019 (the “Effective Date”) by and between CUMMINS STATION, LLC, a Tennessee limited liability company (“Landlord”), and EVENTBRITE, INC., a Delaware corporation (“Tenant”).

### RECITALS:

WHEREAS, Landlord and Tenant entered into a Lease Agreement effective as of May 12, 2014 (as amended, the “Lease”), as most recently amended by that certain Sixth Amendment to Lease dated to be effective as of June 24, 2019 (the “Sixth Amendment”) within the Cummins Station Building (the “Building”); and

WHEREAS, Landlord and Tenant desire to amend certain portions of the Lease, all as set forth herein.

NOW, THEREFORE, for and in consideration of the foregoing premises and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby amend the Lease as follows:

1. Incorporation. Defined terms herein shall have the same meanings as set forth in the Lease or the recitals unless otherwise provided herein. The matters set forth in the recitals above are hereby incorporated by reference.

2. Expansion and Term. Landlord shall deliver to Tenant Suite 400 consisting of approximately 10,069 rentable square feet, as shown on Exhibit A to this Amendment (the “Seventh Amendment Expansion Space”) in its “as is” condition. The Seventh Amendment Expansion Space will be delivered in its “as is” condition on August 1, 2020 (the “Expansion Commencement Date”), and the Term applicable to the Sixth Amendment Expansion Space shall commence on the Expansion Commencement Date and shall continue until February 28, 2026. From and after the Expansion Commencement Date, the Premises shall consist of 39,441 rentable square feet, and the Tenant’s Proportionate Share shall equal 9.86% until the Term applicable to Suite 402 ends pursuant to the provisions of the Sixth Amendment, at which time Tenant’s Proportionate Share shall be adjusted.

3. Base Rent. Commencing on the Expansion Commencement Date, the Base Rent payable for Suite 400 shall be as follows; provided, however, that no Base Rent shall be due for Suite 400 for the months of August and September 2020. Base Rent Adjustment shall be due for Suite 400 and the remainder of the Premises pursuant to the terms of the Lease for the additional rentable square footage in the Seventh Amendment Expansion Space; provided, however, that no Base Rent Adjustment for Suite 400 shall be due for the months of August and September 2020. Additional Rent due for parking and utilities will be due commencing on the Expansion Commencement Date.

Change Date	Base Rent	Suite 400	
		Annual	Monthly Installment
8/1/2020	\$0.00	N/A	\$0.00
10/1/2020	\$40.54	\$408,226.46	\$34,018.87

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12/1/2020	\$41.79	\$420,805.53	\$35,067.13
12/1/2021	\$43.08	\$433,761.97	\$36,146.83
12/1/2022	\$44.40	\$447,107.11	\$37,258.93
12/1/2023	\$45.77	\$460,852.60	\$38,404.38
12/1/2024	\$47.18	\$475,010.46	\$39,584.20
12/1/2025	\$48.62	\$489,593.05	\$40,799.42

4. Parking Passes. Tenant shall be issued and shall pay for forty (40) additional parking passes pursuant to the terms of the Lease at the all-in parking pass 2020 rate of \$136.96 (based on the basic rate and a Parking Expense Increase of \$12.83 per pass), such rate increasing three percent (3%) each January 1<sup>st</sup> thereafter. The increase in parking passes includes ten (10) additional passes relating to Suite 402, and terms of Section 5 of the Sixth Amendment are hereby amended with respect to parking passes; provided, however, that if the Term of the Lease for Suite 402 is not extended, such parking passes will terminate with the occupancy of Suite 402. The 2020 rate of \$136.96 is hereby established pursuant to Section 2(b)(v) of the Lease as the generally applicable rate for tenants in the Building for the initial three parking passes per thousand rentable square feet, and the Parking Expense Increase will be reset to \$0. Nothing set forth herein shall diminish Landlord's right to increase the cost of parking passes from time to time to rates no greater than the rates generally applicable to other tenants in the Building or to establish future Parking Expense Increases.

5. Suite 402. With written notice no later than one hundred eighty (180) days prior to the expiration date of the Term applicable to Suite 402 pursuant to the Sixth Amendment, which terminates on July 31, 2021, Tenant shall have the right to extend the Term of Suite 402 to the Expiration Date of the Lease with Base Rent at the same rate as is applicable to Suite 311. Tenant hereby waives the right of early termination as to Suite 402 as set forth in Section 2 of the Sixth Amendment.

6. New Signage. Subject to Section 7 below, Tenant, at Tenant's sole cost and expense, may erect an illuminated building-exterior sign in the location shown on the approved signage plan for the Building (the "Signage Plan") attached hereto as Exhibit B; provided, however, if Tenant has not exercised this right by the date that is nine (9) months from the date of last execution of this Amendment, Tenant shall no longer have this right.

7. Signage Relocation. In the absence of any Event of Default under the Lease, or any condition that with notice or the passage of time would constitute an Event of Default, and in the event that a signage location becomes available on the north end of the Building facing Demonbreun Street per the Signage Plan, Landlord will provide notice to Tenant of the availability for building signage in such location or, if multiple locations are available, in the location designated by Landlord, and Tenant shall have five (5) business days to exercise a right to relocate its signage to such location; provided, however, that unless Tenant is able to gain approvals, manufacture and complete removal of existing signage and installation of such relocated signage prior to the date that is thirty-six (36) months or more before the Expiration Date, Tenant may not exercise the right unless the Term is extended on terms mutually agreed by Landlord and Tenant. Availability shall be subject and subordinate to any existing rights, and to new tenants that require signage and that occupy 15,000 rentable square feet or more and whose space is predominantly at the Demonbreun end of the Building.

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(a) If Tenant exercises the right to relocate signage, Tenant, at Tenant's sole expense, shall remove the signage granted under Section 6 above, repair and re-patch any surface in conjunction with such removal in a manner reasonably satisfactory to Landlord, and cause the signage to be erected in the new location. Tenant may have only one sign on the Building at any one time.

8. Signage Approval and Maintenance. With respect to signage under either Sections 6 or 7 above, there shall be no rent or license payments required to be paid by Tenant for such signage. All signage shall be at Tenant's expense, and subject to Landlord's approval in Landlord's sole discretion. Notwithstanding any other provision of the Lease or this Amendment, all signage, including without limitation placement, location and any illumination, shall be subject to approval by applicable governing authorities, including without limitation approval by the Metropolitan Development and Housing Administration and to all statutes, ordinances and regulations applicable as of the date of such approvals.

(b) Landlord shall have the right from time to time to temporarily remove or adjust the signage to facilitate maintenance or other activities on the Building provided such temporary removal or adjustment shall not exceed such time as is reasonably required for the applicable maintenance or other activities without the Tenant's prior consent. In such event, Landlord shall remove and replace the signage or otherwise adjust the signage at Landlord's expense. On termination or expiration of the Lease for any reason, or if Tenant is permitted to assign this Lease to an entity not using Tenant's name or brand, Tenant shall at Tenant's sole expense remove all signage and mounting hardware and patch and replace any affected Building elements, restoring them to their original condition subject to normal wear and tear, and such obligation shall not be diminished by Landlord's exercise of its temporary removal right. Tenant at Tenant's expense shall maintain the signs in good and sightly condition; provided, however, that if Landlord in Landlord's reasonable discretion determines the signs are not so maintained, Landlord shall have the right but not the duty to provide such maintenance and to bill Tenant for the reasonable costs thereof as Additional Rent.

9. Contingency. Notwithstanding the foregoing, this Amendment is contingent on the current tenant in Suite 400 terminating its lease with respect to Suite 400.

10. Confirmation of Lease. Except as herein modified and amended, the terms and conditions of the Lease shall remain in full force and effect.

11. Execution. This Amendment may be executed by each of the parties hereto in separate counterparts with the same effect as if all parties hereto executed the same counterpart. Each such counterpart shall be deemed an original and all of such counterparts together shall constitute one and the same instrument. A counterpart executed by a party hereto and transmitted to the other parties hereto via facsimile will have the same effect as the delivery of the original counterpart.

12. Applicable Law. This Amendment shall be governed by and construed in accordance with the laws of the State of Tennessee.


[SIGNATURES ON FOLLOWING PAGE]

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IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed pursuant to authority duly given to be effective as of the Effective Date.

LANDLORD:

CUMMINS STATION, LLC, a Tennessee limited liability company

DocuSigned by:  


By: 140AB84983BA422...  
ZACHARY P. LIFF, President

12/20/2019

Date: \_\_\_\_\_

TENANT:

EVENTBRITE, INC., a Delaware corporation

DocuSigned by:  
  
By: 3D44C076F0DB4ED...

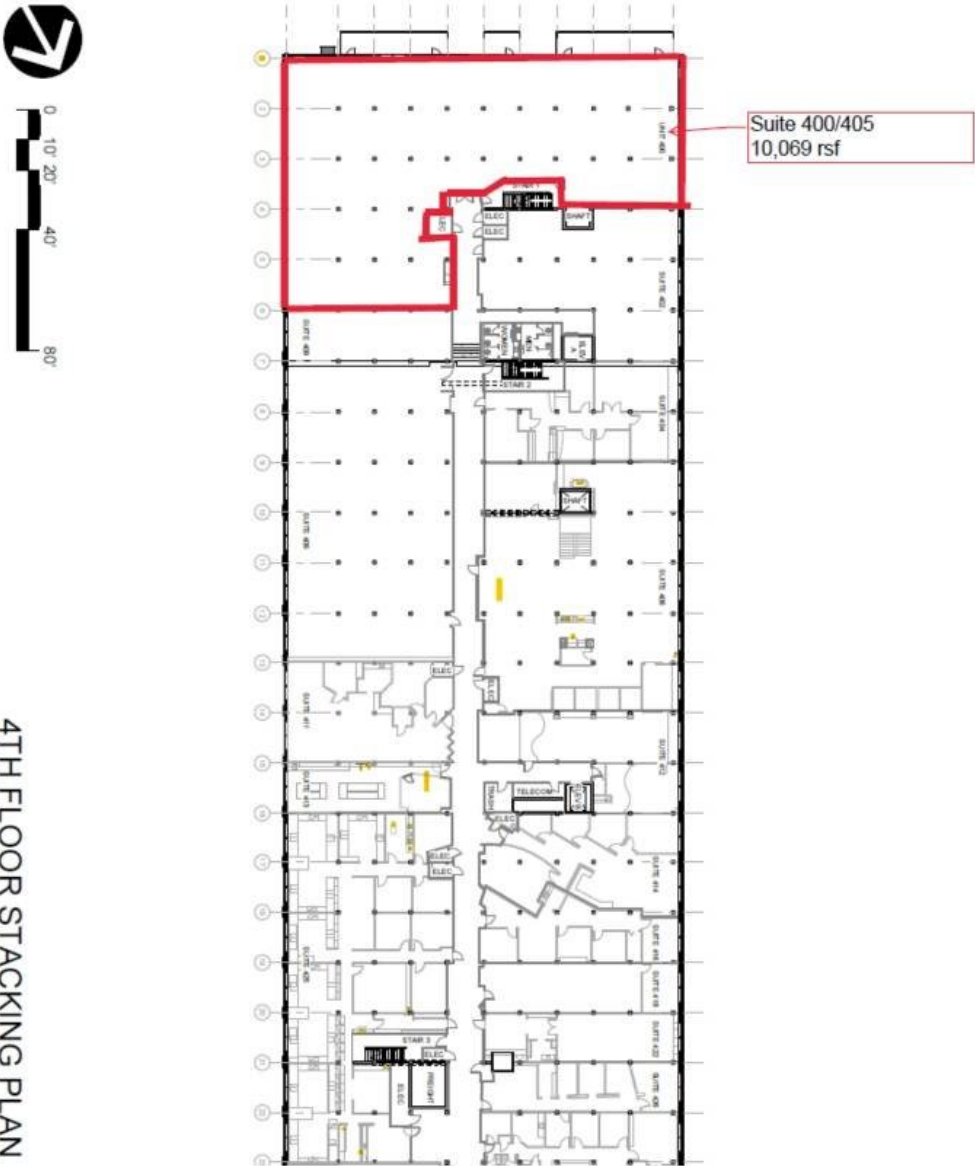
Print Name: Christine Hernandez

Title: Head of Tax

Date: 2019-12-19

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EXHIBIT A  
EXPANSION SPACE



319

4TH FLOOR STACKING PLAN

**Cummins Station**  
209 10th Avenue South  
Nashville, TN 37203

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EXHIBIT B  
NEW SIGNAGE

1 SIGN TYPE- REVERSE CHANNEL LETTER- FRONT ELEVATION  
SCALE 1:1



INSTALL NEW SIGN THIS LOCATION  
ON FRONT SIDE OF BUILDING

NOTE PHOTO CAPTURING ON BUILDING ARE A TYPICAL  
REPRESENTATION AND DO NOT REFLECT ACTUAL SIGN LOCATION

APPROX SQ. FT. = 27.75'

DESCRIPTION:

QTY 1) SET REVERSE CHANNEL LETTERS- W/ SOLID FACE & SIDES PAINTED WHITE. INTERNAL LED LIGHTING TO CREATE A  
"HALO" EFFECT OF LIGHT BEHIND THE LETTERS AT NIGHT. DEPTH OF LETTERS- 3" LETTERS AFFIXED TO BRICK VIA STUD  
MOUNT W/ 1" STAND-OFFS- ALUMINUM COLOR.  
BRICK AREA BETWEEN WINDOWS AND RAISED PILASTER COLUMNS IS APPROX 54"X165"

JARVISIGNS  
DESIGN • BUILD • INSTALL



Customer:

DLZ MANAGEMENT  
200 W. WALKER BLVD. SUITE 134  
NASHVILLE, TN 37203  
AMANDA WARRISON  
7000 WALKER BLVD. SUITE 100  
615-389-4605 D  
AMANDA.WARRISON@DLZMANAGED.COM

File Location:

ASAMENDMENTS-COMMUNISTATION-REVERSE  
CHANNEL

Sign Type:

CHANNEL LTR

Drawn By:

DREARSON Project Marc

Page No.:

SG.1

Original	Revised	Rev #
Date:	Date:	
11/14/2019	XXXX	X

This document is the property of Jarvis Signs and is not to be distributed outside of the company. It is the responsibility of the client to ensure that all information provided is accurate and up-to-date. Jarvis Signs reserves the right to modify the design and pricing without notice. The client agrees to indemnify and hold Jarvis Signs harmless from all claims, damages, and expenses, including attorney's fees, arising from the use of this document. The client also agrees to pay the full amount of the invoice within the specified time frame. If the client fails to do so, Jarvis Signs reserves the right to suspend services and pursue legal action. The client acknowledges that Jarvis Signs is not responsible for any delays or issues caused by third parties. The client agrees to sign and return this document to confirm acceptance of the terms and conditions.

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## **Subsidiaries of Registrant**

### **Name of Subsidiary**

Eventbrite Payment Processing (IE) Limited  
Eventbrite UK Limited  
Eventbrite International, Inc.  
Lanyrd Limited  
Ticketfly LLC  
Eventbrite FR SAS  
TSTM Group Limited  
Eventbrite Operations (IE) Limited  
Eventbrite Singapore Pte. Ltd.  
Eventioz Holdings, Inc.  
Eventioz, Inc.  
Eventbrite DE GmbH  
Ticketfly Canada Services, Inc.  
Eventbrite NL BV  
ticketscript Limited  
Eventbrite ES SL  
Eventbrite BE BVBA  
Eventbrite Hong Kong Limited  
Eventbrite Mexico Payment Processing S. DE R.L. DE C.V.  
Eventbrite NZ  
Eventbrite AU Pty Limited  
Eventbrite Canada, Inc.  
Picatic E-Ticket Inc.  
Jordiparc S.A.  
Eventbrite Brasil Gestao De Eventos Ltda  
Eventbrite Argentina S.A.  
Eventioz Chile SPA  
ticketscript GmbH  
Ticketea S.L.

### **Jurisdiction of Organization**

Ireland  
United Kingdom  
Delaware  
United Kingdom  
Delaware  
France  
United Kingdom  
Ireland  
Singapore  
Delaware  
Delaware  
Germany  
Canada  
Netherlands  
United Kingdom  
Spain  
Belgium  
Hong Kong  
Mexico  
New Zealand  
Australia  
Canada  
Canada  
Uruguay  
Brazil  
Argentina  
Chile  
Germany  
Spain

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-230141 and 333-227433) of Eventbrite, Inc. of our report dated March 2, 2020 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP  
San Jose, California  
March 2, 2020

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

I, Julia Hartz, certify that:

1. I have reviewed this Annual Report on Form 10-K of Eventbrite, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 2, 2020

/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: March 2, 2020

/s/ Charles Baker

Charles Baker

Chief Financial Officer

(Principal Financial Officer)

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**Certifications of Principal Executive Officer and Principal Financial Officer  
Pursuant to 18 U.S.C. Section 1350  
As Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

I, Julia Hartz, as Chief Executive Officer of Eventbrite, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, the Annual Report on Form 10-K of Eventbrite, Inc. for the year ended December 31, 2019 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Eventbrite, Inc.

/s/ Julia Hartz

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Julia Hartz

Chief Executive Officer

(Principal Executive Officer)

March 2, 2020

I, Charles Baker, as Chief Financial Officer of Eventbrite, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, the Annual Report on Form 10-K of Eventbrite, Inc. for the year ended December 31, 2019 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Eventbrite, Inc.

/s/ Charles Baker

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Charles Baker

Chief Financial Officer

(Principal Financial Officer)

March 2, 2020