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

FORM 10-Q

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

For the quarterly period ended March 31, 2023
or

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

For the transition period from _____ to _____
Commission File Number: 001-38658

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

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

95 Third Street, 2nd Floor,
San Francisco, CA 94103
(Address of principal executive offices) (Zip Code)

(415) 692-7779
(Registrant's telephone number, including area code)

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Class A common stock, $0.00001 par value	EB	New York Stock Exchange LLC

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

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

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

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

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

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

As of May 2, 2023, 82,353,114 shares of Registrant's Class A common stock and 17,640,167 shares of Registrant's Class B common stock were outstanding.

EVENTBRITE, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED
MARCH 31, 2023
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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act), that involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "appears," "shall," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential," or "continue," or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements related to the impacts of geopolitical and macroeconomic events, including their impact on us, our operations, or our future financial or operational results; our convertible senior notes, including the intended use of the net proceeds; our future financial performance, including our revenue, costs of revenue and operating expenses; our anticipated growth and growth strategies and our ability to effectively manage that growth; our ability to achieve and grow profitability; changes in our business model; our corporate strategy and expectations with respect to our restructuring plan; our advance payout program; the sufficiency of our cash, cash equivalents and investments to meet our liquidity needs; our predictions about industry and market trends; our ability to attract and retain creators and drive consumer demand; our ability to successfully operate internationally; our ability to attract and retain employees; our ability to comply with modified or new laws and regulations applying to our business; our plans to remediate the material weakness in our internal controls over financial reporting; and our ability to successfully defend litigation brought against us and the potential effect of any current litigation on our business, financial position, results of operations or liquidity.

The outcome of the events described in these forward-looking statements is subject to known and unknown risks, uncertainties and other factors, including those described in the section titled "Risk Factors" and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2022, and this Quarterly Report on Form 10-Q. We caution you that the foregoing list may not contain all of the forward-looking statements made in this Quarterly Report on Form 10-Q. 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 Quarterly Report on Form 10-Q and are not guarantees of future performance. We undertake no obligation to update any forward-looking statements made in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law.

PART I. FINANCIAL INFORMATION

Item 1. Unaudited Condensed Consolidated Financial Statements

EVENTBRITE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except par value amounts and share data)
(Unaudited)

	March 31, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	$ 518,446	$ 539,299
Funds receivable	26,000	43,525
Short-term investments, at amortized cost	180,455	84,224
Accounts receivable, net	2,598	2,266
Creator signing fees, net	792	645
Creator advances, net	584	721
Prepaid expenses and other current assets	12,714	12,479
Total current assets	741,589	683,159
Restricted cash	882	875
Creator signing fees, noncurrent	1,156	1,103
Property and equipment, net	6,960	6,348
Operating lease right-of-use assets	3,351	5,179
Goodwill	174,388	174,388
Acquired intangible assets, net	19,677	21,907
Other assets	2,422	2,420
Total assets	$ 950,425	$ 895,379
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable, creators	$ 367,986	$ 309,313
Accounts payable, trade	851	1,032
Chargebacks and refunds reserve	13,232	13,136
Accrued compensation and benefits	11,777	11,635
Accrued taxes	8,718	12,515
Operating lease liabilities	2,195	2,810
Other accrued liabilities	13,385	10,538
Total current liabilities	418,144	360,979
Accrued taxes, noncurrent	8,279	8,820
Operating lease liabilities, noncurrent	2,949	3,345
Long-term debt	356,078	355,580
Other liabilities	100	100
Total liabilities	785,550	728,824
Commitments and contingencies (Note 17)		
Stockholders' equity		
Preferred stock, $0.00001 par value; 100,000,000 shares authorized, no shares issued or outstanding as of March 31, 2023 and December 31, 2022	—	—
Common stock, $0.00001 par value; 1,100,000,000 shares authorized; 99,614,800 shares issued and outstanding as of March 31, 2023; 99,169,432 shares issued and outstanding as of December 31, 2022	1	1
Additional paid-in capital	966,515	955,509
Accumulated deficit	(801,641)	(788,955)
Total stockholders' equity	164,875	166,555
Total liabilities and stockholders' equity	$ 950,425	$ 895,379

(See accompanying Notes to Unaudited Condensed Consolidated Financial Statements)

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

	Three Months Ended March 31,	
	2023	**2022**
Net revenue	$ 77,914	$ 55,875
Cost of net revenue	26,395	19,973
Gross profit	51,519	35,902
Operating expenses		
Product development	26,564	18,518
Sales, marketing and support	17,060	13,148
General and administrative	21,718	18,817
Total operating expenses	65,342	50,483
Loss from operations	(13,823)	(14,581)
Interest expense	(2,752)	(2,798)
Other income (expense), net	4,500	(603)
Loss before income taxes	(12,075)	(17,982)
Income tax provision (benefit)	611	203
Net loss	$ (12,686)	$ (18,185)
Net loss per share, basic and diluted	$ (0.13)	$ (0.19)
Weighted-average number of shares outstanding used to compute net loss per share, basic and diluted	99,503	97,554

(See accompanying Notes to Unaudited Condensed Consolidated Financial Statements)

EVENTBRITE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except share data)
(Unaudited)

	Common Stock-Class A		Common Stock-Class B		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
Balance at December 31, 2022	81,529,265	$ 1	17,640,167	$ —	$ 955,509	$ (788,955)	$ 166,555
Issuance of common stock upon exercise of stock options	77,378	—	—	—	463	—	463
Issuance of restricted stock awards	10,375	—	—	—	—	—	—
Issuance of common stock for settlement of RSUs	551,060	—	—	—	—	—	—
Shares withheld related to net share settlement	(193,445)	—	—	—	(1,822)	—	(1,822)
Conversion of common stock from Class B to Class A	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	12,365	—	12,365
Net loss	—	—	—	—	—	(12,686)	(12,686)
Balance at March 31, 2023	81,974,633	$ 1	17,640,167	$ —	$ 966,515	$ (801,641)	$ 164,875

	Common Stock-Class A		Common Stock-Class B		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
Balance at December 31, 2021	79,524,112	$ 1	17,722,353	$ —	$ 903,470	$ (733,571)	$ 169,900
Issuance of common stock upon exercise of stock options	207,361	—	—	—	1,464	—	1,464
Issuance of restricted stock awards	2,515	—	—	—	—	—	—
Issuance of common stock for settlement of RSUs	341,723	—	—	—	—	—	—
Shares withheld related to net share settlement	(117,374)	—	—	—	(1,711)	—	(1,711)
Conversion of common stock from Class B to Class A	3,266	—	(3,266)	—	—	—	—
Stock-based compensation	—	—	—	—	12,968	—	12,968
Net loss	—	—	—	—	—	(18,185)	(18,185)
Balance at March 31, 2022	79,961,603	$ 1	17,719,087	$ —	$ 916,191	$ (751,756)	$ 164,436

(See accompanying Notes to Unaudited Condensed Consolidated Financial Statements)

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

	Three Months Ended March 31,	
	2023	2022
Cash flows from operating activities		
Net loss	$ (12,686)	$ (18,185)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	3,531	3,763
Stock-based compensation expense	12,094	12,836
Amortization of debt discount and issuance costs	498	480
Unrealized (gain) loss on foreign currency exchange	(1,133)	903
Accretion on short-term investments	(1,552)	—
Non-cash operating lease expenses	1,875	839
Amortization of creator signing fees	210	412
Adjustments related to creator advances, creator signing fees, and allowance for credit losses	(727)	(1,323)
Provision for chargebacks and refunds	4,717	3,787
Other	314	36
Changes in operating assets and liabilities:		
Accounts receivable	(543)	(943)
Funds receivable	17,835	(6,231)
Creator signing fees and creator advances	665	1,553
Prepaid expenses and other assets	(237)	7,073
Accounts payable, creators	57,699	95,655
Accounts payable	(125)	135
Chargebacks and refunds reserve	(4,621)	(4,201)
Accrued compensation and benefits	142	(3,445)
Accrued taxes	(4,580)	(3,382)
Operating lease liabilities	(1,058)	(1,120)
Other accrued liabilities	2,848	(11,188)
Net cash provided by operating activities	75,166	77,454
Cash flows from investing activities		
Purchase of short-term investments	(94,679)	—
Purchases of property and equipment	(286)	(320)
Capitalized internal-use software development costs	(1,484)	(511)
Net cash used in investing activities	(96,449)	(831)
Cash flows from financing activities		
Proceeds from exercise of stock options	463	1,464
Taxes paid related to net share settlement of equity awards	(1,822)	(1,711)
Principal payments on finance lease obligations	(1)	(31)
Net cash used in financing activities	(1,360)	(278)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	1,797	(1,235)
Net (decrease) increase in cash, cash equivalents and restricted cash	(20,846)	75,110
Cash, cash equivalents and restricted cash		
Beginning of period	540,174	636,159
End of period	$ 519,328	$ 711,269

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

	Three Months Ended March 31,	
	2023	2022
Supplemental cash flow data		
Interest paid	$ 798	$ 857
Income taxes paid, net of refunds	(15)	8
Non-cash investing and financing activities		
Reduction of right of use asset due to modification or exit	$ 1,039	$ 941

(See accompanying Notes to Unaudited Condensed Consolidated Financial Statements)

EVENTBRITE, INC.

Notes to Unaudited Condensed Consolidated Financial Statements

1. Overview and Basis of Presentation

Description of Business

Eventbrite, Inc. (Eventbrite or the Company) connects event creators - the people who bring others together to share their passions, artistry and causes through live experiences - with their audiences. Through the Company’s highly-scalable self-service platform, Eventbrite enables event creators to plan, promote and sell tickets to their events. Eventbrite’s consumer-facing experiences enable event seekers to find experiences they love and serve as a demand generating engine for event creators. Eventbrite is focused on delivering products that enable creators to grow their audience reach and generate demand for their events, and is investing in an enhanced event discovery experience for consumers. As more creators and consumers view Eventbrite as a trusted place for live events, the Company believes it can drive more ticket sales and enhance its market position as a leading live events marketplace.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and the applicable rules and regulations of the Securities and Exchange Commission (SEC) for interim financial information. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements.

The accompanying unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and, in the opinion of management, reflect all adjustments of a normal and recurring nature considered necessary to state fairly the Company's consolidated financial position, results of operations and cash flows for the interim periods. The condensed consolidated balance sheet at December 31, 2022 has been derived from audited consolidated financial statements as of that date. All intercompany transactions and balances have been eliminated. The interim results for the three months ended March 31, 2023 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023 or for any other future annual or interim period.

The information included in this Quarterly Report on Form 10-Q should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Quantitative and Qualitative Disclosures About Market Risk" and the Consolidated Financial Statements and notes thereto included in Items 7, 7A and 8, respectively, in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 (2022 Form 10-K).

Revision of Previously Issued Unaudited Condensed Consolidated Financial Statements

The Company identified an error within the unaudited condensed consolidated statement of cash flows for the three months ended March 31, 2022 primarily related to cash balances held on behalf of creators that are denominated in currencies other than the functional currency. The effect of exchange rate changes on these cash balances were not disclosed as a separate item in the reconciliation of beginning and ending balances of cash. Additionally, the unrealized foreign currency transaction gains and losses were not disclosed as a reconciliation item in the cash flow from operating activities. The unaudited condensed consolidated financial statements for the three months ended March 31, 2022 have been revised to correct for the error, which was immaterial. This revision had no impact on the Company's previously reported consolidated net income, financial position, net change in cash, cash equivalents, and restricted cash, or total cash, cash equivalents, and restricted cash as reported on the Company's consolidated statements of cash flows.

The following table summarizes the impact of the adjustments for the period presented:

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

Significant Accounting Policies

There have been no changes to our significant accounting policies described in our 2022 Form 10-K that have had a material impact on our unaudited condensed consolidated financial statements and related notes.

Use of Estimates

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

Comprehensive Loss

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

Segment Information

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

2. Restructuring

On February 27, 2023, the Board of Directors of the Company approved a restructuring plan (the “Plan”) that is designed to reduce operating costs, drive efficiencies by consolidating development and support talent into regional hubs, and enable investment for potential long-term growth. The actions associated with the Plan are expected to substantially complete by the end of 2023 and we expect to incur total estimated costs of up to $20 million.

The Company primarily incurred employee severance and other termination benefits costs, as well as lease abandonment costs in connection with the Plan. Severance benefits provided to employees were recognized on the communication date in general. Certain severance benefits and retention bonuses are contingent on service until termination date to support the transition of certain roles to different locations, and are recognized ratably over the requisite service period. The Company closed certain offices as part of the Plan and the amortization of the remaining right-of-use assets was accelerated related to the lease abandonment.

The recognition of restructuring related costs requires the Company to make certain judgments and estimates regarding the nature, timing and amount of costs associated with the Plan. To the extent the Company’s actual results differ from its estimates and assumptions, the Company may be required to revise the estimates of future accrued restructuring liabilities. At the end of each reporting period, the Company evaluates the remaining accrued restructuring balances to ensure that the accruals continue to reflect the best estimate in accordance with the execution of the Plan.

The Company incurred costs of approximately $8.8 million in connection with the Plan during the three months ended March 31, 2023, which consists of $7.7 million in costs related to severance, and other employee termination benefits, and $1.1 million primarily related to lease abandonment costs.

A summary of the restructuring related costs for the three months ended March 31, 2023 by activity type is as follows (in thousands):

	Severance and other termination benefits	Lease abandonment and related charges	Total
Cost of net revenue	$ 647	$ 113	$ 760
Product development	4,207	356	4,563
Sales, marketing and support	1,054	278	1,332
General and administrative	1,788	379	2,167
Total	$ 7,696	$ 1,126	$ 8,822

The following table is a summary of the changes in the restructuring related liabilities, included within accrued compensation and benefits and other accrued liabilities on the consolidated balance sheets, associated with the Plan (in thousands):

Balance as of January 1, 2023	$ —
Restructuring related costs accrued	8,822
Cash payment during the period	(2,726)
Non-cash items	(1,126)
Balance as of March 31, 2023	$ 4,970

3. Revenue Recognition

The Company derives its revenues primarily from ticketing and payment processing. The Company also derives a smaller portion of revenues from marketing and advertising services. The Company's customers are event creators who use the Company's platform to sell tickets and market events to attendees. Revenue is recognized when or as control of the promised goods or services is transferred to customers, in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Transaction Revenue

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

For payment processing services, the Company's service provides the event creator with the choice of whether to use Eventbrite Payment Processing (EPP) or to use a third-party payment processor, referred to as Facilitated Payment Processing (FPP).

Under the EPP option, the Company is the merchant of record and is responsible for processing the transaction and collecting the face value of the ticket and all associated fees at the time the ticket is sold. The Company is also responsible for remitting these amounts collected, less the Company's fees, to the event creator. For EPP services, the Company determined that it is the principal in providing the service as the Company is responsible for fulfilling the promise to process the payment and has discretion in establishing the price of its service. As a result, the Company records revenue on a gross basis related to its EPP service fees. Costs incurred for processing the ticketing transactions are included in cost of net revenues in the consolidated statements of operations. Under the FPP option, the Company is not responsible for processing the transaction or collecting the face value of the ticket and associated fees. In this case, the Company records revenue on a net basis related to its FPP service fees.

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

If an event is canceled by a creator, then any obligations to provide refunds to event attendees are the responsibility of that creator. If a creator is unwilling or unable to fulfill their refund obligations, the Company may, at its discretion, provide attendee refunds.

Marketing and Advertising Revenue

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

4. Cash, Cash Equivalents and Restricted Cash

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

Cash and cash equivalents balances include the face value of tickets sold on behalf of creators and their share of service charges, which are to be remitted to the creators. Such balances were $344.3 million and $269.4 million as of March 31, 2023 and December 31, 2022, respectively. These ticketing proceeds are legally unrestricted, and the Company invested a portion of ticketing proceeds in high quality U.S. Treasury bills. These amounts due to creators are included in accounts payable, creators on the consolidated balance sheets.

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

	March 31, 2023	December 31, 2022	March 31, 2022
Cash and cash equivalents	$ 518,446	$ 539,299	$ 709,853
Restricted cash	882	875	1,416
Total cash, cash equivalents and restricted cash	$ 519,328	$ 540,174	$ 711,269

5. Short-term Investments

The Company invests certain of its excess cash in short-term debt instruments which consist of U.S. Treasury bills with original maturities greater than three months and less than one year. All short-term investments are classified as held-to-maturity and are recorded and held at amortized cost. Investments are considered to be impaired when a decline in fair value is deemed to be other-than-temporary. Once a decline in fair value is determined to be other-than-temporary, the carrying value of an instrument is adjusted to its fair value on a non-recurring basis. No such fair value impairment was recognized during the three months ended March 31, 2023 and year ended December 31, 2022.

The following tables summarize the Company's financial instruments that were measured at fair value on a non-recurring basis (in thousands):

		March 31, 2023			
Description	**Classification**	**Amortized cost**	**Gross unrecognized holding gains**	**Gross unrecognized holdings losses**	**Aggregate fair value**
Saving deposits	Cash equivalents	$ 22,510	$ —	$ —	$ 22,510
US Treasury securities	Short-term investments	180,455	66	—	180,521
		$ 202,965	$ 66	$ —	$ 203,031

		December 31, 2022			
Description	**Classification**	**Amortized cost**	**Gross unrecognized holding gains**	**Gross unrecognized holdings losses**	**Aggregate fair value**
Saving deposits	Cash equivalents	$ 31,288	$ —	$ —	$ 31,288
US Treasury securities	Cash equivalents	85,201	17	—	85,218
US Treasury securities	Short-term investments	84,224	10	(5)	84,229
		$ 200,713	$ 27	$ (5)	$ 200,735

6. 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 $23.7 million and $39.9 million as of March 31, 2023 and December 31, 2022, respectively.

7. Accounts Receivable, Net

Accounts receivable, net is comprised of invoiced amounts to customers who use FPP for payment processing as well as other invoiced amounts. In evaluating the Company’s ability to collect outstanding receivable balances, the Company considers various factors including the age of the balance, the creditworthiness of the customer and the customer’s current financial condition. Accounts receivable deemed uncollectible are charged against the allowance for credit losses when identified. The following table summarizes the Company’s accounts receivable balance (in thousands):

	March 31, 2023	**December 31, 2022**
Accounts receivable, customers	$ 3,340	$ 2,967
Allowance for credit losses	(742)	(701)
Accounts receivable, net	$ 2,598	$ 2,266

8. Creator Signing Fees, Net

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

As of March 31, 2023, the balance of creator signing fees, net is being amortized over a weighted-average remaining contract life of 3.0 years on a straight-line basis. The following table summarizes the activity in creator signing fees for the periods indicated (in thousands):

	Three Months Ended March 31,	
	2023	2022
Balance, beginning of period	$ 1,748	$ 3,409
Creator signing fees paid	—	—
Amortization of creator signing fees	(210)	(412)
Write-offs and other adjustments	410	(351)
Balance, end of period	$ 1,948	$ 2,646

Creator signing fees are classified as follows on the condensed consolidated balance sheet as of the dates indicated (in thousands):

	March 31, 2023	March 31, 2022
Creator signing fees, net	$ 792	$ 1,152
Creator signing fees, noncurrent	1,156	1,494
Total creator signing fees	$ 1,948	$ 2,646

9. Creator Advances, Net

Creator advances are incentives that are offered by the Company which provide the creator with funds in advance of the event. These are subsequently recovered by withholding amounts due to the Company from the sale of tickets for the event until the creator payment has been fully recovered.

The following table summarizes the activity in creator advances for the periods indicated (in thousands):

	Three Months Ended March 31,	
	2023	2022
Balance, beginning of period	$ 721	$ 862
Creator advances paid	—	96
Creator advances recouped	(302)	(964)
Write-offs and other adjustments	165	1,290
Balance, end of period	$ 584	$ 1,284

10. Accounts Payable, Creators

Accounts payable, creators consists of unremitted ticket sale proceeds, net of Eventbrite service fees and applicable taxes. Amounts are remitted to creators within five business days subsequent to the completion of the related event. Creators may apply to receive a portion of these proceeds prior to completion of their events.

For qualified creators, the Company passes ticket sales proceeds to the creator prior to the event, subject to certain limitations. Internally, the Company refers to these payments as advance payouts. When an advance payout is made, the Company reduces its cash and cash equivalents with a corresponding decrease to its accounts payable, creators. As of March 31, 2023 and December 31, 2022, advance payouts outstanding was approximately $234.8 million and $193.1 million, respectively.

11. Chargebacks and Refunds Reserve

The terms of the Company's standard merchant agreement obligate creators to reimburse attendees who are entitled to refunds. The Company records estimates for refunds and chargebacks of its fees as contra-revenue. When the Company provides advance payouts, it assumes risk that the event may be canceled, fraudulent, or materially not as described, resulting in significant chargebacks and refund requests. See Note 10, "Accounts Payable, Creators". If the creator is insolvent or has spent the proceeds of the ticket sales for event-related costs, the Company may not be able to recover its losses from these events, and such unrecoverable amounts could equal the value of the transaction or transactions settled to the creator prior to the event that is disputed, plus any associated chargeback fees not assumed by the creator. The Company records reserves for estimated advance payout losses as an operating expense classified within sales, marketing and support.

Reserves are recorded based on the Company's assessment of various factors, including the amounts paid and outstanding to creators in conjunction with the advance payout program, macroeconomic conditions, and actual chargeback and refund activity trends. The chargebacks and refunds reserve was $13.2 million and $13.1 million which primarily includes reserve balances for estimated advance payout losses of $11.2 million and $11.2 million as of March 31, 2023 and December 31, 2022, respectively.

The Company will adjust reserves in the future to reflect best estimates of future outcomes. The Company cannot predict the outcome of or estimate the possible recovery or range of recovery from these matters. It is possible that the reserve amount will not be sufficient and the Company's actual losses could be materially different from its current estimates.

12. Property and Equipment, Net

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

	March 31, 2023	December 31, 2022
Capitalized internal-use software development costs	$ 56,764	$ 55,009
Furniture and fixtures	860	869
Computers and computer equipment	5,427	6,854
Leasehold improvements	4,236	4,243
Finance lease right-of-use assets	587	597
Property and equipment	67,874	67,572
Less: Accumulated depreciation and amortization	(60,914)	(61,224)
Property and equipment, net	$ 6,960	$ 6,348

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):

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Depreciation expense	$ 479	$ 378
Amortization of capitalized internal-use software development costs	822	1,004

13. Leases

Operating Leases

The Company has operating leases primarily for office space. 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. In calculating the present value of the lease payments, the Company utilizes its incremental borrowing rate, as the rates implicit in the leases were not readily determinable. The incremental borrowing rate is estimated to approximate the interest rate on a collateralized basis with similar terms and payments, and in economic environments where the leased asset is located.

The Company subleases certain leased office space to third parties when it determines there is excess leased capacity. Sublease income is recorded as a reduction of operating expenses.

As part of the restructuring plan described in Note 2, the Company closed certain offices to reflect the geographic distribution of the Company's employees and $1.0 million amortization of the right-of-use assets was accelerated in the three months ended March 31, 2023.

The components of operating lease costs were as follows (in thousands):

	Three Months Ended March 31,	
	2023	2022
Operating lease costs	$ 1,875	$ 839
Sublease income	(52)	(54)
Total operating lease costs, net	$ 1,823	$ 785

As of March 31, 2023, the Company's operating leases had a weighted-average remaining lease term of 2.5 years and a weighted-average discount rate of 3.7%.

As of March 31, 2023, maturities of operating lease liabilities were as follows (in thousands):

	Operating Leases
The remainder of 2023	$ 2,008
2024	1,643
2025	1,684
2026	141
2027 and thereafter	—
Total future operating lease payments	5,476
Less: Imputed interest	(332)
Total operating lease liabilities	$ 5,144
Reconciliation of lease liabilities as shown in the consolidated balance sheets	
Operating lease liabilities, current	$ 2,195
Operating lease liabilities, noncurrent	2,949
Total operating lease liabilities	$ 5,144

14. Goodwill and Acquired Intangible Assets, Net

The carrying amounts of the Company's goodwill was $174.4 million as of March 31, 2023 and December 31, 2022. The Company tests goodwill for impairment at least annually, in the fourth quarter, or whenever events or changes in circumstances would more likely than not reduce the fair value of its single reporting unit below its carrying value. We did not record any goodwill impairment during the three months ended March 31, 2023.

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

	March 31, 2023			December 31, 2022		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Developed technology	$ 22,396	$ (21,058)	$ 1,338	$ 22,396	$ (20,854)	$ 1,542
Customer relationships	74,884	(56,545)	18,339	74,884	(54,519)	20,365
Tradenames	1,650	(1,650)	—	1,650	(1,650)	—
Acquired intangible assets, net	$ 98,930	$ (79,253)	$ 19,677	$ 98,930	$ (77,023)	$ 21,907

The following tables set forth the amortization expense recorded related to acquired intangible assets for the three months ended March 31, 2023 and 2022 (in thousands):

	Three Months Ended March 31,	
	2023	2022
Cost of net revenue	$ 203	$ 203
Sales, marketing and support	2,027	2,172
General and administrative	—	6
Total amortization of acquired intangible assets	$ 2,230	$ 2,381

As of March 31, 2023, the total expected future amortization expense of acquired intangible assets by year is as follows (in thousands):

The remainder of 2023	$ 6,363
2024	8,300
2025	5,014
2026 and thereafter	—
Total expected future amortization expense	$ 19,677

15. Fair Value Measurement

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

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

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

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

The Company's cash equivalents, funds receivable, accounts receivable, accounts payable and other current liabilities approximate their fair value. All of these financial assets and liabilities are Level 1, except for debt. See Note 16, "Debt", for details regarding the fair value of the Company's convertible senior notes.

16. Debt

As of March 31, 2023 and December 31, 2022, long-term debt consisted of the following (in thousands):

	March 31, 2023			December 31, 2022		
	2026 Notes	2025 Notes	Total	2026 Notes	2025 Notes	Total
Outstanding principal balance	$ 212,750	$ 150,000	$ 362,750	$ 212,750	$ 150,000	$ 362,750
Less: Debt issuance costs	(3,648)	(3,024)	(6,672)	(3,896)	(3,274)	(7,170)
Carrying amount, long-term debt	$ 209,102	$ 146,976	$ 356,078	$ 208,854	$ 146,726	$ 355,580

The following tables set forth the total interest expense recognized related to the term loans and the convertible notes for the three months ended March 31, 2023 and 2022 (in thousands):

	Three Months Ended March 31,	
	2023	2022
Cash interest expense	$ 2,253	$ 2,253
Amortization of debt issuance costs	498	480
Total interest expense	$ 2,751	$ 2,733

The following table summarizes the Company's contractual obligation to settle commitments related to the 2026 Notes and 2025 Notes as of March 31, 2023 (in thousands):

	Payments due by Year					
	Total	2023	2024	2025	2026	2027 and thereafter
Convertible Senior Notes Due 2026	$ 212,750	$ —	$ —	$ —	$ 212,750	$ —
Interest obligations on 2026 Notes (1)	5,586	798	1,596	1,596	1,596	—
Convertible Senior Notes Due 2025	150,000	—	—	150,000	—	—
Interest obligations on 2025 Notes (1)	22,500	7,500	7,500	7,500	—	—

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

Senior Notes

2025 Notes

In June 2020, the Company issued $150.0 million aggregate principal amount of 5.000% convertible senior notes due 2025 (the 2025 Notes), in a private offering to qualified institutional buyers. Interest is payable in cash semi-annually in arrears on June 1 and December 1 of each year. The 2025 Notes mature on December 1, 2025, unless earlier repurchased, redeemed or converted. The total net proceeds from the 2025 Notes, after deducting the debt issuance costs of $5.7 million, was $144.3 million.

Prior to the adoption of Accounting Standards Update ("ASU") 2020-06, the Company separated the conversion option of the 2025 Notes from the debt instrument and classified the conversion option in equity. The Company early adopted ASU 2020-06 on January 1, 2021 using the modified retrospective transition method. Adoption of ASU 2020-06 resulted in a decrease to additional paid-in capital of $45.5 million, an increase to retained earnings of $3.1 million, and a net increase to long-term debt of $42.4 million.

The effective interest rate of the 2025 Notes is 5.8%. The Company recorded cash interest of $1.9 million, and amortization of debt issuance costs of $0.3 million during the three months ended March 31, 2023. The Company recorded cash interest of $1.9 million, and amortization of debt issuance costs of $0.2 million during the three months ended March 31, 2022.

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

The terms of the 2025 Notes are governed by an Indenture by and between the Company and Wilmington Trust, National Association, as Trustee (the Indenture). The Company may irrevocably elect a settlement in cash, shares of Class A common stock, or a combination of cash and shares of Class A common stock.

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

- during any calendar quarter commencing after the calendar quarter ending on September 30, 2020 (and only during such calendar quarter), if the last reported sale price per share of our Class A common stock exceeds 130% of the conversion price of the 2025 Notes for each of the at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter;
- during the five consecutive business days immediately after any 10 consecutive trading day period in which the trading price per $1,000 principal amount of 2025 Notes for each trading day of that 10 consecutive trading day period was less than 98% of the product of the last reported sale price of Class A common stock and the conversion rate on such trading day;

- upon the occurrence of certain corporate events or distributions on the Company's Class A common stock, as described in the Indenture;
- if the Company calls the 2025 Notes for redemption; or
- at any time from, and including, June 2, 2025 until the close of business on the second scheduled trading day immediately before the maturity date.

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

No sinking fund is provided for the 2025 Notes. The 2025 Notes are redeemable, in whole or in part, at the Company's option at any time and from time to time, on or after June 1, 2023 and on or before the 40th scheduled trading day immediately prior to the maturity date, at a cash redemption price equal to the principal amount of the notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, but only if the last reported sale price per share of Class A common stock exceeds 130% of the conversion price on (1) each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading dates ending on, and including, the trading day immediately before the date the Company sends the related redemption notice; and (2) the trading day immediately before the date the Company sends such notice. Additionally, calling any of the 2025 Notes for redemption will constitute a make-whole fundamental change with respect to that portion of the 2025 Notes, in which case the conversion rate applicable to the conversion of those 2025 Notes will be increased in certain circumstances (as described in the Indenture) if it is converted after it is called for redemption.

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

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

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

The fair value of the 2025 Notes, which we have classified as a Level 2 instrument, was $155.1 million as of March 31, 2023. The fair value of the 2025 Notes is determined using observable market prices on the last business day of the period.

2026 Notes

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

The 2026 Notes are the Company's senior, unsecured obligations and are (i) equal in right of payment with the Company's existing and future senior, unsecured indebtedness; (ii) senior in right of payment to the Company's existing and future indebtedness that is expressly subordinated to the 2026 Notes and effectively subordinated to the Company's existing and future secured indebtedness, to the extent of the value of the collateral securing that indebtedness; and (iii) structurally subordinated to all existing and future indebtedness and other liabilities, including trade payables, and (to the extent the Company is not a holder thereof) preferred equity, if any, of the Company's subsidiaries.

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

- during any calendar quarter commencing after the calendar quarter ending on June 30, 2021 (and only during such calendar quarter), if the last reported sale price per share of our Class A common stock exceeds 130% of the conversion price for each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter;
- during the five consecutive business days immediately after any 10 consecutive trading day period in which the trading price per $1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price per share of our Class A common stock on such trading day and the conversion rate on such trading day;
- upon the occurrence of certain corporate events or distributions on our Class A common stock, as described in the Indenture and
- if the Company call such notes for redemption;

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

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

No sinking fund is provided for the 2026 Notes. The 2026 Notes will be redeemable, in whole or in part, at the Company's option at any time, and from time to time, on or after March 15, 2024 and on or before the 40th scheduled trading day immediately before the maturity date, at a cash redemption price equal to the principal amount of the 2026 Notes to be redeemed, plus accrued and unpaid interest, if any, but only if the last reported sale price per share of the Company's Class A common stock exceeds 130% of the conversion price on (1) each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the trading day immediately before the date the Company sends the related redemption notice; and (2) the trading day immediately before the date the Company sends such notice. In addition, calling any 2026 Note for redemption will constitute a Make-Whole Fundamental Change with respect to that Note, in which case the conversion rate applicable to the conversion of that 2026 Note will be increased in certain circumstances if it is converted after it is called for redemption.

If certain corporate events that constitute a "Fundamental Change" (as defined in the Indenture) occur, then, subject to a limited exception for certain cash mergers, noteholders may require the Company to repurchase their 2026 Notes at a cash repurchase price equal to the principal amount of the 2026 Notes to be repurchased, plus accrued and unpaid interest, if any. The definition of Fundamental Change includes certain business combination transactions involving the Company and certain de-listing events with respect to the Company's Class A common stock.

The 2026 Notes have customary provisions relating to the occurrence of "Events of Default" (as defined in the Indenture), which include the following: (i) certain payment defaults on the Notes (which, in the case of a default in the payment of interest on the Notes, will be subject to a 30-day cure period); (ii) the Company's failure to send certain notices under the Indenture within specified periods of time; (iii) the Company's failure to comply with certain covenants in the Indenture relating to the Company's ability to consolidate with or merge with or into, or sell, lease or otherwise transfer, in one transaction or a series of transactions, all or substantially all of the assets of the Company and its subsidiaries, taken as a whole, to another person; (iv) a default by the Company in its other obligations or agreements under the Indenture or the Notes if such default is not cured or waived within 60 days after notice is given in accordance with the Indenture; (v) certain defaults by the Company or any of its significant subsidiaries with respect to indebtedness for borrowed money of at least $10,000,000; and (vi) certain events of bankruptcy, insolvency and reorganization involving the Company or any of the Company's significant subsidiaries.

If an Event of Default involving bankruptcy, insolvency or reorganization events with respect to the Company (and not solely with respect to a significant subsidiary of the Company) occurs, then the principal amount of, and all accrued and unpaid interest on, all of the 2026 Notes then outstanding will immediately become due and payable without any further action or notice by any person. If any other Event of Default occurs and is continuing, then the Trustee, by notice to the Company, or noteholders of at least 25% of the aggregate principal amount of Notes then outstanding, by notice to the Company and the Trustee, may declare the principal amount of, and all accrued and unpaid interest on, all of the 2026 Notes then outstanding to become due and payable immediately. However, notwithstanding the foregoing, the Company may elect, at its option, that the sole remedy for an Event of Default relating to certain failures by the Company to comply with certain reporting covenants in the Indenture consists exclusively of the right of the noteholders to receive special interest on the 2026 Notes for up to 180 days at a specified rate per annum not exceeding 0.50% on the principal amount of the 2026 Notes.

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

The effective interest rate of the 2026 Notes is 1.3%. The Company recorded cash interest of $0.4 million, and amortization of debt issuance costs of $0.2 million during the three months ended March 31, 2023 and March 31, 2022.

The fair value of the 2026 Notes, which we have classified as a Level 2 instrument, was $165.3 million as of March 31, 2023. The fair value of the 2026 Notes is determined using observable market prices on the last business day of the period.

Capped Call Transactions

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

The 2026 Capped Calls are separate transactions entered into by the Company with each 2026 Option Counterparty, and are not part of the terms of the 2026 Notes and will not affect any noteholder's rights under the 2026 Notes. Noteholders will not have any rights with respect to the 2026 Capped Calls.

The 2026 Capped Calls are subject to adjustment upon the occurrence of specified extraordinary events affecting the company, including merger events, tender offers and announcement events. In addition, the 2026 Capped Calls are subject to certain specified additional disruption events that may give rise to a termination of the 2026 Capped Calls, including nationalization, insolvency or delisting, changes in law, failures to deliver, insolvency filings and hedging disruptions.

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

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

The 2025 Capped Calls are subject to adjustment upon the occurrence of specified extraordinary events affecting the company, including merger events, tender offers and announcement events. In addition, the 2025 Capped Calls are subject to certain specified additional disruption events that may give rise to a termination of the 2025 Capped Calls, including nationalization, insolvency or delisting, changes in law, failures to deliver, insolvency filings and hedging disruptions. For accounting purposes, the 2025 Capped Calls are separate transactions, and not part of the terms of the Notes.

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

17. Commitments and Contingencies

The Company's principal commitments consist of obligations under the 2025 Notes and 2026 Notes (including principal and coupon interest), operating leases for office space, as well as non-cancellable purchase commitments. See Note 16, "Debt" and Note 13 "Leases" for contractual obligations to settle commitments relating to the 2025 Notes, 2026 Notes and operating leases for office space.

Other than as described above, there were no material changes outside the Company's normal course of business in its commitments under contractual obligations from those disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

Litigation and Loss Contingencies

In addition to the litigation discussed below, from time to time, the Company may become a party to litigation and subject to claims incident to the ordinary course of business, including intellectual property claims, labor and employment claims, breach of contract claims, tax and other matters. Future litigation may be necessary to defend the Company or its creators.

The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors.

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

The matter discussed below summarizes the Company's current ongoing pending litigation.

Commercial Contract Litigation

On June 18, 2020, the Company filed a Complaint in the United States District Court for the Northern District of California against M.R.G. Concerts Ltd. (MRG) and Matthew Gibbons (Gibbons), asserting claims for breach of contract, breach of the implied covenant of good faith and fair dealing, declaratory judgment, unfair competition, and common counts under California law, arising out of MRG and Gibbons' termination of certain contracts with the Company and their refusal to make various payments to the Company required by those contracts. MRG asserted counterclaims against the Company for breach of one of the contracts in issue, as well as for breach of the implied covenant of good faith and fair dealing, unfair competition, and declaratory judgment. A jury trial commenced on May 16, 2022. On May 23, 2022, the jury issued a verdict in Eventbrite's favor and awarded the Company $11.0 million in damages. Defendants filed a motion seeking to reduce the verdict or hold a new trial, and the Company filed a motion for pre-judgment and post-judgment interest as well as to recover its attorneys' fees and costs of suit per the parties' contracts. On November 1, 2022, the Court denied Defendants' motion, granted the Company's motion, and entered an Amended Final Judgment in the Company's favor in the amount of $14.9 million.

Defendants' Opening Brief on appeal was filed April 13, 2023. The Company has not yet filed its brief, and the timeframe for oral argument (should the Court allow any) is unknown. The Company cannot predict the likelihood of success on Defendants' appeal or the Company's conditional cross-appeal. The Company has not recorded any gain in relation to this verdict as of March 31, 2023.

Tax Matters

The Company is currently under audit in certain jurisdictions with regard to indirect tax matters. The Company establishes reserves for indirect tax matters when it determines that the likelihood of a loss is probable, and the loss is reasonably estimable. Accordingly, the Company has established a reserve for the potential settlement of issues related to sales and other indirect taxes in the amount of $5.3 million and $6.0 million as of March 31, 2023 and December 31, 2022, respectively. These amounts, which represent management's best estimates of its potential liability, include potential interest and penalties of $0.8 million and $0.9 million as of March 31, 2023 and December 31, 2022, 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.

Indemnification

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.

18. Stockholders' Equity

Equity Incentive Plans

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

The 2018 Plan allows for the granting of options, stock appreciation rights, restricted stock, restricted stock units (RSUs), unrestricted stock awards, performance-based restricted stock units (PSUs), 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 March 31, 2023, there were 5,814,499 and 6,875,504 options issued and outstanding under the 2010 Plan and 2018 Plan, respectively (collectively, the Plans). As of March 31, 2023, 8,129,355 shares of Class A common stock and were available for grant under the 2018 Plan.

Stock options granted typically vest over a four-year period from the date of grant. Options awarded under the Plans are exercisable up to ten years.

Stock Option Activity

Stock option activity for the three months ended March 31, 2023 is presented below:

	Outstanding options	Weighted average exercise price	Weighted average remaining contractual term (years)	Aggregate intrinsic value (thousands)
Balance as of December 31, 2022	12,558,158	$ 12.30	6.4	$ 93
Granted	237,642	8.72		
Exercised	(77,378)	5.99		
Canceled	(28,419)	11.48		
Balance as of March 31, 2023	12,690,003	12.27	6.2	3,554
Vested and exercisable as of March 31, 2023	9,631,022	12.04	5.5	3,169
Vested and expected to vest as of March 31, 2023	12,529,364	12.26	6.2	3,524

The aggregate intrinsic value in the table above represents the difference between the fair value of common stock and the exercise price of outstanding, in-the-money stock options at March 31, 2023.

As of March 31, 2023, the total unrecognized stock-based compensation expense related to stock options outstanding was $19.5 million, which will be recognized over a weighted-average period of 2.2 years. The weighted-average fair value of stock options granted was $5.26 for the three months ended March 31, 2023.

Stock Award Activity

Stock award activity, which includes RSUs, PSUs, and restricted stock awards (RSAs), for the three months ended March 31, 2023 is presented below:

	Outstanding RSUs, RSAs and PSUs	Weighted-average grant date fair value per share	Weighted average remaining contractual term (years)	Aggregate intrinsic value (thousands)
Balance as of December 31, 2022	10,764,197	$ 11.46	1.7	$ 63,059
Awarded	1,649,472	8.42		
Released	(590,994)	15.56		
Canceled	(902,679)	12.40		
Balance as of March 31, 2023	10,919,996	10.70	1.7	93,694
Vested and expected to vest as of March 31, 2023	9,595,276	10.75	1.6	82,327

As of March 31, 2023, the total unrecognized stock-based compensation expense related to stock awards, was $88.2 million, which will be recognized over a weighted-average period of 3.0 years.

Stock-based Compensation Expense

Stock-based compensation expense recognized in connection with stock options, RSUs, RSAs, PSUs and the Employee Stock Purchase Plan (ESPP) during each of the three months ended March 31, 2023 and 2022 were as follows (in thousands):

	Three Months Ended March 31,	
	2023	2022
Cost of net revenue	$ 197	$ 240
Product development	4,324	4,133
Sales, marketing and support	2,228	1,787
General and administrative	5,345	6,676
Total	$ 12,094	$ 12,836

The Company capitalized $0.3 million of stock-based compensation expense related to capitalized software costs during the three months ended March 31, 2023, compared to $0.1 million during the three months ended March 31, 2022.

19. Net Loss Per Share

Basic net loss per share is calculated by dividing the net loss by the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share is computed by giving effect to all potentially dilutive securities outstanding for the period. As the Company had net losses for the three months ended March 31, 2023 and 2022, all potentially issuable shares of common stock were determined to be anti-dilutive.

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

	Three Months Ended March 31,	
	2023	2022
Net loss	$ (12,686)	$ (18,185)
Weighted-average shares used in computing net loss per share, basic and diluted	99,503	97,554
Net loss per share, basic and diluted	$ (0.13)	$ (0.19)

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):

	March 31, 2023	March 31, 2022
Shares related to convertible senior notes	19,538	19,538
Stock-options to purchase common stock	12,690	12,212
Restricted stock units	10,869	7,357
ESPP	150	83
Total shares of potentially dilutive securities	43,247	39,190

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

20. Income Taxes

The Company recorded an income tax expense of $0.6 million for the three months ended March 31, 2023, compared to $0.2 million for the three months ended March 31, 2022. The increase was primarily attributable to changes in our year over year taxable earnings mix.

The differences in the tax provision 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 net deferred tax assets.

The computation of the provision for income taxes for interim periods is determined by applying the estimated annual effective tax rate to year-to-date earnings from recurring operations and adjusting for discrete tax items recorded in the period.

21. Geographic Information

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

	Three Months Ended March 31,	
	2023	2022
United States	$ 58,397	$ 42,618
International	19,517	13,257
Total net revenue	$ 77,914	$ 55,875

No individual country, included in International net revenue, 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 2. 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 our condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and with the audited financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 (2022 Form 10-K) filed with the United States Securities and Exchange Commission (SEC) on February 28, 2023. In addition to historical condensed consolidated 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 our 2022 Form 10-K. References herein to "Eventbrite," the "Company," "we," "us" or "our" refer to Eventbrite, Inc. and its subsidiaries, unless the context requires otherwise.

Overview

Our mission is to bring the world together through live experiences, and since inception, we have been at the center of the experience economy, helping to transform the way people organize and attend events.

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

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

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

Key Business Metrics and Non-GAAP Financial Measures

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

Paid Ticket Volume

Our success in serving creators is measured in large part by the number of tickets sold on our platform that generate ticket fees, referred to as paid ticket volume. We consider paid ticket volume an important indicator of the underlying health of the business. The table below sets forth the paid ticket volume for the periods indicated:

	Three Months Ended March 31,	
	2023	2022
	(in thousands)	
Paid Ticket Volume	23,178	18,054

Our paid ticket volume for events outside of the United States represented 38% of our total paid tickets in the three months ended March 31, 2023, compared to 36% in the three months ended March 31, 2022.

Adjusted EBITDA

We calculate Adjusted EBITDA as net loss adjusted to exclude depreciation and amortization, stock-based compensation expense, interest expense, loss on debt extinguishment, employer taxes related to employee equity transactions, other income (expense), net, which consisted of interest income, foreign exchange rate gains and losses, 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 and a reconciliation of our Adjusted EBITDA to the most comparable GAAP measure, net loss, for each of the periods indicated:

	Three Months Ended March 31,	
	2023	2022
	(in thousands)	
Net loss	$ (12,686)	$ (18,185)
Add:		
Depreciation and amortization	3,515	3,763
Stock-based compensation	12,094	12,836
Interest expense	2,752	2,798
Employer taxes related to employee equity transactions	356	357
Other (income) expense, net	(4,500)	603
Income tax provision (benefit)	611	203
Adjusted EBITDA	$ 2,142	$ 2,375

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.

Results of Operations

The following tables set forth our consolidated results of operations data and such data as a percentage of net revenue for the periods presented (in thousands):

Consolidated Statements of Operations	**Three Months Ended March 31,**	
	2023	**2022**
Net revenue	$ 77,914	$ 55,875
Cost of net revenue	26,395	19,973
Gross profit	51,519	35,902
Operating expenses:		
Product development	26,564	18,518
Sales, marketing and support	17,060	13,148
General and administrative	21,718	18,817
Total operating expenses	65,342	50,483
Loss from operations	(13,823)	(14,581)
Interest expense	(2,752)	(2,798)
Other income (expense), net	4,500	(603)
Loss before income taxes	(12,075)	(17,982)
Income tax provision (benefit)	611	203
Net loss	$ (12,686)	$ (18,185)

Consolidated Statements of Operations, as a percentage of net revenue	**Three Months Ended March 31,**	
	2023	**2022**
Net revenue	100 %	100 %
Cost of net revenue	34 %	36 %
Gross profit	66 %	64 %
Operating expenses:		
Product development	34 %	33 %
Sales, marketing and support	22 %	24 %
General and administrative	28 %	34 %
Total operating expenses	84 %	91 %
Loss from operations	(18)%	(27)%
Interest expense	(4)%	(5)%
Other income (expense), net	6 %	(1)%
Loss before income taxes	(16)%	(33)%
Income tax provision (benefit)	1 %	— %
Net loss	(17)%	(33)%

Net Revenue

We generate revenues primarily from service fees and payment processing fees from the sale of paid tickets on our platform. We also derive a smaller portion of revenues from marketing services comprised of Eventbrite Boost, our suite of marketing tools, and Eventbrite Ads, our promoted listings feature, which help creators drive audience growth and increase reach to attendees. Our fee structure typically consists of a flat fee and a percentage of the price of each ticket sold by a creator. Revenue is recognized when control of promised goods or services is transferred to the creator, which is when the ticket is sold for service fees and payment processing fees. Net revenue excludes sales taxes and value-added taxes (VAT) and is presented net of estimated customer refunds, chargebacks and amortization of creator signing fees.

	Three Months Ended March 31,			
	2023	2022	$ Change	% Change
	(in thousands except percentages)			
Net revenue	$ 77,914	$ 55,875	$ 22,039	39 %

The increase in net revenue during the three months ended March 31, 2023, compared to the same period in 2022, was primarily driven by an increase in service fees and payment processing fees attributed to growth in our paid ticket volume which increased 5.1 million or 28%, and related pricing increases implemented since January 2023 to reflect enhanced product features. Additionally, there was a $1.4 million increase in revenue from marketing services during the three months ended March 31, 2023 compared to the same period in 2022.

Cost of Net Revenue

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

Generally, we expect cost of net revenue to fluctuate as a percentage of net revenue in the near- to mid-term primarily driven by the fixed costs absorption relative to total net revenue and our geographical revenue mix. Our payment processing costs for credit and debit card payments are generally lower outside of the United States due to a number of factors, including lower card network fees and lower cost alternative payment networks. Consequently, if we generate more revenue internationally, we expect that our overall payment processing costs will decline as a percentage of total revenue. As our total net revenue increases or decreases and our fixed costs are unaffected, our cost of net revenue as a percentage of net revenue will similarly fluctuate.

	Three Months Ended March 31,			
	2023	2022	$ Change	% Change
	(in thousands except percentages)			
Cost of net revenue	$ 26,395	$ 19,973	$ 6,422	32 %
Percentage of total net revenue	34 %	36 %		
Gross margin	66 %	64 %		

The increase in cost of net revenue during the three months ended March 31, 2023 compared to the same period in 2022, was primarily due to an increase in payment processing costs associated with the increase in ticket sales volume.

Additionally, we incurred $0.8 million in restructuring related costs consisting of $0.7 million severance and other employee termination benefits and $0.1 million lease abandonment costs. For information on the costs associated with the restructuring, see Note 2. "Restructuring" in the notes to the condensed consolidated financial statements.

Our gross margin improved during the three months ended March 31, 2023, compared to the same period in 2022, primarily due to better fixed cost absorption as ticket volume and revenue increased.

Operating Expenses

Operating expenses consist of product development, sales, marketing and support and general and administrative expenses. Direct and indirect personnel costs, including stock-based compensation expense, are the most significant recurring component of operating expenses.

As our total net revenue increases or decreases and to the extent our operating expenses are not equally affected, our operating expenses as a percentage of net revenue will similarly fluctuate.

Product development.

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

	Three Months Ended March 31,			
	2023	2022	$ Change	% Change
	(in thousands except percentages)			
Product development	$ 26,564	$ 18,518	$ 8,046	43 %
Percentage of total net revenue	34 %	33 %		

The increase in product development expenses during the three months ended March 31, 2023, compared to the same period in 2022, was primarily driven by $4.6 million restructuring related costs consisting of $4.2 million severance and other employee termination benefits and $0.4 million lease abandonment costs. For information on the costs associated with the restructuring, see Note 2. "Restructuring" in the notes to the condensed consolidated financial statements.

Additionally, there was a $3.7 million increase in employee-related costs including stock-based compensation due to headcount growth in our product development and engineering organization as we continue to focus our investment in building technology products on our platform.

Sales, marketing and support.

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

	Three Months Ended March 31,			
	2023	2022	$ Change	% Change
	(in thousands except percentages)			
Sales, marketing and support	$ 17,060	$ 13,148	$ 3,912	30 %
Percentage of total net revenue	22 %	24 %		

The increase in sales, marketing and support expenses during the three months ended March 31, 2023, compared to the same period in 2022, was primarily attributable to $1.3 million restructuring related costs, consisting of $1.0 million severance and other employee termination benefits and $0.3 million lease abandonment costs. For information on the costs associated with the restructuring, see Note 2. "Restructuring" in the notes to the condensed consolidated financial statements.

Additionally, there was a $1.3 million increase in employee-related costs including stock-based compensation due to headcount growth. The remaining fluctuation is due to increases in chargeback expenses driven by ticket sales growth and expenses related to marketing our product and building brand awareness.

General and administrative.

General and administrative expenses consist of personnel costs, including stock-based compensation, and professional fees for finance, accounting, legal, risk, human resources and other corporate functions. Our general and administrative expenses also include accruals for sales and business taxes, as well as reserves and impairment charges related to creator upfront payments. Over the long-term, we anticipate general and administrative expenses to decline as a percentage of net revenue as we expect to grow our net revenues and scale our business.

	Three Months Ended March 31,			
	2023	2022	$ Change	% Change
	(in thousands except percentages)			
General and administrative	$ 21,718	$ 18,817	$ 2,901	15 %
Percentage of total net revenue	28 %	34 %		

The increase in general and administrative expenses during the three months ended March 31, 2023, compared to the same period in 2022, is primarily attributable to $2.2 million restructuring related costs, consisting of $1.8 million severance and other employee termination benefits and $0.4 million lease abandonment costs. For information on the costs associated with the restructuring, see Note 2. "Restructuring" in the notes to the condensed consolidated financial statements.

An additional increase was driven by changes to our creator upfront reserves. There was a $0.9 million decrease to creator upfront reserves during the three months ended March 31, 2023 compared to a $1.6 million decrease to creator upfront reserves recorded in the same period in 2022. These releases are attributable to improvements since the start of the pandemic and repayments received on outstanding creator upfront balances.

Interest Expense

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

Interest expense consists primarily of cash interest expense and amortization of debt discount and issuance costs on our 2025 Notes and 2026 Notes.

	Three Months Ended March 31,			
	2023	2022	$ Change	% Change
	(in thousands except percentages)			
Interest expense	$ 2,752	$ 2,798	$ (46)	(2)%
Percentage of total net revenue	4 %	5 %		

Interest expense remained relatively consistent for the three months ended March 31, 2023 compared to the three months ended March 31, 2022.

Other Income (Expense), Net

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

	Three Months Ended March 31,			
	2023	2022	$ Change	% Change
	(in thousands except percentages)			
Other income (expense), net	$ 4,500	$ (603)	$ 5,103	846 %
Percentage of total net revenue	6 %	(1)%		

The increase in other income during the three months ended March 31, 2023, compared to the same period in 2022, was driven by $5.4 million increase in interest income primarily due to rising interest rates. This was offset by foreign currency rate measurement fluctuations. We recognized foreign currency rate measurement losses during the three months ended March 31, 2023 as a result of the overall strengthening of the U.S. dollar compared to the foreign currencies with which we operate and process transactions.

Income Tax Provision

Income tax provision consists primarily of U.S. federal and state income taxes and income taxes in certain foreign jurisdictions in which we conduct business. The differences in the tax provision for the periods presented and the U.S. federal statutory rate is primarily due to foreign taxes in profitable jurisdictions and the recording of a full valuation allowance on our deferred tax assets in certain jurisdictions including the United States. The computation of the provision for income taxes for interim periods is determined by applying the estimated annual effective tax rate to year-to-date earnings from recurring operations and adjusting for discrete tax items recorded in the period.

	Three Months Ended March 31,			
	2023	**2022**	**$ Change**	**% Change**
	(in thousands except percentages)			
Income tax provision	$ 611	$ 203	$ 408	201 %
Percentage of total net revenue	1 %	— %		

The increase in provision for income taxes for the three months ended March 31, 2023, compared to the same period in 2022, was primarily attributable to changes in our year over year taxable earnings mix.

Liquidity and Capital Resources

As of March 31, 2023, we had cash and cash equivalents of $518.4 million, short-term investments of $180.5 million and funds receivable of $26.0 million. Our cash and cash equivalents includes bank deposits, U.S. Treasury bills, and money market funds held by financial institutions. Our short-term investment portfolio, which consists of U.S. Treasury bills, is designed to preserve principal and provide liquidity. Our funds receivable represents cash-in-transit from credit card processors that is received to our bank accounts within five business days of the underlying ticket transaction. As of March 31, 2023, approximately 21% of our cash was held outside of the United States. We do not expect to incur significant taxes related to these amounts. The cash was held primarily to fund our foreign operations and on behalf of, and to be remitted to, creators. Collectively, our cash and cash equivalents balances represent a mix of cash that belongs to us and cash that is due to creators.

The amounts due to creators, which were $368.0 million as of March 31, 2023, are captioned on our consolidated balance sheets as accounts payable, creators. These ticketing proceeds are legally unrestricted, and beginning in the fourth quarter of 2022 we invested a portion of creator cash in high quality U.S. Treasury bills. For qualified creators, we pass ticket sales proceeds to the creator prior to the event, subject to certain limitations. Internally, we refer to these payments as advance payouts. When we provide advance payouts, we assume risk that the event may be canceled, fraudulent or materially not as described, resulting in significant chargebacks and refund requests. The terms of our standard merchant agreement obligate creators to repay us for ticket sales advanced under such circumstances. If the creator is insolvent or has spent the proceeds of the ticket sales for event-related costs, we may not be able to recover our losses from these events. Such unrecoverable amounts could equal up to the value of the ticket sales or amounts settled to the creator prior to the event that has been postponed or canceled or is otherwise disputed. We record estimates for losses related to chargebacks and refunds based on various factors, including the amounts paid and outstanding to creators in conjunction with the advance payout program, macroeconomic conditions, and actual chargeback and refund activity trends. Due to the nature of macroeconomic events, including but not limited to shifts in consumer behavior, inflation, increased labor costs, and rising interest rates, there is a high degree of uncertainty around these reserves and our actual losses could be materially different from our current estimates. We will adjust our recorded reserves in the future to reflect our best estimates of future outcomes, and we may pay in cash a portion of, all of, or a greater amount than the $13.2 million provision recorded as of March 31, 2023.

In June 2020, we issued the 2025 Notes, and in March 2021, we issued the 2026 Notes. The 2025 Notes mature on December 1, 2025 and the 2026 Notes mature on September 15, 2026. Under certain circumstances, holders may surrender their notes of a series for conversion prior to the applicable maturity date. Upon conversion, the notes may be settled in cash, shares of Class A common stock, or a combination of cash and shares of Class A common stock, at our election.

We believe that our existing cash, together with cash generated from operations, will be sufficient to meet our anticipated cash needs for at least the next 12 months. However, our liquidity assumptions may prove to be incorrect, and we could exhaust our available financial resources sooner than we currently expect.

Cash Flows

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

	Three Months Ended March 31,	
	2023	2022
	(in thousands)	
Net cash provided by (used in):		
Operating activities	$ 75,166	$ 77,454
Investing activities	(96,449)	(831)
Financing activities	(1,360)	(278)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	1,797	(1,235)
Net (decrease) increase in cash, cash equivalents and restricted cash	$ (20,846)	$ 75,110

Comparison of Three Months Ended March 31, 2023 and 2022

Cash Flows from Operating Activities

The net cash provided by operating activities of $75.2 million for the three months ended March 31, 2023 was primarily due to our net loss of $12.7 million, adjusted for non-cash charges primarily consisting of $12.1 million stock-based compensation expense, $3.5 million depreciation and amortization, $4.7 million increase in reserves for chargebacks and refunds and $1.6 million accretion on short-term investments. Additional cash was provided by changes in working capital consisting of a $57.7 million increase in accounts payable to creators due to an increase in paid ticket volume, $17.8 million decrease in funds receivable, and other carrying balances that resulted in cash outflows of $7.5 million.

The net cash provided by operating activities for the three months ended March 31, 2022 was $77.5 million, which primarily resulted from our net loss of $18.2 million, adjusted for non-cash charges primarily consisting of $12.8 million stock-based compensation expense, $3.8 million depreciation and amortization, and $3.8 million increase in reserves for chargebacks and refunds. Additional cash was provided by changes in working capital consisting of a $95.7 million increase in accounts payable to creators due to an increase in paid ticket volume, $6.2 million decrease in funds receivable and other carrying balances that resulted in cash outflows of $15.5 million.

Cash Flows from Investing Activities

Net cash used in investing activities of $96.4 million for the three months ended March 31, 2023 consisted of $94.7 million purchases of short-term investments, $1.5 million capitalized internal-use software development costs and $0.3 million purchases of property and equipment.

Net cash used in investing activities of $0.8 million for the three months ended March 31, 2022 consisted of $0.5 million capitalized software development costs and $0.3 million purchases of property and equipment.

Cash Flows from Financing Activities

Net cash used in financing activities of $1.4 million during the three months ended March 31, 2023 was primarily due to $1.8 million taxes paid related to net share settlement of equity awards, offset by $0.5 million proceeds from the exercise of stock options.

Net cash used in financing activities of $0.3 million during the three months ended March 31, 2022 was primarily due to $1.7 million taxes paid related to net share settlement of equity awards, offset by $1.5 million proceeds from the exercise of stock options.

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

The effect of exchange rate changes on cash, cash equivalents, and restricted cash on our consolidated statements of cash flows relates to certain of our assets, primarily cash balances held on behalf of creators that are denominated in currencies other than the functional currency. These cash assets held for creators are directly offset by a corresponding liability to creators. During the three months ended March 31, 2023 we recorded a $1.8 million increase in cash, cash equivalents, and restricted cash, primarily due to the weakening of the U.S. dollar. During the three months ended March 31, 2022, we recorded a $1.2

million decrease in cash, cash equivalents, and restricted cash primarily due to the strengthening of the U.S. dollar. The impact of the effect of exchange rate changes are primarily attributed to creator cash balances, which can serve as a natural hedge for the effect of exchange rates on Accounts payable, creators presented within operating activities.

Contractual Obligations and Commitments

Our principal commitments consist of obligations under the 2025 Notes and 2026 Notes (including principal and coupon interest), operating leases for office space, as well as non-cancellable purchase commitments. See Note 17, "Commitments and Contingencies" to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional information.

Off-Balance Sheet Arrangements

We do not currently have any off-balance sheet arrangements and did not have any such arrangements as of March 31, 2023.

Critical Accounting Policies and Estimates

Our unaudited condensed consolidated financial statements are prepared in accordance with U.S. GAAP. The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosures. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances, and we evaluate our estimates and assumptions on an ongoing basis. We are not aware of any specific event or circumstance that would require an update to our estimates or assumptions or a revision of the carrying value of assets or liabilities as of the date of filing of this Quarterly Report on Form 10-Q. These estimates and assumptions may change in the future, however, as new events occur and additional information is obtained. Our actual results could differ from these estimates.

Our significant accounting policies are discussed in the "Notes to Consolidated Financial Statements, Note 2 "Significant Accounting Policies" in the 2022 Form 10-K. There have been no significant changes to these policies that have had a material impact on our unaudited condensed consolidated financial statements and related notes.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Sensitivity

We are exposed to market risk for changes in interest rates related primarily to balances of our financial instruments including cash and cash equivalents and short-term investments. As of March 31, 2023, we had cash and cash equivalents of $518.4 million and short-term investments of $180.5 million, which consisted primarily of money market funds and U.S. Treasury bills. The primary objective of our investment approach is to preserve capital principal and provide liquidity. Our primary exposure to market risk is interest income sensitivity, which is affected by changes in the general level of interest rates in the United States. A 10% change in the level of market interest rates would not have a material effect on our business, financial conditions or results of operations. In addition, our 2025 Notes and 2026 Notes (collectively referred to as "Notes") are subject to fixed annual interest charges. These Notes therefore are not exposed to financial or economic risk associated with changes in interest rates. However, the fair value of these Notes may fluctuate when interest rates change or can be affected when the market price of our Class A common stock fluctuates. We carry the convertible senior notes at face value less unamortized issuance cost on our balance sheet, and we present the fair value for required disclosure purposes only.

Foreign Currency Risk

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

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of the 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 that evaluation, our principal executive officer and principal financial officer concluded that, as of March 31, 2023, due to the material weakness in our internal control over financial reporting described below, our disclosure controls and procedures were not effective at the reasonable assurance level prior to full remediation as described below. In light of this fact, our management has performed additional analyses and other post-closing procedures and has concluded that, notwithstanding the material weakness in our internal control over financial reporting, the consolidated financial statements for the periods covered by and included in this Quarterly Report on Form 10-Q fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with U.S. GAAP.

Material Weakness in Internal Control over Financial Reporting

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

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

Remediation Plan

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

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, that occurred during the quarter ended March 31, 2023 which 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.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

See Note 17, "Commitments and Contingencies" to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

There have been no material changes from the risk factors set forth in Part I, Item 1A, of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 (the "Annual Report"), except for the following risk factors which supplement the risk factors previously disclosed and should be considered in conjunction with the risk factors set forth in the 2022 Annual Report. You should carefully consider the risks and uncertainties described in the Annual Report, together with all of the other information in the Annual Report and this Quarterly Report on Form 10-Q, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes, and other documents that we file with the U.S. Securities and Exchange Commission. The risks and uncertainties described in the Annual Report 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.

We are incorporating generative artificial intelligence, or AI, into some of our products. This technology is new and developing and may present operational and reputational risks.

We have incorporated a number of third-party generative AI features into our products. This technology, which is a new and emerging technology that is in its early stages of commercial use, presents a number of risks inherent in its use. AI algorithms are based on machine learning and predictive analytics, which can create accuracy issues, unintended biases and discriminatory outcomes. We have implemented measures, such as in-product disclosures, which inform creators when content is created for them by generative AI and that they are responsible for the accuracy and editorial review of their content. There is a risk that third-party generative AI algorithms could produce inaccurate or misleading content or other discriminatory or unexpected results or behaviors (e.g., AI hallucinatory behavior that can generate irrelevant, nonsensical or factually incorrect results) that could harm our reputation, business or customers. In addition, the use of AI involves significant technical complexity and requires specialized expertise. Any disruption or failure in our AI systems or infrastructure could result in delays or errors in our operations, which could harm our business and financial results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

There were no sales of unregistered equity securities during the three months ended March 31, 2023.

Item 6. Exhibits

The exhibits listed on the accompanying Exhibit Index are filed or incorporated by reference as part of this Quarterly Report on Form 10-Q.

Exhibit Index

Exhibit Number	Description of Exhibits	Incorporated by Reference		
		Form	**Exhibit Number**	**Date Filed**
3.2	Amended and Restated Certificate of Incorporation.	S-1/A	3.2	August 28, 2018
3.4	Second Amended and Restated Bylaws.	8-K	3.1	December 21, 2022
4.1	Form of Class A Common Stock Certificate.	S-1/A	4.1	September 7, 2018
10.1#	Form of Performance Stock Unit Award Agreement			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 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.			Filed herewith
32.1*	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			Filed herewith
101.INS	Inline XBRL Instance Document			Filed herewith
101.SCH	Inline XBRL Taxonomy Extension Schema Document			Filed herewith
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document			Filed herewith
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document			Filed herewith
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document			Filed herewith
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document			Filed herewith
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)			Filed herewith

# Indicates compensatory plan
*The certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Quarterly Report on Form 10-Q 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.

Signatures

Pursuant to the requirements 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.

		Eventbrite, Inc.
May 9, 2023	By:	/s/ Julia Hartz
		Julia Hartz Chief Executive Officer *(Principal Executive Officer)*
May 9, 2023	By:	/s/ Charles Baker
		Charles Baker Chief Financial Officer *(Principal Financial Officer)*
May 9, 2023	By:	/s/ Xiaojing Fan
		Xiaojing Fan Chief Accounting Officer *(Principal Accounting Officer)*

PERFORMANCE STOCK UNIT AWARD AGREEMENT FOR COMPANY EMPLOYEES UNDER THE EVENTBRITE, INC. 2018 STOCK OPTION AND INCENTIVE PLAN

Name of Grantee: %%FIRST_NAME%-% %%LAST_NAME%-%

Number of Restricted Units: %%TOTAL_SHARES_GRANTED%-%[1]

Grant Date: %%OPTION_DATE,'Month DD, YYYY'%-%

Pursuant to the Eventbrite, Inc. 2018 Stock Option and Incentive Plan as amended through the date hereof (the "Plan") and this Performance Stock Unit Award Agreement (the "Agreement"), Eventbrite, Inc. (the "Company") hereby grants an award of the number of Performance Stock Units listed above (the "Award," "Performance Stock Units" or "PSUs") to the Grantee named above. Each vested Performance Stock Unit represents the contingent right to receive, in accordance with this Agreement attached and the Vesting Schedule attached hereto as Exhibit A (together, the "Agreement"), up to two shares of Class A Common Stock, par value $0.00001 per share (the "Stock") of the Company.

1. Restrictions on Transfer of Award. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any shares of Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Performance Stock Units have vested as provided in Paragraph 2 of this Agreement and (ii) shares of Stock have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.

2. Vesting and Expiration of Performance Stock Units. The PSUs shall vest on December 31, 2025, in the event the Grantee does not incur a termination of service with the Company and its Subsidiaries prior to such date or except as otherwise set forth on Exhibit A (the "Vesting Date"). The number of shares of Stock to be issued in respect of the PSUs that vest shall be determined by the Administrator by multiplying the number of PSUs times the Average Achievement Factor (as defined in Exhibit A). For the avoidance of doubt, in the event the Average Achievement Factor equals zero, no shares of Stock will be issued in respect of the PSUs and all PSUs shall terminate for no consideration on the Determination Date (as defined in Exhibit A). Any PSUs that are unvested as of the date Grantee incurs a termination of service with the Company and its Subsidiaries (after giving effect to any accelerated vesting as set forth on Exhibit A) shall thereupon terminate for no consideration. The Administrator may at any time accelerate the vesting schedule set forth on Exhibit A. The maximum number of shares of Stock that may be issued in settlement of the PSUs is [____________][2].

3. Termination of Service. The Performance Stock Units shall terminate as set forth in Exhibit A.

4. Issuance of Shares of Stock. As soon as practicable following the vesting of the Performance Stock Units pursuant to Exhibit A (but in no event later than two and one-half months after the end of the year in which Vesting Date occurs), the Company shall issue to the Grantee the number of shares of Stock based on the aggregate number of Performance Stock Units that have vested pursuant to Exhibit A and the Grantee shall thereafter have all the rights of a stockholder of the Company with respect to such shares.

[1] This should the Total Target Number of PSUs.
[2] To equal 2 times the Total Target Number of PSUs.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Tax Withholding.

(a) The Grantee acknowledges that, regardless of any action taken by the Company or, if different, any Subsidiary employing or retaining the Grantee (the "Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax related items related to the Grantee's participation in the Plan and legally applicable to the Grantee ("Tax-Related Items"), is and remains the Grantee's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Grantee further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Performance Stock Units, including, but not limited to, the grant, vesting or settlement of the Performance Stock Units, the subsequent sale of shares of Stock acquired pursuant to such settlement and the receipt of any dividends and/or Dividend Equivalent Rights; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Performance Stock Units to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Grantee is subject to Tax-Related Items in more than one jurisdiction, the Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to any relevant taxable or tax withholding event, as applicable, the Grantee agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Grantee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations with regard to all Tax-Related Items by one or a combination of the following: (i) withholding from the Grantee's wages or other cash compensation paid to the Grantee by the Company and/or the Employer; (ii) withholding from proceeds of the sale of shares of Stock acquired upon settlement of the Performance Stock Units either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization); (iii) withholding from shares of Stock to be issued to the Grantee upon settlement of the Performance Stock Units, provided, however, that if the Grantee is a Section 16 officer of the Company under the Exchange Act, then the Company will withhold in shares of Stock upon the relevant taxable or tax withholding event, as applicable, unless the use of such withholding method is problematic under applicable tax or securities law or has materially adverse accounting consequences, in which case, the obligation for Tax-Related Items may be satisfied by one or a combination of methods (i) and (ii) above; or (iv) any other method of withholding determined by the Company and permitted by applicable law.

(c) Depending on the withholding method, the Company and/or the Employer may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates in the Grantee's jurisdiction(s), in which case the Grantee may receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent amount in shares of Stock. If the obligation for Tax-Related Items is satisfied by withholding in shares of Stock, for tax purposes, the Grantee is deemed to have been issued the full number of shares of Stock subject to the vested Performance Stock Units, notwithstanding that a number of the shares of Stock are held back solely for the purpose of paying the Tax-Related Items.

(d) The Grantee agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Grantee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Stock, or the proceeds of the sale of shares of Stock, if the Grantee fails to comply with his or her obligations in connection with the Tax-Related Items.

7. Section 409A of the Code. This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as "short-term deferrals" as described in Section 409A of the Code.

8. No Obligation to Continue Employment. The grant of the Performance Stock Units shall not be interpreted as forming or amending an employment contract with the Company or any Subsidiary (including the Employer), and shall not be construed as giving the Grantee the right to be retained in the employ of, or to continue providing services to, the Company or any Subsidiary (including the Employer). Neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Grantee at any time.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

10. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

11. Modifications and Waivers. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Grantee and by an authorized officer of the Company (other than the Grantee). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

12. Choice of Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such State, without regard to such state's conflict of laws provisions.

13. Venue. Unless the Grantee and the Company and/or the Employer have agreed otherwise in a separate written alternative dispute resolution agreement, for purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by the Performance Stock Units or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of San Francisco County, California, or the federal courts for the United States for the Northern District of California, where this grant is made and/or to be performed, and no other courts.

14. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

15. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Performance Stock Units and the shares of Stock acquired upon

settlement of the Performance Stock Units, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Grantee to accept any additional agreements or undertakings that may be necessary to accomplish the foregoing.

16. Electronic Delivery and Acceptance of Documents. The Grantee agrees to accept by email all documents relating to the Company, the Plan or these Performance Stock Units and all other documents that the Company is required to deliver to its security holders (including, without limitation, disclosures that may be required by the U.S. Securities and Exchange Commission). The Grantee also agrees that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through the electronic acceptance procedure established and maintained by the Company or a third party designated by the Company. If the Company posts these documents on a website, it shall notify the Grantee by email of their availability. The Grantee acknowledges that he or she may incur costs in connection with electronic delivery, including the cost of accessing the internet and printing fees, and that an interruption of internet access may interfere with his or her ability to access the documents. This consent shall remain in effect until the Performance Stock Units expire or until the Grantee gives the Company written notice that it should deliver paper documents.

17. Insider Trading Restrictions / Market Abuse Laws. By accepting the Performance Stock Units, the Grantee acknowledges that he or she is bound by all the terms and conditions of the Company's insider trading policy as may be in effect from time to time. The Grantee further acknowledges that, depending on the Grantee's or his or her broker's country of residence or where the shares of Stock are listed, he or she may be subject to insider trading restrictions and/or market abuse laws which may affect the Grantee's ability to accept, acquire, sell or otherwise dispose of shares of Stock, rights to shares of Stock (*e.g.*, Performance Stock Units) or rights linked to the value of shares of Stock under the Plan during such times as the Grantee is considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Grantee placed before the Grantee possessed inside information. Furthermore, the Grantee could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's insider trading policy as may be in effect from time to time. The Grantee acknowledges that it is the Grantee's responsibility to comply with any applicable restrictions, and the Grantee should speak to his or her personal advisor on this matter.

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Grantee (including through an online acceptance process) is acceptable.

Grantee: **Eventbrite, Inc.**

__ By: Lanny Baker

%%FIRST_NAME%-% %%LAST_NAME%-% Title: Chief Financial Officer

%%OPTION_DATE,'Month DD, YYYY'%-%

Exhibit 31.1

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

I, Julia Hartz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q/A 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: May 9, 2023

/s/ Julia Hartz

Julia Hartz
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

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

I, Charles Baker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q/A 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: May 9, 2023

/s/ Charles Baker

Charles Baker
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Certifications of Chief Executive Officer and Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

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

1. The Company's Quarterly Report on Form 10-Q/A for the quarterly period ended March 31, 2023, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and
2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2023

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

/s/ Charles Baker
Charles Baker
Chief Financial Officer
(Principal Financial Officer)