

LYTE

AT THE END OF THE TUNNEL

TICKETER'S CEO SEES COMPANY COMING OUT OF THE SHUTDOWN STRONG

BY JAMES ZOLTAK

LAST APRIL, LYTE founder and CEO Ant Taylor and Lawrence Peryer, then the company's chief revenue officer and now its chief strategy officer, told VenuesNow sister publication Pollstar that the ticketing platform had been on a steady growth trajectory. At the time, Lyte had just secured \$15 million in Series A funding from the likes of Bernie Cahill and Activist Artist Management.

Earlier this year, the company announced it had secured another \$33 million in Series B financing, with some high-profile investors like Quincy Jones on board. Around the same time, Lyte announced its first partnership with a talent agency, Mint Talent Group, whose client roster includes 30 artists —

including Taj Mahal, Angel Haze, The Soul Rebels, Helmet, Carla Morrison, Shemekia Copeland, Mersiv, Neal Francis, Trevor Hall, Jaimoe and others — that would implement Lyte's technology across hundreds of potential shows. The solutions offered through Lyte's platform, which is used at major festivals like Coachella, "offers to address touring uncertainty caused by the pandemic, creating the ability for fans to reserve tickets risk-free for events not yet on sale." Late last year, Lyte announced its first international partnerships outside North America, with the platform being used by two of the largest festivals in New Zealand, Bay Dreams and Soundsplash.

Taylor, who played guard on the Princeton University basketball team in the late 1990s and launched Lyte after seeing empty seats at the 2012 Olympics in



Lyte CEO Ant Taylor

London, spoke with VenuesNow's James Zoltak about where the company and ticketing trends are headed in 2021 and beyond. The interview has been edited for length and clarity.

How did 2020 turn out? I'm guessing the year-over-year comparison has to be awful, but not surprising given the circumstances. Has your optimism waned at all?

I think that for us it was much more about we had, and frankly discovered, leading indicators in our business that signaled, way earlier than potentially other platforms out there, that demand for the wonderful thing we get to sell was not waning, (but) in fact (was) going to come back in spades. To answer your direct question, yes, we all hit the COVID wall, but our products in the reservation system (are) really about aggregating demand first and long before you start to think about issuing tickets or supply. So, what we were seeing through 2019 was a massive increase in consumer demand expressing itself on our platform in some of the partnerships ... and the fact that there was uncertainty around when the events were going to come back or (at) what capacity those events would come back, or even what configuration of that capacity would be, or what pricing around that would be — all those things that historically would have been non-starters, at least in the minds of the industry, for fans were in fact not slowing down credit card swipes at all.

Our outlook changed in terms of thinking now about 2021 and 2022. We had an early kind of peek into

where consumer demand was, which obviously was incredibly powerful. My optimism aside, I think that the reason we were able to do a Series B financing just around 12 months after our Series A financing, at a significant increase in our company's valuation and with high-quality investors getting involved, was because those leading indicators are so strong, they're so positive. I say all that, you know, with respect to all of the venues out there who really had to struggle to kind of get through this. That can't change the reality of a pandemic, but you can start to look and stage for what's going to come back at the end of all this.

What can you tell me about the Mint deal? Why is it a win-win in your view and will there be more partnerships like this with Lyte?

I think there will be more partnerships like this and soon. I think the exciting thing about any economic catastrophe like what we endured is necessity breeds innovation. The group of people that came together around this, I remember my first sit-down with the Mint team, on a Zoom call, when things were staging still for them, was superexciting because it wasn't just about what we're bringing to bear with our platform, it was also about all the sort of novel ways that they were now, this group of agents that came from all these great agencies, going to be more experimental and more innovative (with) more hustle than they were able to do before or because we all kind of (are) conditioned to do things a certain way. Now, sort of bringing things back to kind of ground zero, we're able to kind of rebuild a lot of processes and tasks and ways that we do things, and so the starting point of the partnership was just two companies coming together at exactly the right time in their evolution.

A touring agent's job historically was very difficult to do with the data that was at their fingertips. Whether it was streaming data or it was listens or it was past tour proceeds, when bands were touring on three-year tour cycles. As data goes, those weren't terribly great signals. They might have been in some cases, but for the most part there was a ton of intuition and frankly just good luck in the results

of well-thought-out, well-strategized tours. At the end of the day, there was still that gap of, 'Well, let's put it on sale and see what happens.' The problem with that is all of the cost investment that goes into just getting to the on-sale. The risk profile of every tour was just massive. So that's sort of one piece.

Thinking about the peculiarities of COVID and coming out of COVID you have two prevailing problems. Problem one was, how do we actually ever get back on sale with so much uncertainty regionally with a tour. We might have (some) degree of certainty in certain markets and feel really great about that, but when you try to route a 30- or 50- or 60- or 90-city tour, you've got to have all the stars aligned for all of the variables and frankly we now (also) have the X factor of the stuff that's completely outside of our control. What's the state of public health? What's the state of vaccination rollouts, etc. When you kind of

put all those things together the risk profile of these tours compounds to the point that you just can't put things up on sale, at all.

But the other prevailing problem is, once things do come back, now you face the opposite situation. You go from can't put anything on sale to a promoter is dealing with 10 or 15 holds on a given night. So, now you can't find where to route your tour not because of COVID or the pandemic, but because there's no rooms. What Mint is now able to do is to start to aggregate demand in advance of some of those unknowns. We just want to find, too, data of consumer demand in pockets of the tour that historically they weren't able to find. That could be a tertiary market on a certain route. That could be another night in the same venue on the route, filling those holes throughout the tour. There's all sorts of things. It could be that a band is good for 3,000 tickets in one market, but

only 500 tickets in another market, but in aggregate that makes sense for the tour, so they can make more informed decisions around it.

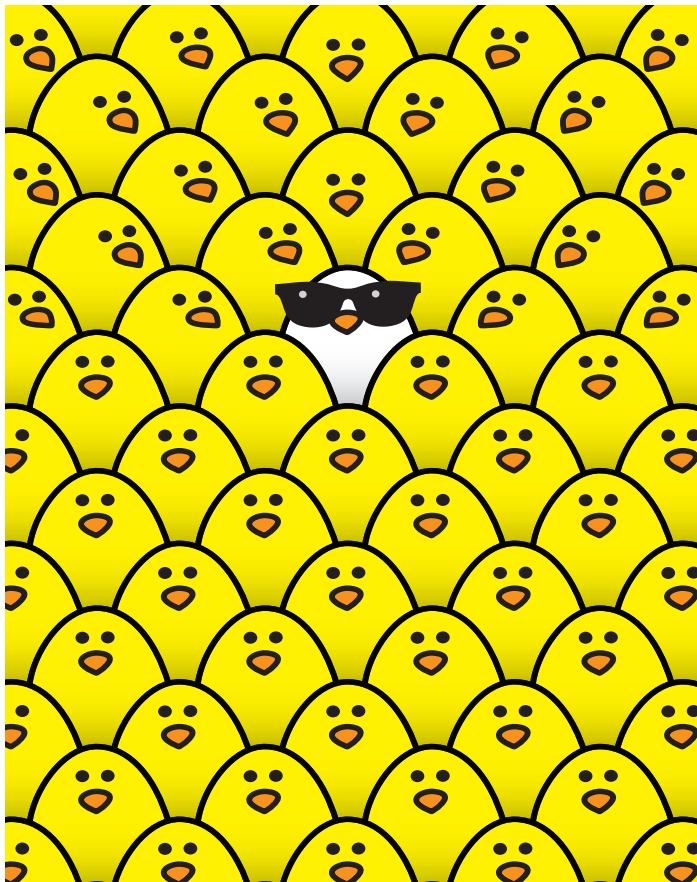
And then the last piece for a Mint: now you've got in that in that scenario where you've got 10 or 12 or 15 holds, well wouldn't it be great to be able to say, "Hey, you might have 10 or 12 or 15 holds, but my artist has already taken enough demand to fill half your room, or all of your room." If I'm a promoter and I'm on the other side of that coming out of this scenario, well, shit, that's a heck of a value proposition, right? It's not about Mint's artists to the exclusion of other artists. I think we need to fill rooms across the board to get this thing really going on the flip side.

Are there any new festival partners on Lyte's horizon?

The festival market is really starting to fill in ... really starting to hit the same stride that touring started to hit in December. I think

some of the more interesting ones for me, just because for so long we were focused on the U.S. market, is the work happening in New Zealand. We have another, I think our third, festival launching in New Zealand (after Bay Dreams and Soundsplash, in partnership with Ticketspace) in the next couple of weeks.

And then we have our eyes on, we have an incredible roster of festivals here in the U.S., both the corporate-owned in AEG and Live Nation's portfolio and the independent festivals here in the U.S. I'm actually really excited (about) some of the U.S.-based stuff that we're doing with the reservation model, but there's opportunities where festivals, especially regional ones, are looking at expanding to other markets and they can actually use our reservation system to figure out which of those markets are the best or most primed for demand coming out of this. ▣



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