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 June 30, 2024
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: 001-39877

BuzzFeed, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**85-3022075**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
229 West 43rd Street New York, New York	**10036**
(Address of principal executive offices)	(Zip Code)

(646) 397-2039

(Registrant's telephone number, including area code)

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, $0.0001 par value per share	**BZFD**	**The Nasdaq Stock Market LLC**
Redeemable warrants, each whole warrant exercisable for one share of Class A Common Stock at an exercise price of approximately $46.00 per share	**BZFDW**	**The Nasdaq Stock Market 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 August 9, 2024, there were 36,435,807 shares of the registrant's Class A common stock outstanding, 1,358,714 shares of the registrant's Class B common stock outstanding and no shares of the registrant's Class C common stock outstanding.

BUZZFEED, INC.
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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Quarterly Report on Form 10-Q may be considered 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"), which statements involve substantial risks and uncertainties. Our forward-looking statements include, but are not limited to, statements regarding our management team's expectations, hopes, beliefs, intentions or strategies regarding the future. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "affect," "anticipate," "believe," "can," "contemplate," "continue," "could," "estimate," "expect," "forecast," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "seek," "should," "target," "will," "would," and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements include all matters that are not historical facts.

The forward-looking statements contained in this Quarterly Report on Form 10-Q are based on current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks (some of which are beyond our control), uncertainties or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to:

- developments relating to our competitors and the digital media industry, including overall demand of advertising in the markets in which we operate;
- demand for our products and services or changes in traffic or engagement with our brands and content;
- changes in the business and competitive environment in which we and our current and prospective partners and advertisers operate;
- macroeconomic factors including: adverse economic conditions in the United States ("U.S.") and globally, including the potential onset of recession; current global supply chain disruptions; potential government shutdowns or a failure to raise the U.S. federal debt ceiling or to fund the federal government; the ongoing conflicts between Russia and Ukraine and between Israel and Hamas and any related sanctions and geopolitical tensions, and further escalation of trade tensions between the U.S. and China; the inflationary environment; high unemployment; high interest rates, currency fluctuations; and the competitive labor market;
- our future capital requirements, including, but not limited to, our ability to obtain additional capital in the future, to settle conversions of our unsecured convertible notes, repurchase the notes upon a fundamental change such as the delisting of our Class A common stock, or repay the notes in cash at their maturity, any restrictions imposed by, or commitments under, the indenture governing the notes or agreements governing any future indebtedness, and any restrictions on our ability to access our cash and cash equivalents;
- developments in the law and government regulation, including, but not limited to, revised foreign content and ownership regulations, and the outcomes of legal proceedings, regulatory disputes or governmental investigations to which we are subject;
- the benefits of our cost savings measures;
- our success divesting of companies, assets or brands we sell or in integrating and supporting the companies we acquire;
- technological developments including artificial intelligence;
- the impact of activist shareholder activity, including on our strategic direction;
- our success in retaining or recruiting, or changes required in, officers, other key employees or directors;
- use of content creators and on-camera talent and relationships with third parties managing certain of our branded operations outside of the U.S.;
- the security of our information technology ("IT") systems or data;
- disruption in our service, or by our failure to timely and effectively scale and adapt our existing technology and infrastructure;

- our ability to maintain the listing of our Class A common stock and warrants on The Nasdaq Capital Market (“Nasdaq”); and
- other factors detailed under the section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2023, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 and this Quarterly Report on Form 10-Q.

Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. There may be additional risks that we consider immaterial or which are unknown. It is not possible to predict or identify all such risks. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

This Quarterly Report on Form 10-Q contains estimates and information concerning our industry, our business, and the market for our products and services, including our general expectations of our market position, market growth forecasts, our market opportunity, and size of the markets in which we participate, that are based on industry publications, surveys, and reports that have been prepared by independent third parties. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates. Although we have not independently verified the accuracy or completeness of the data contained in these industry publications, surveys, and reports, we believe the publications, surveys, and reports are generally reliable, although such information is inherently subject to uncertainties and imprecision. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including, but not limited to, those described in the section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2023, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 and this Quarterly Report on Form 10-Q. These and other factors could cause results to differ materially from those expressed in these publications and reports.

Investors and others should note that we may announce material business and financial information to our investors using our investor relations website (https://investors.buzzfeed.com), U.S. Securities and Exchange Commission filings, webcasts, press releases, and conference calls. We use these mediums to communicate with investors and the general public about our company, our products and services, and other issues. It is possible that the information that we make available may be deemed to be material information. We therefore encourage investors, the media, and others interested in our company to review the information that we post on our investor relations website.

PART I: FINANCIAL INFORMATION

ITEM 1: Financial Statements (unaudited)

BUZZFEED, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(*Dollars and shares in thousands, except per share amounts*)

	June 30, 2024 (Unaudited)	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	$ 45,461	$ 35,637
Accounts receivable (net of allowance for doubtful accounts of $1,066 as at June 30, 2024 and $1,424 as at December 31, 2023)	46,954	75,692
Prepaid expenses and other current assets	19,260	21,460
Current assets of discontinued operations	—	—
Total current assets	111,675	132,789
Property and equipment, net	8,777	11,856
Right-of-use assets	38,058	46,715
Capitalized software costs, net	22,653	22,292
Intangible assets, net	25,166	26,665
Goodwill	57,562	57,562
Prepaid expenses and other assets	8,963	9,508
Noncurrent assets of discontinued operations	—	104,089
Total assets	**$ 272,854**	**$ 411,476**
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 16,556	$ 46,378
Accrued expenses	15,209	15,515
Deferred revenue	1,021	1,895
Accrued compensation	13,605	12,970
Current lease liabilities	23,326	21,659
Current debt	101,483	124,977
Other current liabilities	4,796	4,401
Current liabilities of discontinued operations	—	—
Total current liabilities	175,996	227,795
Noncurrent lease liabilities	25,713	37,820
Debt	—	33,837
Warrant liabilities	1,075	406
Other liabilities	753	435
Noncurrent liabilities of discontinued operations	—	—
Total liabilities	**203,537**	**300,293**
Commitments and contingencies		
Stockholders' equity		
Class A common stock, $0.0001 par value; 700,000 shares authorized; 35,879 and 35,035 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively	3	3
Class B common stock, $0.0001 par value; 20,000 shares authorized; 1,359 and 1,368 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively	1	1
Additional paid-in capital	725,386	723,092
Accumulated deficit	(654,984)	(611,768)
Accumulated other comprehensive loss	(3,227)	(2,500)
Total BuzzFeed, Inc. stockholders' equity	67,179	108,828
Noncontrolling interests	2,138	2,355
Total stockholders' equity	69,317	111,183
Total liabilities and stockholders' equity	**$ 272,854**	**$ 411,476**

The accompanying notes are an integral part of these condensed consolidated financial statements.

BUZZFEED, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited, dollars and shares in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue	$ 46,932	$ 62,128	$ 91,687	$ 117,036
Costs and Expenses				
Cost of revenue, excluding depreciation and amortization	25,001	38,967	56,064	76,204
Sales and marketing	4,509	10,139	13,654	22,047
General and administrative	14,052	20,765	30,301	42,175
Research and development	2,721	3,351	5,951	6,479
Depreciation and amortization	4,863	5,328	10,744	11,030
Total costs and expenses	51,146	78,550	116,714	157,935
Loss from continuing operations	(4,214)	(16,422)	(25,027)	(40,899)
Other income (expense), net	2,168	(3,675)	1,612	(3,055)
Interest expense, net	(3,981)	(3,942)	(8,462)	(7,729)
Change in fair value of warrant liabilities	(632)	395	(669)	(198)
Change in fair value of derivative liability	—	1,125	—	120
Loss from continuing operations before income taxes	(6,659)	(22,519)	(32,546)	(51,761)
Income tax (benefit) provision	(176)	(37)	506	110
Net loss from continuing operations	(6,483)	(22,482)	(33,052)	(51,871)
Net loss from discontinued operations, net of tax	(877)	(5,354)	(10,089)	(12,226)
Net loss	(7,360)	(27,836)	(43,141)	(64,097)
Less: net income (loss) attributable to noncontrolling interests	127	—	74	(260)
Net loss attributable to BuzzFeed, Inc.	$ (7,487)	$ (27,836)	$ (43,215)	$ (63,837)
Net loss from continuing operations attributable to holders of Class A and Class B common stock:				
Basic and diluted	$ (6,610)	$ (22,482)	$ (33,126)	$ (51,611)
Net loss from continuing operations per Class A and Class B common share:				
Basic and diluted	$ (0.18)	$ (0.63)	$ (0.90)	$ (1.46)
Weighted average common shares outstanding:				
Basic and diluted	37,007	35,487	36,792	35,332

The accompanying notes are an integral part of these condensed consolidated financial statements.

BUZZFEED, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited, in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Net loss	$ (7,360)	$ (27,836)	$ (43,141)	$ (64,097)
Other comprehensive loss				
Foreign currency translation adjustment	(681)	57	(1,018)	(702)
Other comprehensive (loss) income	(681)	57	(1,018)	(702)
Comprehensive loss	(8,041)	(27,779)	(44,159)	(64,799)
Comprehensive income (loss) attributable to noncontrolling interests	127	—	74	(260)
Foreign currency translation adjustment attributable to noncontrolling interests	(131)	(242)	(291)	(300)
Comprehensive loss attributable to BuzzFeed, Inc.	$ (8,037)	$ (27,537)	$ (43,942)	$ (64,239)

The accompanying notes are an integral part of these condensed consolidated financial statements.

BUZZFEED, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited, in thousands)

For the Three and Six Months Ended June 30, 2024

	Common Stock – Class A		Common Stock – Class B		Common Stock – Class C		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total BuzzFeed, Inc. stockholders' equity	Noncontrolling interests	Total stockholders' equity
	Shares	Amount	Shares	Amount	Shares	Amount						
Balance at January 1, 2024	35,035	$ 3	1,368	$ 1	—	$ —	$ 723,092	$ (611,768)	$ (2,500)	$ 108,828	$ 2,355	$ 111,183
Net loss	—	—	—	—	—	—	—	(35,729)	—	(35,729)	(53)	(35,782)
Stock-based compensation	—	—	—	—	—	—	776	—	—	776	—	776
Issuance of common stock in connection with share-based plans	45	—	—	—	—	—	—	—	—	—	—	—
Shares withheld for employee taxes	(1)	—	—	—	—	—	—	—	—	—	—	—
Other comprehensive loss	—	—	—	—	—	—	—	—	(177)	(177)	(160)	(337)
Balance at March 31, 2024	35,079	$ 3	1,368	$ 1	—	$ —	$ 723,868	$ (647,497)	$ (2,677)	$ 73,698	$ 2,142	$ 75,840
Net (loss) income	—	—	—	—	—	—	—	(7,487)	—	(7,487)	127	(7,360)
Stock-based compensation	—	—	—	—	—	—	1,747	—	—	1,747	—	1,747
Issuance of common stock in connection with share-based plans	883	—	—	—	—	—	—	—	—	—	—	—
Shares withheld for employee taxes	(92)	—	—	—	—	—	(229)	—	—	(229)	—	(229)
Other comprehensive loss	—	—	—	—	—	—	—	—	(550)	(550)	(131)	(681)
Conversion of Class B common stock to Class A common stock	9	—	(9)	—	—	—	—	—	—	—	—	—
Balance at June 30, 2024	35,879	$ 3	1,359	$ 1	—	$ —	$ 725,386	$ (654,984)	$ (3,227)	$ 67,179	$ 2,138	$ 69,317

For the Three and Six Months Ended June 30, 2023													
	Common Stock – Class A		Common Stock – Class B		Common Stock – Class C		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total BuzzFeed, Inc. stockholders' equity	Noncontrolling interests	Total stockholders' equity
	Shares	Amount	Shares	Amount	Shares	Amount						
Balance at January 1, 2023	31,597	$ 3	1,670	$ 1	1,620	$ —	$ 716,244	$ (523,063)	$ (1,968)	$ 191,217	$ 3,337	$ 194,554
Cumulative effect of accounting change	—	—	—	—	—	—	—	(126)	—	(126)	—	(126)
Net loss	—	—	—	—	—	—	—	(36,001)	—	(36,001)	(260)	(36,261)
Stock-based compensation	—	—	—	—	—	—	1,122	—	—	1,122	—	1,122
Issuance of common stock in connection with share-based plans	128	—	—	—	—	—	29	—	—	29	—	29
Shares withheld for employee taxes	(30)	—	—	—	—	—	(193)	—	—	(193)	—	(193)
Other comprehensive loss	—	—	—	—	—	—	—	—	(701)	(701)	(58)	(759)
Conversion of Class C common stock to Class A common stock	1,620	$ —	—	$ —	(1,620)	—	—	—	—	—	—	—
Balance at March 31, 2023	33,315	$ 3	1,670	$ 1	—	$ —	$ 717,202	$ (559,190)	$ (2,669)	$ 155,347	$ 3,019	$ 158,366
Net loss	—	—	—	—	—	—	—	(27,836)	—	(27,836)	—	(27,836)
Stock-based compensation	—	—	—	—	—	—	2,257	—	—	2,257	—	2,257
Issuance of common stock upon exercise of stock options	423	—	—	—	—	—	—	—	—	—	—	—
Shares withheld for employee taxes	(13)	—	—	—	—	—	(27)	—	—	(27)	—	(27)
Other comprehensive income (loss)	—	—	—	—	—	—	—	—	299	299	(242)	57
Issuance of common stock in connection with at-the-market offering, net of issuance costs	429	—	—	—	—	—	810	—	—	810	—	810
Balance at June 30, 2023	34,154	$ 3	1,670	$ 1	—	$ —	$ 720,242	$ (587,026)	$ (2,370)	$ 130,850	$ 2,777	$ 133,627

The accompanying notes are an integral part of these condensed consolidated financial statements.

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

	Six Months Ended June 30,	
	2024	2023
Operating activities:		
Net (loss)	$ (43,141)	$ (64,097)
Less: net (loss) from discontinued operations, net of tax	10,089	12,226
Net loss from continuing operations	(33,052)	(51,871)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	10,744	11,030
Unrealized gain on foreign currency	(482)	(809)
Stock based compensation	2,499	2,816
Change in fair value of warrants	669	198
Change in fair value of derivative liability	—	(120)
Amortization of debt discount and deferred issuance costs	2,606	2,307
Deferred income tax	(409)	341
Provision for doubtful accounts	(358)	(259)
Loss (gain) on investment	—	3,590
Gain on disposition of assets	(350)	(175)
Non-cash lease expense	8,638	10,173
Changes in operating assets and liabilities:		
Accounts receivable	30,330	45,871
Prepaid expenses and other current assets and prepaid expenses and other assets	1,584	1,653
Accounts payable	(29,083)	9,889
Accrued compensation	696	(11,102)
Accrued expenses, other current liabilities and other liabilities	473	(11,302)
Lease liabilities	(10,418)	(11,822)
Deferred revenue	(873)	(2,488)
Cash used in operating activities from continuing operations	(16,786)	(2,080)
Cash used in operating activities from discontinued operations	(8,917)	(5,650)
Cash used in operating activities	(25,703)	(7,730)
Investing activities:		
Capital expenditures	(208)	(471)
Capitalization of internal-use software	(6,415)	(7,676)
Proceeds from sale of asset	350	175
Cash used in investing activities from continuing operations	(6,273)	(7,972)
Cash provided by investing activities from discontinued operations	108,575	—
Cash provided by (used in) investing activities	102,302	(7,972)
Financing activities:		
Proceeds from exercise of stock options	1	29
Payment for shares withheld for employee taxes	(230)	(220)
Borrowings on Revolving Credit Facility	—	2,128
Payments on Revolving Credit Facility	(33,837)	(1,317)
Payment on Convertible Notes	(31,233)	—
Proceeds from the issuance of common stock in connection with the at-the-market offering, net of issuance costs	—	765
Payment of early termination fee for Revolving Credit Facility	(500)	—
Payment of deferred issuance costs	(597)	—
Cash (used in) provided by financing activities	(66,396)	1,385
Effect of currency translation on cash and cash equivalents	(379)	(162)
Net increase (decrease) in cash and cash equivalents	9,824	(14,479)
Cash and cash equivalents at beginning of period	35,637	55,774
Cash and cash equivalents at end of period	$ 45,461	$ 41,295

The accompanying notes are an integral part of these condensed consolidated financial statements.

BUZZFEED, INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited, tabular amounts and shares in thousands, except per share amounts)

1. Description of the Business

BuzzFeed, Inc. (referred to herein, collectively with its subsidiaries, as “BuzzFeed” or the “Company”) is a premier digital media company for the most diverse, most online, and most socially connected generations the world has ever seen. Across entertainment, news, food, pop culture and commerce, our brands drive conversation and inspire what audiences watch, read, and buy now — and into the future. The Company’s iconic, globally-loved brands include BuzzFeed, HuffPost, Tasty, and First We Feast (including Hot Ones). BuzzFeed derives its revenue primarily from advertising, content, and commerce and other sold to leading brands. The Company has one reportable segment.

On December 3, 2021, we consummated a business combination (the “Business Combination”) with 890 5th Avenue Partners, Inc. (“890”), certain wholly-owned subsidiaries of 890, and BuzzFeed, Inc., a Delaware corporation (“Legacy BuzzFeed”). In connection with the Business Combination, we acquired 100% of the membership interests of CM Partners, LLC. CM Partners, LLC, together with Complex Media, Inc., is referred to herein as “Complex Networks.” Following the closing of the Business Combination, 890 was renamed “BuzzFeed, Inc.”

Additionally, pursuant to subscription agreements entered into in connection with the consummation of the Business Combination, the Company issued, and certain investors purchased, $150.0 million aggregate principal amount of unsecured convertible notes due 2026 (the “Notes”) concurrently with the closing of the Business Combination. As a result of the sale of certain assets relating to the business of Complex Networks, as discussed within Note 19 herein (the “Disposition”), the Company repaid approximately $30.9 million of the Notes on March 7, 2024. The Company also repaid approximately $0.3 million of the Notes on June 21, 2024, leaving approximately $118.8 million aggregate principal amount of Notes outstanding as of June 30, 2024. Refer to Note 19 herein for additional details.

Liquidity and Going Concern

The condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. (“U.S. GAAP”) on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. As of the date the accompanying condensed consolidated financial statements were issued (the “issuance date”), the significance of the following adverse conditions were evaluated in accordance with U.S. GAAP. The presence of the following risks and uncertainties associated with the Company’s financial condition may adversely affect the Company’s ability to sustain its operations over the next 12 months beyond the issuance date.

Since its inception, the Company has generally incurred significant losses and used net cash flows from operations to grow its owned and operated properties and its iconic brands. During the six months ended June 30, 2024, the Company incurred a net loss of $43.1 million (and a net loss of $33.1 million from continuing operations) and used net cash flows from its operations of $25.7 million (and net cash used in operating activities from continuing operations was $16.8 million). Additionally, as of June 30, 2024, the Company had unrestricted cash and cash equivalents of $45.5 million to fund its operations and an accumulated deficit of $655.0 million.

As described in Note 8 herein, the Company repaid approximately $30.9 million and $0.3 million of the Notes on March 7, 2024 and June 21, 2024, respectively, leaving approximately $118.8 million aggregate principal amount of Notes outstanding as of June 30, 2024. As described in Note 8 herein, each holder of a Note has the right under the indenture governing the Notes to require the Company to repurchase, for cash, all or a portion of the Notes held by such holder (i) at any time on or after December 3, 2024, at a repurchase price equal to the principal amount plus accrued and unpaid interest, or (ii) upon the occurrence of a fundamental change (as defined in the indenture) before the maturity date (i.e., December 3, 2026), at a repurchase price equal to 101% of the principal amount plus accrued and unpaid interest. Moreover, the Company will be required to repay the Notes, in cash, at their maturity, unless earlier converted, redeemed, or repurchased. In the event some or all of the holders of the Notes exercise their call rights, the Company currently does not have sufficient cash on hand or projected cash flows to fund the potential call. The Company’s failure to comply with the provisions of the indenture governing the Notes, including the Company’s failure to repurchase the Notes, as required by the indenture, could trigger an event of default under the indenture, which would allow the holders of Notes to accelerate the maturity of the Notes and require the Company to repay the Notes prior to their maturity. In addition, on

February 28, 2024, the Company amended the indenture governing the Notes to provide that, among other things, 95% of the net proceeds of future asset sales must be used to repay the Notes.

To address its capital needs, the Company may explore options to restructure its outstanding debt, and is working with advisors to optimize its condensed consolidated balance sheet. However, the Company can provide no assurance that it will generate sufficient cash inflows from operations, or that it will be successful in obtaining such new financing, or in optimizing its condensed consolidated balance sheet in a manner necessary to fund its obligations as they become due over the next 12 months beyond the issuance date. Additionally, the Company may implement incremental cost savings actions and pursue additional sources of outside capital to supplement its funding obligations as they become due, which may include additional offerings of its Class A common stock under the at-the-market offering (as described in Note 9 herein). As of the issuance date, no additional sources of outside capital have been secured or were deemed probable of being secured, other than the Company’s at-the-market-offering, which is subject to the conditions contained in the At-The-Market Offering Agreement dated June 20, 2023 with Craig-Hallum Capital Group LLC. The Company can provide no assurance it will successfully generate sufficient liquidity to fund its operations for the next 12 months beyond the issuance date, or if necessary, secure additional outside capital (including through the Company’s at-the-market-offering) or implement incremental cost savings.

Moreover, on an ongoing basis, the Company is evaluating strategic changes to its operations, including asset divestitures, restructuring, or the discontinuance of unprofitable lines of business. Any such transaction could be material to the Company’s business, financial condition and results of operations. The nature and timing of any such changes depend on a variety of factors, including, as of the applicable time: the Company’s available cash, liquidity and operating performance; its commitments and obligations; its capital requirements; limitations imposed under its credit arrangements; and overall market conditions. As of the issuance date, the Company continues to work with its external advisors to optimize its condensed consolidated balance sheet and evaluate its assets.

These uncertainties raise substantial doubt about the Company’s ability to continue as a going concern. The accompanying condensed consolidated financial statements have been prepared on the basis that the Company will continue to operate as a going concern, which contemplates that it will be able to realize assets and settle liabilities and commitments in the normal course of business for the foreseeable future. Accordingly, the accompanying condensed consolidated financial statements do not include any adjustments that may result from the outcome of these uncertainties.

2. Summary of Significant Accounting Policies

Basis of Financial Statements and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. GAAP and applicable rules and regulations of the Securities and Exchange Commission regarding interim financial reporting. Certain information and note disclosures normally included in the financial statements prepared in accordance with U.S. GAAP have been omitted pursuant to such rules and regulations. As such, the accompanying condensed consolidated financial statements and these related notes should be read in conjunction with the Company’s consolidated financial statements and related notes as of and for the year ended December 31, 2023, as disclosed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023.

The condensed consolidated financial statements include all normal recurring adjustments that, in the opinion of management, are necessary to present fairly the results for the interim periods presented. Interim results are not necessarily indicative of the results for the full year ended December 31, 2024.

The condensed consolidated financial statements include the accounts of BuzzFeed, Inc., and its wholly-owned and majority-owned subsidiaries, and any variable interest entities for which the Company is the primary beneficiary. All intercompany balances and transactions have been eliminated in consolidation.

Reverse Stock Split

The Company held its 2024 annual meeting of stockholders on April 25, 2024 (the “2024 Annual Meeting”), and, at the 2024 Annual Meeting, the Company’s stockholders approved the grant of discretionary authority to the Company’s board of directors to (1) amend the Company’s Second Amended and Restated Certificate of Incorporation, as amended (the “Certificate of Incorporation”), to combine outstanding shares of each of the Company’s Class A common stock and the Company’s Class B common stock into a lesser number of outstanding shares of Class A common stock and Class B common stock, as the case may be, at a specific ratio within a range of one-for-two (1-for-2) to a maximum of a one-for-twenty five (1-for-25), with the exact ratio to be determined by the Company's board of directors in its sole discretion; and (2) effect such reverse stock split, if at all, within one year of the date the proposal was approved by the Company's stockholders (i.e., by April 25, 2025).

The Company's board of directors subsequently approved effecting a reverse stock split, effective as of May 6, 2024, and fixed a ratio for the reverse stock split at one-for-four (1-for-4). On April 26, 2024, the Company filed an amendment to the Certificate of Incorporation with the Secretary of State of the State of Delaware (the "Certificate of Amendment"). The Certificate of Amendment effected a reverse stock split of the Class A common stock and Class B common stock at a ratio of one-for-four (1-for-4) (the "Reverse Stock Split"), effective as of 12:01 a.m., Eastern Time, on May 6, 2024. The Class A common stock began trading on a split-adjusted basis on Nasdaq on May 6, 2024, under the existing symbol "BZFD," but the security has a new CUSIP number of 12430A300. The Public Warrants (as defined in Note 4 herein) continued to be traded under the symbol "BZFDW" and the CUSIP identifier for Public Warrants remain unchanged.

As a result of the Reverse Stock Split, every four shares of the Company's Class A common stock and the Company's Class B common stock issued and outstanding immediately prior to the Reverse Stock Split were converted into one share of Class A common stock and Class B common stock, as the case may be, after the Reverse Stock Split. The Reverse Stock Split applied uniformly to all holders of Class A common stock and Class B common stock, and did not alter any stockholder's percentage interest in the Company, except to the extent that the Reverse Stock Split would have resulted in some stockholders owning a fractional share. No fractional shares were issued in connection with the Reverse Stock Split, as all fractional shares were rounded up to the nearest whole share. Pursuant to the terms of the agreement governing the Public and Private Warrants, fractional shares of Class A common stock will not be issued upon exercise of a warrant, and if a holder of a warrant would be entitled to receive, upon the exercise thereof, a fractional interest in a share of Class A common stock, the Company will round down to the nearest whole number the number of shares of Class A Common Stock to be issued to such holder.

Unless otherwise noted, all shares of Class A common stock and Class B common stock, including shares of Class A common stock underlying the Public Warrants and Private Warrants (as defined in Note 4 herein), stock options, restricted stock units, and the Notes, shares of Class A common stock available for grant under the Company's equity incentive plans, shares of Class A common stock sold and available for sale under the Company's at-the-market offering, and all conversion ratios, exercise prices, and per share information with respect thereto in the condensed consolidated financial statements have been retroactively adjusted to reflect the one-for-four (1-for-4) Reverse Stock Split, as if the split occurred at the beginning of the earliest period presented in this Quarterly Report on Form 10-Q.

Discontinued Operations and Held for Sale

A business is classified as held for sale when management having the authority to approve the action commits to a plan to sell the business, the sale is probable to occur during the next 12 months at a price that is reasonable in relation to its current fair value, and when certain other criteria are met. A business classified as held for sale is recorded at the lower of (i) its carrying amount and (ii) estimated fair value less costs to sell. When the carrying amount of the business exceeds its estimated fair value less costs to sell, a loss is recognized and updated each reporting period as appropriate.

The results of operations of businesses classified as held for sale are reported as discontinued operations if the disposal represents a strategic shift that will have a major effect on the entity's operations and financial results. When a business is identified for discontinued operations reporting: (i) results for prior periods are retrospectively reclassified as discontinued operations; (ii) results of operations are reported in a single line, net of tax, in the consolidated statement of operations; and (iii) assets and liabilities are reported as held for sale in the consolidated balance sheets in the period in which the business is classified as held for sale.

The Company concluded the assets of the Complex Networks business, excluding the First We Feast brand, met the criteria for classification for held for sale as of December 31, 2023. Additionally, the Company determined the disposal (i.e., the Disposition), which took place on February 21, 2024, represented a strategic shift that had a major effect on our operations and financial results. As such, the results of Complex Networks, excluding First We Feast, are presented as discontinued operations in the condensed consolidated statements of operations for all periods presented. Prior periods have been adjusted to conform to the current presentation. The assets of Complex Networks have been reflected as assets of discontinued operations in the condensed consolidated balance sheet for the year ended December 31, 2023. Refer to Note 19 herein for additional details.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported results of operations during the reporting period. Due to the use of estimates inherent in the financial reporting process, actual results could differ from those estimates.

Key estimates and assumptions relate primarily to revenue recognition, fair values of intangible assets acquired in business combinations, valuation allowances for deferred income tax assets, allowance for doubtful accounts, useful lives of fixed assets, and capitalized software costs.

Cash and Cash Equivalents and Restricted Cash

Financial instruments that potentially subject the Company to concentration of credit risk consist of cash and cash equivalents. The Company considers instruments with an original maturity of three months or less at the date of purchase to be cash equivalents. The Company's cash and cash equivalents consist of demand deposits with financial institutions and investments in money market funds. Deposits held with these financial institutions may exceed the amount of insurance provided on such deposits. The associated risk of concentration is mitigated by banking with creditworthy institutions.

The Company classifies all cash the use of which is limited by contractual provisions as restricted cash. In the first quarter of 2024, the Company cash collateralized the $15.5 million letters of credit then-outstanding under the Revolving Credit Facility (as defined in Note 8 herein) in the amount of $17.1 million. As such, the $17.1 million was classified as restricted cash within the condensed consolidated balance sheet as of March 31, 2024. However, during the second quarter of 2024, the Company terminated the letters of credit outstanding under the Revolving Credit Facility and therefore the aforementioned $17.1 million is no longer classified as restricted cash as of June 30, 2024.

Accounting Pronouncements

The Company, an emerging growth company, has elected to take advantage of the benefits of the extended transition period provided for in Section 7(a)(2)(B) of the Securities Act, as amended, for complying with new or revised accounting standards which allows the Company to defer adoption of certain accounting standards until those standards would otherwise apply to private companies.

Accounting Pronouncements Not Yet Adopted

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures," which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses, allowing financial statement users to better understand the components of a segment's profit or loss to assess potential future cash flows for each reportable segment and the entity as a whole. The amendments expand a public entity's segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker ("CODM"), clarifying when an entity may report one or more additional measures to assess segment performance, requiring enhanced interim disclosures, providing new disclosure requirements for entities with a single reportable segment, and requiring other new disclosures. The amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, and early adoption is permitted. Although the ASU only requires additional disclosures about the Company's single operating segment, the Company is currently evaluating the impact of adopting this guidance on the condensed consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," which is intended to enhance the transparency, decision usefulness, and effectiveness of income tax disclosures. The amendments in this ASU require a public entity to disclose a tabular tax rate reconciliation, using both percentages and currency, with specific categories. Public companies are also required to provide a qualitative description of the states and local jurisdictions that make up the majority of the effect of the state and local income tax category and the net amount of income taxes paid, disaggregated by federal, state and foreign taxes and also disaggregated by individual jurisdictions. The amendments also remove certain disclosures that are no longer considered cost beneficial. The amendments are effective prospectively for annual periods beginning after December 15, 2024, and early adoption and retrospective application are permitted. The Company is currently evaluating the impact of adopting this guidance on the condensed consolidated financial statements.

3. Revenue Recognition

Disaggregated Revenue

The table below presents the Company's revenue disaggregated based on the nature of its arrangements. Management uses these categories of revenue to evaluate the performance of its businesses and to assess its financial results and forecasts.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Advertising	$ 23,814	$ 29,412	$ 45,237	$ 56,805
Content	11,369	21,739	24,476	37,990
Commerce and other	11,749	10,977	21,974	22,241
Total	$ 46,932	$ 62,128	$ 91,687	$ 117,036

The following table presents the Company's revenue disaggregated by geography:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue:				
United States	$ 44,206	$ 57,685	$ 85,239	$ 108,250
International	2,726	4,443	6,448	8,786
Total	$ 46,932	$ 62,128	$ 91,687	$ 117,036

Contract Balances

The timing of revenue recognition, billings and cash collections can result in billed accounts receivable, unbilled revenue (contract assets), and deferred revenues (contract liabilities). The payment terms and conditions within the Company's contracts vary by type, but the substantial majority require that customers pay for their services on a monthly or quarterly basis, as the services are being provided. When the timing of revenue recognition differs from the timing of payments made by customers, the Company recognizes either unbilled revenue (when performance precedes the billing date) or deferred revenue (when customer payment is received in advance of performance). The Company has determined its contracts generally do not include a significant financing component.

The Company's contract assets are presented in prepaid and other current assets on the accompanying condensed consolidated balance sheets and totaled $6.2 million and $8.3 million as of June 30, 2024 and December 31, 2023, respectively. These amounts relate to revenue recognized during the respective period that is expected to be invoiced and collected in future periods.

The Company's contract liabilities, which are recorded in deferred revenue on the accompanying condensed consolidated balance sheets, are expected to be recognized as revenues during the succeeding 12-month period. Deferred revenue totaled $1.0 million and $1.9 million as of June 30, 2024 and December 31, 2023, respectively.

The amount of revenue recognized during the six months ended June 30, 2024 that was included in the deferred revenue balance as of December 31, 2023 was $1.8 million.

Transaction Price Allocated to Remaining Performance Obligations

The Company has certain licensing contracts with minimum guarantees and terms extending beyond one year. Revenue to be recognized related to the remaining performance obligations was $3.0 million as of June 30, 2024 and is generally expected to be recognized over the next one to three years. This amount does not include: (i) contracts with an original expected duration of one year or less, such as advertising contracts; (ii) variable consideration in the form of sales-based royalties; or (iii) variable consideration allocated entirely to wholly unperformed performance obligations.

For each contract, the Company estimates whether it will be subject to variable consideration under the terms of the contract and includes its estimate of variable consideration, subject to constraint, in the transaction price based on the expected value method when it is deemed probable of being realized based on historical experience and trends. The Company updates its estimate of the transaction price each reporting period and the effect of variable consideration on the transaction price is recognized as an adjustment to revenue on a cumulative catch-up basis.

4. Fair Value Measurements

The Company's financial assets and liabilities that are measured at fair value on a recurring basis are summarized below:

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$ 16,339	$ —	$ —	$ 16,339
Total	$ 16,339	$ —	$ —	$ 16,339
Liabilities:				
Derivative liability	$ —	$ —	$ —	$ —
Other non-current liabilities:				
Public Warrants	1,067	—	—	1,067
Private Warrants	—	8	—	8
Total	$ 1,067	$ 8	$ —	$ 1,075

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$ 25,306	$ —	$ —	$ 25,306
Total	$ 25,306	$ —	$ —	$ 25,306
Liabilities:				
Derivative liability	$ —	$ —	$ —	$ —
Other non-current liabilities:				
Public Warrants	402	—	—	402
Private Warrants	—	4	—	4
Total	$ 402	$ 4	$ —	$ 406

The Company's investments in money market funds are measured at amortized cost, which approximates fair value.

The Company's warrant liability as of June 30, 2024 and December 31, 2023 includes public and private warrants that were originally issued by 890, but which were assumed by the Company as part of the closing of the Business Combination (the "Public Warrants" and "Private Warrants," respectively), which are recorded on the balance sheet at fair value. The carrying amount is subject to remeasurement at each balance sheet date. With each remeasurement, the carrying amount is adjusted to fair value, with the change in fair value recognized in the Company's condensed consolidated statements of operations and comprehensive loss.

The Public Warrants are publicly traded under the symbol "BZFDW," and the fair value of the Public Warrants at a specific date is determined by the closing price of the Public Warrants as of that date. As such, the Public Warrants are classified within Level 1 of the fair value hierarchy. The closing price of the Public Warrants was $0.11 and $0.04 as of June 30, 2024 and December 31, 2023, respectively.

Historically, Level 3 instruments consisted of the Company's derivative liability related to the Notes. Fair value measurements categorized within Level 3 are sensitive to changes in the assumptions or methodologies used to determine fair value, and such changes could result in a significant increase or decrease in the fair value. To measure the fair value of the derivative liability, the Company compared the calculated value of the Notes with the indicated value of the host instrument, defined as the straight-debt component of the Notes. The difference between the value of the straight-debt host instrument and the fair value of the Notes resulted in the value of the derivative liability. The value of the straight-debt host instrument was estimated based on a binomial lattice model, excluding the conversion option and the make-whole payment upon conversion. As of December 31, 2023, the Company determined the fair value of the derivative liability was immaterial as (i) the closing share price of our Class A common stock was $1.00 as of December 29, 2023, and (ii) each holder of a Note will have the right to require the Company to repurchase, for cash, all or a portion of the Notes held by such holder at any time on or after December 3, 2024 (see Note 8 herein for additional details). The fair value of the embedded derivative continues to be immaterial as of June 30, 2024.

There were no transfers between fair value measurement levels during the three and six months ended June 30, 2024.

Equity Investment

For equity investments in entities over which the Company does not exercise significant influence, if the fair value of the investment is not readily determinable, the investment is accounted for at cost, and adjusted for subsequent observable price changes. If the fair value of the investment is readily determinable, the investment is accounted for at fair value. The Company reviews equity investments without readily determinable fair values at each period end to determine whether they have been impaired.

As of June 30, 2024 and December 31, 2023, the Company had an investment in equity securities of a privately-held company without a readily determinable fair value. The total carrying value of the investment, included in prepaid and other assets on the condensed consolidated balance sheets, was $0.8 million as of both June 30, 2024 and December 31, 2023.

5. Property and Equipment, net

Property and equipment, net consisted of the following:

	June 30, 2024	December 31, 2023
Leasehold improvements	$ 47,859	$ 49,007
Furniture and fixtures	3,414	3,910
Computer equipment	2,683	3,057
Video equipment	404	439
Total	54,360	56,413
Less: Accumulated depreciation	(45,583)	(44,557)
Net Carrying Value	$ 8,777	$ 11,856

Depreciation totaled $1.6 million and $1.7 million for the three months ended June 30, 2024 and 2023, respectively, and $3.1 million and $3.4 million for the six months ended June 30, 2024 and 2023, respectively, included in depreciation and amortization expense.

6. Capitalized Software Costs, net

Capitalized software costs, net consisted of the following:

	June 30, 2024	December 31, 2023
Website and internal-use software	$ 87,062	$ 82,138
Less: Accumulated amortization	(64,409)	(59,846)
Net Carrying Value	$ 22,653	$ 22,292

The Company capitalized $3.1 million and $3.7 million for the three months ended June 30, 2024 and 2023, respectively, and $6.4 million and $7.7 million for the six months ended June 30, 2024 and 2023, respectively, included in capitalized software costs, net. The Company amortized $2.6 million and $2.5 million for the three months ended June 30, 2024 and 2023, respectively, and $6.1 million and $5.4 million for the six months ended June 30, 2024 and 2023, respectively, included in depreciation and amortization expense.

7. Intangible Assets, net

The following table presents the detail of intangible assets for the periods presented and the weighted average remaining useful lives:

	June 30, 2024				December 31, 2023			
	Weighted-Average Remaining Useful Lives (in years)	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Weighted-Average Remaining Useful Lives (in years)	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Acquired Technology	0	$ 5,500	$ 5,500	$ —	0	$ 5,500	$ 5,271	$ 229
Trademarks and Trade Names	12	28,550	5,656	22,894	13	28,550	4,704	23,846
Trademarks and Trade Names	Indefinite	1,368	—	1,368	Indefinite	1,368	—	1,368
Customer Relationships	1	2,550	1,646	904	2	2,550	1,328	1,222
Total		$ 37,968	$ 12,802	$ 25,166		$ 37,968	$ 11,303	$ 26,665

With respect to intangible assets, the Company amortized $0.6 million and $1.1 million for the three months ended June 30, 2024 and 2023, respectively, and $1.5 million and $2.2 million for the six months ended June 30, 2024 and 2023, respectively, included in depreciation and amortization expense.

Estimated future amortization expense as of June 30, 2024 is as follows (in thousands):

Remainder of 2024	$ 1,270
2025	2,488
2026	1,903
2027	1,903
2028	1,903
Thereafter	14,331
Total	$ 23,798

Goodwill Impairment

The Company reviews goodwill for impairment annually as of October 1 and more frequently if events or changes in circumstances indicate an impairment may exist (a “triggering event”). As of June 30, 2024, the Company had $57.6 million of goodwill recorded on its condensed consolidated balance sheet. The Company concluded there were no impairment triggering events as of, and for, the three and six months ended June 30, 2024.

8. Debt

Revolving Credit Facility

On December 30, 2020, the Company entered into a three-year, $50.0 million, revolving loan and standby letter of credit facility agreement, which was amended and restated on December 3, 2021 in connection with the closing of the Business Combination, further amended and restated on December 15, 2022, and amended on each of June 29, 2023 and September 26, 2023 (i.e., the Revolving Credit Facility). Among other things, the Revolving Credit Facility provided for the issuance of up to $15.5 million of standby letters of credit, which were issued during the three months ended March 31, 2021 in favor of certain of the Company's landlords. The Company had outstanding letters of credit of $15.5 million under the Revolving Credit Facility at December 31, 2023 (none at June 30, 2024, as described below).

On February 21, 2024, in connection with the Disposition discussed within Note 19 herein, the Company terminated the Revolving Credit Facility, except for the $15.5 million in letters of credit outstanding. However, during the second quarter of 2024, the Company terminated the $15.5 million in letters of credit outstanding under the Revolving Credit Facility, resulting in the full termination of the Revolving Credit Facility.

Standby Letters of Credit

During the second quarter of 2024, the Company entered into an agreement with a financial institution for standby letters of credit in the amount of $15.5 million, which were issued during the second quarter of 2024 in favor of certain of the Company's landlords and remain outstanding as of June 30, 2024.

Convertible Notes

In June 2021, in connection with the entry into the merger agreement pursuant to which the Business Combination was consummated, the Company entered into subscription agreements with certain investors to sell $150.0 million aggregate principal amount of unsecured convertible notes due 2026 (i.e., the Notes). In connection with the closing of the Business Combination, the Company issued, and those investors purchased, the Notes. The Notes are convertible into shares of our Class A common stock at a conversion price of approximately $50.00 and bear interest at a rate of 8.50% per annum, payable semi-annually. The Notes mature on December 3, 2026. As of June 30, 2024, the Notes were convertible into approximately 2,375,347 shares of our Class A common stock.

The Company may, at its election, force conversion of the Notes after December 3, 2024 (i.e., after the third anniversary of the issuance of the Notes), subject to a holder's prior right to convert and the satisfaction of certain other conditions, if the volume-weighted average trading price of our Class A common stock is greater than or equal to 130% of the conversion price for more than 20 trading days during a period of 30 consecutive trading days, which has yet to occur. In the event that a holder of the Notes elects to convert its Notes prior to December 3, 2024, the Company will be obligated to pay an amount in cash equal to 12 month's interest declining ratably on a monthly basis to zero month's interest, in each case, on the aggregate principal amount of the Notes so converted. Without limiting a holder's right to convert the Notes at its option, interest will cease to accrue on the Notes during any period in which the Company would otherwise be entitled to force conversion of the Notes, but is not permitted to do so solely due to the failure of a trading volume condition specified in the indenture governing the Notes.

Each holder of a Note has the right under the indenture governing the Notes to require the Company to repurchase, for cash, all or a portion of the Notes held by such holder (i) at any time on or after December 3, 2024 (i.e., the third anniversary of the issuance of the Notes), at a repurchase price equal to the principal amount plus accrued and unpaid interest, or (ii) upon the occurrence of a fundamental change (as defined in the indenture) before the maturity date (i.e., December 3, 2026), at a repurchase price equal to 101% of the principal amount plus accrued and unpaid interest. In addition, a failure to comply with the provisions of the indenture governing our Notes could trigger an event of default under the indenture, which would allow the holders of Notes to accelerate the maturity of the Notes and require the Company to repay the Notes prior to their maturity. Moreover, the Company will be required to repay the Notes, in cash, at their maturity, unless earlier converted, redeemed, or repurchased.

The indenture governing the Notes includes restrictive covenants that, among other things, limit the Company's ability to incur additional debt or liens, make restricted payments or investments, dispose of significant assets, transfer specified intellectual property, or enter into transactions with affiliates. Additionally, on February 28, 2024, in connection with the Disposition, the indenture governing the Notes was amended to, among other things, provide that 95% of the net proceeds of future asset sales must be used to repay the Notes.

On March 7, 2024, in connection with the Disposition, the Company repaid approximately $30.9 million of the Notes. In connection with the repayment, the Company determined the modified debt terms were not substantially different from the original terms and applied modification accounting. The Company derecognized approximately 20.6% of the unamortized debt discount and issuance costs, which resulted in an approximately $4.9 million loss on partial debt extinguishment that was attributed to the discontinued operation. Additionally, on June 21, 2024, the Company repaid approximately $0.3 million of the Notes in connection with an asset sale (refer to Note 19 herein for additional details). As of June 30, 2024, there was approximately $118.8 million aggregate principal amount of Notes outstanding.

In accounting for the Notes, the Company bifurcated a derivative liability representing the conversion option, with a fair value at issuance of $31.6 million. To measure the fair value of the derivative liability, the Company compared the calculated value of the Notes with the indicated value of the host instrument, defined as the straight-debt component of the Notes. The difference between the value of the straight-debt host instrument and the fair value of the Notes resulted in the value of the derivative liability. The value of the straight-debt host instrument was estimated based on a binomial lattice model, excluding the conversion option and the make-whole payment upon conversion. The derivative liability is remeasured at each reporting date with the resulting gain or loss recorded in change in fair value of derivative liability within the condensed consolidated statements of operations. As of December 31, 2023, the Company determined the fair value of the derivative liability was immaterial as (i) the closing share price of our Class A common stock was $1.00 as of December 29, 2023, and (ii) each holder of a Note has the right to require the Company to repurchase, for cash, all or a portion of the Notes held by such holder at any time on or after December 3, 2024 (i.e., the third anniversary of the issuance of the Notes), at a repurchase price equal the principal amount plus accrued and unpaid interest. The fair value of the embedded derivative continues to be immaterial as of June 30, 2024.

Interest expense on the Notes is recognized at an effective interest rate of 16% and totaled $3.9 million and $3.8 million for the three months ended June 30, 2024 and 2023, respectively, and $7.5 million and $7.4 million for the six months ended June 30, 2024 and 2023, respectively, of which amortization of the debt discount and issuance costs comprised $1.4 million and $1.3 million for the three months ended June 30, 2024 and 2023, respectively, and $2.5 million and $2.3 million for the six months ended June 30, 2024 and 2023, respectively. The effective interest rate of 16% was remeasured in connection with the aforementioned modification accounting and assumes a maturity date of December 3, 2026.

The net carrying amount of the Notes as of June 30, 2024 and December 31, 2023 was:

	June 30, 2024	December 31, 2023
Principal outstanding	$ 118,767	$ 150,000
Unamortized debt discount and issuance costs	(17,284)	(25,023)
Net carrying value	$ 101,483	$ 124,977

The fair value of the Notes was approximately $92.6 million and $112.8 million as of June 30, 2024 and December 31, 2023, respectively. The fair value of the Notes was estimated using Level 3 inputs.

9. Stockholders' Equity

Common Stock

The Company is authorized to issue 700,000,000 shares of Class A common stock, par value $0.0001 per share, 20,000,000 shares of Class B common stock, par value $0.0001 per share, and 10,000,000 shares of Class C common stock, par value $0.0001 per share. Each share of Class A common stock is entitled to one vote and each share of Class B common stock is entitled to fifty votes. Class C common stock is non-voting.

Preferred Stock

The Company is authorized to issue 50,000,000 shares of preferred stock, par value $0.0001 per share. The Company's board of directors is authorized, without further stockholder approval, to issue such preferred stock in one or more series, to fix the voting rights, if any, designations, powers, preferences, the relative, participating, optional or other special rights and any qualifications, limitations and restrictions thereof, applicable to the shares of each series. There were no issued and outstanding shares of preferred stock as of June 30, 2024 or December 31, 2023.

Stock-Based Compensation

Stock Options

A summary of the stock option activity under the Company's equity incentive plans is presented below:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Term	Aggregate Intrinsic Value
Balance as of December 31, 2023	845	$ 24.98	1.71	$ —
Granted	7,213	2.18	—	—
Exercised	—	3.00	—	—
Forfeited	(94)	6.26	—	—
Expired	(517)	22.83	—	—
Balance as of June 30, 2024	7,447	$ 3.28	9.62	$ 4,149
Expected to vest at June 30, 2024	7,447	$ 3.28	9.62	$ 4,149
Exercisable at June 30, 2024	266	$ 31.22	3.17	$ 1

As of June 30, 2024, the total share-based compensation costs not yet recognized related to unvested stock options was $10.2 million, which is expected to be recognized over the weighted-average remaining requisite service period of 1.6 years.

Restricted Stock Units

A summary of restricted stock unit ("RSU") activity is presented below:

	Shares	Weighted Average Grant-Date Fair Value
Outstanding as of December 31, 2023	2,190	$ 3.74
Granted	826	1.22
Vested	(877)	3.97
Forfeited	(457)	3.57
Outstanding as of June 30, 2024	1,682	$ 2.44

As of June 30, 2024, there were approximately $3.1 million of unrecognized compensation costs related to RSUs.

Stock-Based Compensation Expense

The following table summarizes stock-based compensation expense included in the condensed consolidated statements of operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Cost of revenue, excluding depreciation and amortization	$ 363	$ 214	$ 576	$ 524
Sales and marketing	61	245	201	445
General and administrative	1,209	1,606	1,547	2,136
Research and development[1]	114	64	175	(289)
Total	$ 1,747	$ 2,129	$ 2,499	$ 2,816

(1) The negative stock-based compensation expense for the six months ended June 30, 2023 for research and development was due to forfeitures.

RSUs settle into shares of common stock upon vesting. Upon the vesting of the RSUs, for certain employees, the Company net-settles the RSUs and withholds a portion of the shares to satisfy minimum statutory employee withholding tax requirements. Total payment of the employees' tax obligations to the tax authorities is reflected as a financing activity within the condensed consolidated statements of cash flows.

At-The-Market Offering

On March 21, 2023, the Company filed a shelf registration statement on Form S-3 (the "Shelf Registration Statement") under which the Company may, from time to time, sell securities in one or more offerings having an aggregate offering price of up to $150.0 million. The Shelf Registration Statement was declared effective as of April 5, 2023. On June 20, 2023, the Company entered into an At-The-Market Offering Agreement with Craig-Hallum Capital Group LLC pursuant to which the Company may, from time to time, sell up to 3,316,503 shares of its Class A common stock. As of June 30, 2024, the Company had sold, in the aggregate, 517,385 shares of its Class A common stock, at an average price of $2.08 per share, for aggregate net proceeds of $0.9 million after deducting commissions and offering expenses. The Company used the aggregate net proceeds for general corporate purposes, and the Company had 2,799,118 remaining shares available under the At-The-Market-Offering Agreement. In July 2024, the Company increased the size of the offering available under the At-The-Market-Offering Agreement. Refer to Note 20 herein for additional details.

10. Net Loss Per Share

Net loss per share is computed using the two-class method. Basic net loss per share is computed using the weighted average number of shares of common stock outstanding for the period. Diluted net loss per share reflects the effect of the assumed exercise of any stock options, the vesting of any restricted stock units, the exercise of any warrants (including the Public Warrants and the Private Warrants), the conversion of any convertible debt (including the Notes), and the conversion of any convertible preferred stock, in each case only in the periods in which such effect would have been dilutive.

For the three and six months ended June 30, 2024 and 2023, net loss per share amounts were the same for Class A and Class B common stock because the holders of each class are entitled to equal per share dividends. There were no shares of Class C common stock outstanding for any period presented.

The table below presents the computation of basic and diluted net loss per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Numerator:				
Net loss from continuing operations	$ (6,483)	$ (22,482)	$ (33,052)	$ (51,871)
Net loss from discontinued operations, net of tax	(877)	(5,354)	(10,089)	(12,226)
Less: net income (loss) attributable to noncontrolling interests	127	—	74	(260)
Net loss attributable to holders of Class A and Class B common stock	$ (7,487)	$ (27,836)	$ (43,215)	$ (63,837)
Amounts attributable to BuzzFeed, Inc. for net loss per common share, basic and diluted:				
Net loss from continuing operations	(6,610)	(22,482)	(33,126)	(51,611)
Net loss from discontinued operations, net of tax	(877)	(5,354)	(10,089)	(12,226)
Net loss attributable to BuzzFeed, Inc.	$ (7,487)	$ (27,836)	$ (43,215)	$ (63,837)
Denominator:				
Weighted average common shares outstanding, basic and diluted	37,007	35,487	36,792	35,332
Net loss per common share, basic and diluted:				
Continuing operations	$ (0.18)	$ (0.63)	$ (0.90)	$ (1.46)
Discontinued operations	$ (0.02)	$ (0.15)	$ (0.27)	$ (0.35)
Net loss per common share, basic and diluted, attributable to BuzzFeed, Inc.[1]	$ (0.20)	$ (0.78)	$ (1.17)	$ (1.81)

(1) Net loss per share information is presented on a rounded basis using actual amounts. Minor differences in totals may exist due to rounding.

The numerator for net loss per basic and diluted common share from continuing operations excludes the impact of net income (loss) attributable to the noncontrolling interests for all periods presented.

The table below presents the details of securities that were excluded from the calculation of diluted loss per share as the effect would have been anti-dilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Stock options	7,447	929	7,447	929
Restricted stock units	1,682	3,249	1,682	3,249
Warrants	2,469	2,469	2,469	2,469
Convertible notes	2,375	3,000	2,375	3,000

11. Income Taxes

The Company’s tax provision or benefit from income taxes for interim periods is determined using an estimate of its annual effective tax rate, adjusted for discrete items, if any. Each quarter the Company updates its estimate of the annual effective tax rate and makes a year-to-date adjustment to the provision.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Income tax (benefit) provision	$ (176)	$ (37)	$ 506	$ 110
Effective tax rate	2.6 %	0.2 %	(1.6)%	(0.2)%

For the three and six months ended June 30, 2024, the Company's effective tax rate on continuing operations differed from the U.S. federal statutory income tax rate of 21% primarily due to limited tax benefits provided for against its current year pre-tax operating loss, as the Company maintains a full valuation allowance against its U.S. deferred tax assets that are not realizable on a more-likely-than-not basis and the discrete impact of finalization of Canadian tax return filings.

For the three and six months ended June 30, 2023, the Company's effective tax rate on continuing operations differed from the U.S. federal statutory income tax rate of 21% primarily due to limited tax benefits provided for against its current year pre-tax operating loss as the Company maintains a full valuation allowance against its U.S. deferred tax assets that are not realizable on a more-likely-than-not basis.

The Company, or one of its subsidiaries, files its tax returns in the U.S. and certain state and foreign income tax jurisdictions with varying statute of limitations. The major jurisdictions in which the Company is subject to potential examination by tax authorities are the U.S., the United Kingdom, Japan, and Canada.

12. Restructuring Costs

In February 2024, the Company announced plans to reduce expenses by implementing an approximately 16% reduction in the then-current workforce (after the Disposition, as discussed within Note 19 herein). In doing so, the Company reduced the size of its centralized operations to enable its individual brands to operate with more autonomy and deliver against their differentiated value propositions for advertisers. The reduction in workforce plan was intended to position the Company to be more agile, sustainable, and profitable. The Company incurred approximately $2.9 million of restructuring costs for the six months ended June 30, 2024, comprised mainly of severance and related benefits costs, of which $1.2 million were included in cost of revenue, excluding depreciation and amortization, $1.5 million were included in sales and marketing, and $0.2 million were included in general and administrative.

Additionally, in accordance with the Asset Purchase Agreement (the "Complex Sale Agreement"), dated as of February 21, 2024 between a wholly-owned subsidiary of the Company and Commerce Media Holdings, LLC., pursuant to which the Disposition was consummated, Commerce Media reimbursed the Company for approximately $1.8 million in payments related to "Non-Transferring Employees" (as defined in the Complex Sale Agreement), including severance. The amount of these severance and related charges are not included within the restructuring charges noted above. The Company treated the reimbursement as an expense reimbursement.

In April 2023, the Company announced plans to reduce expenses by implementing an approximately 15% reduction in the then-current workforce. The reduction in workforce plan was part of a broader strategic reprioritization across the Company in order to improve upon profitability and cash flow. The Company incurred approximately $6.8 million of restructuring costs for the three months ended June 30, 2023, comprised mainly of severance and related benefit costs, of which $4.3 million were included in cost of revenue, excluding depreciation and amortization, $1.3 million were included in sales and marketing, $0.4 million were included in general and administrative, and $0.8 million were included in research and development.

13. Leases

The Company leases office space under non-cancelable operating leases with various expiration dates through 2029. The Company accounts for leases under Accounting Standards Update 2016-02, *Leases* (Topic 842) ("ASC 842") by recording right-of-use assets and liabilities. The right-of-use asset represents the Company's right to use underlying assets for the lease term and the lease liability represents the Company's obligation to make lease payments under the lease. The Company determines if an arrangement is, or contains, a lease at contract inception and exercises judgment and applies certain assumptions when determining the discount rate, lease term, and lease payments. ASC 842 requires a lessee to record a lease liability based on the discounted unpaid lease payments using the interest rate implicit in the lease or, if the rate cannot be readily determined, the incremental borrowing rate. Generally, the Company does not have knowledge of the rate implicit in the lease and, therefore, uses its incremental borrowing rate for a lease. The lease term includes the non-cancelable period of the lease plus any additional periods covered by an option to extend that the Company is reasonably certain to exercise. The Company's lease agreements generally do not contain any material residual value guarantees or material restrictive covenants. Certain of the Company's lease agreements include escalating lease payments. Additionally, certain lease agreements contain renewal provisions and other provisions which require the Company to pay taxes, insurance, or maintenance costs.

The Company subleases certain leased office space to third parties when it determines there is excess leased capacity. On July 8, 2022, the Company entered into a sublease with a third party with respect to substantially all of the Company's then-existing corporate headquarters. The sublease commenced on August 26, 2022 and expires on May 30, 2026, unless terminated sooner in accordance with the provisions of the sublease. Pursuant to the terms of the sublease, the subtenant pays a fixed monthly rent of $0.8 million, subject to periodic increases. In-lieu of a cash security deposit, the Company received a letter of credit from Citibank for approximately $4.5 million. On February 21, 2024, in connection with the Disposition, the Company licensed the use of office space in our corporate headquarters. Refer to Note 19 herein for further details on this arrangement.

Sublease rent income is recognized as an offset to rent expense on a straight-line basis over the lease term. In addition to sublease rent, other costs such as common-area maintenance, utilities, and real estate taxes are charged to subtenants over the duration of the lease for their proportionate share of these costs.

The following illustrates the lease costs for the three and six months ended June 30, 2024 and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating lease cost	$ 6,117	$ 7,615	$ 12,294	$ 15,062
Sublease income	(4,409)	(3,894)	(8,522)	(7,852)
Total lease cost	$ 1,708	$ 3,721	$ 3,772	$ 7,210

All components of total lease cost are recorded within general and administrative expenses within the condensed consolidated statement of operations. The Company does not have material short-term or variable lease costs.

The following amounts were recorded in the Company's condensed consolidated balance sheets related to operating leases:

	June 30, 2024	December 31, 2023
Assets		
Right-of-use assets	$ 38,058	$ 46,715
Liabilities		
Current lease liabilities	23,326	21,659
Noncurrent lease liabilities	25,713	37,820
Total lease liabilities	$ 49,039	$ 59,479

Other information related to leases was as follows:

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Supplemental cash flow information:		
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows for operating lease liabilities	14,073	16,905

	June 30, 2024	December 31, 2023
Weighted average remaining lease term (years)	2.2	2.7
Weighted average discount rate	13.9 %	13.9 %

Maturities of lease liabilities as of June 30, 2024 were as follows:

Year	Operating Leases
Remainder of 2024	$ 14,165
2025	25,635
2026	13,063
2027	2,725
2028	823
Thereafter	540
Total lease payments	56,951
Less: imputed interest	(7,912)
Total	$ 49,039

Sublease receipts to be received in the future under noncancelable subleases as of June 30, 2024 were as follows:

Year	Amount
Remainder of 2024	$ 8,818
2025	16,587
2026	4,886
2027	178
Thereafter	—
Total	$ 30,469

14. Commitments and Contingencies

Guarantees

In the course of its business, the Company both provides and receives indemnities which are intended to allocate certain risks associated with business transactions. Similarly, the Company may remain contingently liable for various obligations of a business that has been divested in the event that a third party does not fulfill its obligations under an indemnification obligation. The Company records a liability for indemnification obligations and other contingent liabilities when probable and reasonably estimable.

Legal Matters

The Company is party to various lawsuits and claims in the ordinary course of business. Although the outcome of such matters cannot be predicted with certainty and the impact that the final resolution of such matters will ultimately have on the Company's condensed consolidated financial statements is not known, the Company does not believe that the resolution of these matters will have a material adverse effect on the Company's future results of operations or cash flows.

The Company settled or resolved certain legal matters during the three months ended June 30, 2024 and 2023 that did not individually or in the aggregate have a material impact on the Company's business or its condensed consolidated financial position, results of operations, or cash flows.

Video Privacy Protection Act:

On May 16, 2023, a lawsuit titled Hunthausen v. BuzzFeed, Inc. was filed against the Company in the United States District Court for the Southern District of California, asserting class action claims for alleged violation of the Video

Privacy Protection Act ("VPPA") based on the claimed transmission of personally identifying information via the Meta pixel, Google Analytics, and the TikTok pixel, all of which are purportedly connected to posts on the BuzzFeed.com website. The putative class plaintiff was seeking an injunction to stop further alleged wrongful conduct, to recover unspecified compensatory damages and an award of costs, and any further appropriate relief. The matter was settled on January 4, 2024 and is now disposed.

On August 4, 2023, the Company received 8,927 individual demands for JAMS arbitration in California, all of which allege that the Company violated the VPPA by transmitting personally identifying information via the Meta pixel, purportedly connected to posts on the BuzzFeed website. Each claimant was seeking to recover damages in the amount of $2,500 (actual dollars) for each alleged violation of the VPPA. The Company provisionally settled these claims on January 29, 2024 as part of an agreed class action settlement in the matter titled Peters v. BuzzFeed, Inc., pending in the Circuit Court of the 17th Judicial Circuit in Broward County, Florida.

On August 15, 2023, the Company received (1) 5,247 individual demands for JAMS arbitration in California, all of which allege that the Company violated the VPPA by transmitting personally identifying information via the use of various pixels purportedly in connection with the HuffPost.com website; and (2) 12,176 individual demands for JAMS arbitration in California, all of which allege that the Company violated the VPPA by transmitting personal identifying information via the use of various pixels purportedly in connection with the BuzzFeed.com website. Each claimant was seeking to recover damages in the amount of $2,500 (actual dollars) for each alleged violation of the VPPA, as well as punitive damages, attorneys' fees and costs, and equitable relief. The Company settled these claims on January 16, 2024 and the settlement has since been paid.

On October 31, 2023, the Company received 590 individual demands for JAMS arbitration in California, all of which allege that the Company violated the VPPA by transmitting personally identifying information via the use of various pixels purportedly in connection with the BuzzFeed.com website. Each claimant was seeking to recover damages in the amount of $2,500 (actual dollars) for each alleged violation of the VPPA. The Company provisionally settled these claims on January 29, 2024 as part of an agreed class action settlement in the matter titled Peters v. BuzzFeed, Inc., pending in the Circuit Court of the 17th Judicial Circuit in Broward County, Florida.

Mass Arbitrations:

Two mass arbitrations (the "Arbitrations") were initiated before the American Arbitration Association (the "AAA") on March 15, 2022 against the Company and certain of its executive officers and directors (together, the "BuzzFeed Defendants") and Continental Stock Transfer Corporation by 91 individuals previously employed by Legacy BuzzFeed (the "Claimants"). The Claimants alleged that they were harmed when they were allegedly unable to convert their shares of Class B common stock to Class A common stock and sell those shares on December 6, 2021, the first day of trading following the Business Combination, and asserted claims for negligence, misrepresentation, breach of fiduciary duty, and violation of Section 11 of the Securities Act. The Claimants sought to recover unspecified compensatory damages, an award of costs, and any further appropriate relief.

On April 21, 2022, the BuzzFeed Defendants filed a complaint in the Delaware Court of Chancery seeking to enjoin the Arbitrations on the grounds that, inter alia, the Claimants' purported causes of action arise from their rights as shareholders of the Company, are governed by the Company's charter, including its forum selection provision, and are therefore not arbitrable (the "Delaware Action"). The complaint sought declaratory and injunctive relief. A hearing on the merits of the Delaware Action was held on July 26, 2022. On October 28, 2022, the Court of Chancery granted the Company's motion to permanently enjoin the Claimants' arbitration claims.

On January 17, 2023, the Claimants filed amended statements of claim in the Arbitrations against BuzzFeed Media Enterprises, Inc., a wholly-owned subsidiary of the Company, and Continental Stock Transfer & Trust Corporation, the transfer agent for 890 and, later, the Company. The amended statements of claim likewise allege that the Claimants were harmed when they were allegedly unable to convert their shares of Class B common stock to Class A common stock and sell those shares on the first day of trading following the Business Combination. The Claimants allege claims for breach of contract and the covenant of good faith and fair dealing, misrepresentation, and negligence, and seek to recover unspecified compensatory damages, an award of costs, and any further appropriate relief.

On March 29, 2023, BuzzFeed Media Enterprises, Inc., filed a complaint in the Delaware Court of Chancery seeking to enjoin the Arbitrations on the grounds that, inter alia, the Claimants' purported causes of action arise from their rights as shareholders of the Company, are governed by the Company's charter, including its forum selection provision, and are therefore not arbitrable. The complaint seeks declaratory and injunctive relief. The parties cross-moved for summary judgment.

On November 20, 2023, the Court of Chancery heard oral arguments on the Company's motion for summary judgment and the Claimants' cross-motion to dismiss the Company's complaint. On May 15, 2024, the Delaware Chancery Court ruled that the AAA was to determine whether the matter was arbitrable for those claimants who had produced employment agreements containing arbitration clauses. On June 13, 2024, the Company wrote to the AAA requesting that it continue to stay the arbitrations because there remained six claimants who had not established that they had employment agreements containing arbitration clauses and, therefore, the Delaware Chancery Court retained jurisdiction to adjudicate those six claims. Claimants opposed and, on June 18, 2024, the AAA indicated that it planned to move the arbitration forward with respect to the 85 claimants whose claims had been resolved by the Delaware Chancery Court, notwithstanding that six claimants still remained before that court. The matter is ongoing.

California Invasion of Privacy Act

On April 11, 2024, a lawsuit titled Chih-Yuan Chang *et al.* v. BuzzFeed, Inc. was filed against the Company in the Southern District of New York, alleging that the Company, by causing the Sharethrough, IQM, and Dotomi trackers to be installed on website visitors' internet browsers, is collecting visitors' personal identifying information without their consent, in violation of the California Invasion of Privacy Act (CIPA). Plaintiff, additionally, seeks class certification. This matter was provisionally settled on July 9, 2024.

Nasdaq Listing Compliance

Minimum Bid Requirement

On May 31, 2023, as expected, the Company received a letter from Nasdaq's Listing Qualifications Department (the "Nasdaq Staff") notifying the Company that, for the previous 30 consecutive business days, the bid price for the Company's Class A common stock had closed below the minimum $1.00 per share requirement for continued listing on The Nasdaq Global Market under Nasdaq Listing Rule 5550(a)(2) (the "Bid Price Requirement"). In connection with the Company's application to obtain additional time to regain compliance, as of the opening of business November 30, 2023, the Company's Class A common stock and warrants were transferred to The Nasdaq Capital Market, which operates in substantially the same manner as The Nasdaq Global Market, where they continue to trade under the symbols "BZFD" and "BZFDW," respectively. As disclosed in Note 2 herein, to increase the bid price of our Class A common stock, the Company effected the Reverse Stock Split on May 6, 2024. As of May 17, 2024, the closing bid price of the Company's Class A common stock had been over $1.00 per share for a minimum of 10 consecutive business days. On May 20, 2024, the Nasdaq Staff confirmed that the Company had regained compliance with the Bid Price Requirement.

Audit Committee Requirement

Patrick Kerins, who was a member of the Company's board of directors and its audit committee immediately prior to the 2024 Annual Meeting, did not stand for re-election as a director of the Company at that meeting. On April 26, 2024, as expected, the Company received a letter from the Nasdaq Staff notifying the Company that it was no longer in compliance with Nasdaq Listing Rule 5605(c)(2)(A), which requires that the audit committees of listed companies have a minimum of three members that satisfy certain criteria for service on the committee (the "Nasdaq Audit Committee Requirement"). The Nasdaq Staff also notified the Company that it had until the earlier of its 2025 annual meeting of stockholders and April 25, 2025 (i.e., one year from the date on which the Company ceased to be compliant) to regain compliance. On June 11, 2024, Gregory Coleman, already a member of the Company's board of directors, was appointed to the audit committee of the board. Following the Company's notice to the Nasdaq Staff of Mr. Coleman's appointment to the audit committee, the Nasdaq Staff determined that the Company had regained compliance with the Nasdaq Audit Committee Requirement.

15. Segment Information

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the CODM, in deciding how to allocate resources and in assessing performance.

The Company has determined that its chief executive officer is its CODM who makes resource allocation decisions and assesses performance based upon financial information at the consolidated level. The Company manages its operations as a single segment for the purpose of assessing and making operating decisions. Since the Company operates in one operating segment, all required financial segment information can be found in the condensed consolidated financial statements.

16. Related Party Transactions

The Company recognized revenue from NBCUniversal Media, LLC (“NBCU”), previously a holder of 5% or more of our Class A common stock, of $0.2 million and $0.2 million for the three months ended June 30, 2024 and 2023, respectively, and $0.6 million and $0.7 million for the six months ended June 30, 2024 and 2023, respectively. The Company recognized expenses under contractual obligations from NBCU of $nil and $nil for the three months ended June 30, 2024 and 2023, respectively, and $nil and $nil for the six months ended June 30, 2024 and 2023, respectively. The Company had outstanding receivable balances of $0.1 million and $0.2 million from NBCU as of June 30, 2024 and December 31, 2023, respectively. The Company had an outstanding payable balance of $0.2 million to NBCU as of December 31, 2023 (none as of June 30, 2024). During the second quarter of 2024, NBCU ceased to be a holder of 5% or more of our Class A common stock.

Verizon Ventures LLC (“Verizon”), collectively with its affiliates, is a holder of 5% or more of the Company’s Class A common stock. Verizon is the landlord for the Company’s corporate headquarters, and the Company transacts with Verizon in the normal course of business, such as with agency advertising deals and for certain utilities. The Company recognized revenue from Verizon of $0.5 million and $nil for the three months ended June 30, 2024 and 2023, respectively, and $0.5 million and $0.1 million for the six months ended June 30, 2024 and 2023, respectively. The Company recognized expenses under contractual obligations from Verizon of $1.5 million and $1.5 million for the three months ended June 30, 2024 and 2023, respectively, and $3.0 million and $3.0 million six months ended June 30, 2024 and 2023, respectively. The Company had no outstanding receivables or payables from or to Verizon as of June 30, 2024 or December 31, 2023.

17. Supplemental Disclosures

Film Costs

Film costs, which were included in prepaid and other assets on the condensed consolidated balance sheets, were as follows:

	June 30, 2024	December 31, 2023
Individual Monetization:		
Feature films	$ 1,707	$ 1,707
Total	$ 1,707	$ 1,707

The Company had no material amortization of film costs for the three and six months ended June 30, 2024 or 2023.

Governmental Assistance

Production tax incentives reduced capitalized film costs by $0.7 million as of December 31, 2023 (no material change as of June 30, 2024). The Company had receivables related to our production tax credits of $2.9 million and $3.5 million as of June 30, 2024 and December 31, 2023, respectively, included in prepaid and other current assets in our condensed consolidated balance sheet.

Supplemental Cash Flow Disclosures

	Six Months Ended June 30,	
	2024	2023
Cash paid for income taxes, net	$ 865	$ 984
Cash paid for interest	6,682	8,753
Non-cash investing and financing activities:		
Accounts payable and accrued expenses related to property and equipment	19	123
Accrued deferred offering costs	—	425

18. Other Income (Expense), net

Other income (expense), net consisted of the following for the three and six months ended June 30, 2024 and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Exchange gain (loss)	$ 169	$ 147	(12)	910
Gain (loss) on investment	—	(3,590)	—	(3,590)
Other expense	(36)	(234)	(663)	(587)
Other income	785	2	1,037	212
Gain on disposition of assets	1,250	—	1,250	—
Total	$ 2,168	$ (3,675)	$ 1,612	$ (3,055)

19. Held for Sale, Discontinued Operations, Disposals, and Licenses

Disposal of Complex Networks

Complex Sale

On February 21, 2024, a wholly-owned subsidiary of the Company entered into the Complex Sale Agreement with Commerce Media, providing for the sale of certain assets relating to the business of Complex Networks (i.e., the Disposition). Pursuant to the Complex Sale Agreement, Commerce Media purchased certain assets, and assumed certain liabilities, related to the business of Complex Networks, excluding the business operating under the First We Feast brand and as otherwise set forth in the Complex Sale Agreement, for an aggregate purchase price of $108.6 million, which was paid in cash on February 21, 2024.

In connection with the Disposition, the Company was required to repay (i) approximately $30.9 million to holders of the Notes and (ii) approximately $33.8 million outstanding under the Revolving Credit Facility, plus accrued and unpaid interest of $0.7 million (such amounts were repaid shortly after the Disposition). The Company terminated the Revolving Credit Facility, except for the $15.5 million in letters of credit then-outstanding. The Company incurred a $0.5 million early termination fee and a standby letter of credit fee of $0.5 million, both of which were paid upon closing of the Disposition on February 21, 2024. Additionally, as described in Note 9 herein, on February 28, 2024, the indenture governing the Notes was amended to, among other things, provide that 95% of the net proceeds of future asset sales must be used to repay the Notes.

Concurrent with the closing of the Disposition, the Company and Commerce Media entered into a space sharing agreement whereby Commerce Media paid the Company a one-time license fee of approximately $2.8 million for use of the certain office space in our corporate headquarters from February 21, 2024 until on June 30, 2025 (or such earlier date that the underlying sublease or master lease earlier expires or is terminated).

Held for Sale and Discontinued Operations

As of December 31, 2023, the Company determined the assets of Complex Networks, excluding the First We Feast brand, met the criteria for classification as held for sale. On February 21, 2024, the Company completed the Disposition for approximately $108.6 million in cash. The Company disposed of Complex Networks in order to refocus its business around scalable, high-margin, and tech-led revenue streams. As such, the Company concluded the ultimate disposal (i.e., the Disposition), represented a strategic shift that had a major effect on the Company's operations and financial results. Therefore, the historical results of Complex Networks, excluding the First We Feast brand, are classified as discontinued operations for all periods presented herein.

Details of net loss from discontinued operations, net of tax, were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue	$ —	$ 15,773	$ 2,115	$ 28,018
Costs and Expenses				
Cost of revenue, excluding depreciation and amortization	—	11,540	3,500	21,647
Sales and marketing	—	3,996	1,046	7,389
General and administrative	—	592	225	1,183
Research and development	—	609	344	1,300
Depreciation and amortization	—	2,702	—	5,405
Total costs and expenses	—	19,439	5,115	36,924
Loss from discontinued operations	—	(3,666)	(3,000)	(8,906)
Loss on partial debt extinguishment	—	—	(4,919)	—
Gain on remeasurement of classification to held for sale	—	—	854	—
Other (expense) income, net	—	—	(292)	—
Interest expense, net	—	(1,688)	(1,230)	(3,320)
Loss from discontinued operations before income taxes	—	(5,354)	(8,587)	(12,226)
Income tax provision	877	—	1,502	—
Net loss from discontinued operations, net of tax	$ (877)	$ (5,354)	$ (10,089)	$ (12,226)

The results for the three and six months ended June 30, 2024 includes activity only from January 1, 2024 through the date of Disposition (i.e., February 21, 2024), except for the income tax adjustments described below. Allocated general corporate overhead costs do not meet the criteria to be presented within net loss from discontinued operations, net of tax, and were excluded from all figures presented in the table above.

For the three and six months ended June 30, 2024, there was tax expense in discontinued operations as a result of non-deductible permanent differences and state taxes related to the Disposition, offset with release in valuation allowance and excess tax benefits related to foreign derived intangible income (i.e., FDII). For the three and six months ended June 30, 2024, there was an increase in the income tax provision related to discontinued operations due to the remeasurement of state taxes based on the impact of law changes enacted during the quarter, which restrict utilization of certain state net operating loss carryforwards.

For the three and six months ended June 30, 2023, there was no income tax provision / (benefit) in discontinued operations, as a result of the valuation allowance against net deferred tax assets that were not realizable on a more-likely-than-not basis.

As part of the Disposition, the Company was required to repay approximately $33.8 million outstanding under the Revolving Credit Facility and $30.9 million of the $150.0 million then-outstanding under the Notes (i.e., approximately 20.6% of the aggregate principal then-outstanding was repaid). The Company derecognized approximately 20.6% of the unamortized debt discount costs, which resulted in an approximately $4.9 million loss on partial debt extinguishment that was attributed to the discontinued operation. All historical interest expense associated with the Revolving Credit Facility and 20.6% of the historical interest expense associated with the Notes were allocated to the discontinued operation.

Details of the assets of discontinued operations were as follows:

		December 31, 2023
Intangible assets, net	$	79,481
Goodwill		34,070
Valuation allowance		(9,462)
Noncurrent assets of discontinued operations, net of valuation allowance	$	104,089

The Company recorded a valuation allowance against the assets held for sale to reflect the write-down of the carrying value to fair value less estimated costs to sell. The non-cash valuation allowance of $9.5 million was recorded within loss from classification to held for sale in the summarized financial information of discontinued operations for the year ended December 31, 2023. The Company completed the Disposition during the six months ended June 30, 2024 and recorded a final gain on remeasurement of classification to held for sale of $0.9 million after recording final transaction and related expenses (for a total loss on disposal of approximately $8.6 million).

There were no current assets, current liabilities, or noncurrent liabilities of discontinued operations for the year ended December 31, 2023, as the disposal group consisted of intangible assets, net, and goodwill.

The Company has continuing involvement with Commerce Media through a transition services agreement, pursuant to which the Company and Commerce Media provide certain services to each other for a period of time following the Disposition (specifically, for an initial term of 180 days from February 21, 2024, with two additional consecutive terms of 90 days each, at Commerce Media's discretion). For the three and six months ended June 30, 2024, the Company collected a total of $1.0 million related to the transition services agreement.

Additionally, the Company and Commerce Media entered into a space sharing agreement whereby Commerce Media paid the Company a one-time fee of approximately $2.8 million for the use of certain office space in our corporate headquarters from February 21, 2024 until June 30, 2025 (or such earlier date that the underlying sublease or master lease either expires or is terminated).

License of BuzzFeed, Tasty, and HuffPost's U.K. Operations

On March 28, 2024, BuzzFeed Media Enterprises, Inc., BuzzFeed UK Ltd., and TheHuffingtonPost.com, Inc., all of which are wholly-owned subsidiaries of the Company, entered into a license agreement and an ancillary asset purchase and employee transfer agreement and IT services agreement with Independent Digital News and Media Limited ("IDNM"). Under the license agreement, the above-referenced entities have granted IDNM a license to use the intellectual property, websites, social media accounts, and content of the BuzzFeed, Tasty and HuffPost brands in the U.K. The initial term is five years, unless earlier terminated pursuant to the terms of the license agreement. All employees who support the BuzzFeed, Tasty and HuffPost brands were transferred to IDNM as of April 1, 2024. Pursuant to the license agreement, IDNM will pay an annual license fee of between £0.3 million and £0.5 million (or approximately between $0.3 million and $0.6 million as of June 30, 2024), plus a net revenue share of 25% if certain criteria are met, as set forth in the license agreement.

Sale of BringMe Brand

On June 13, 2024, the Company sold 100% of the assets related to the digital media brand known as *BringMe* for approximately $1.3 million in cash consideration, which is payable in installments through 2028 ($0.4 million of which was paid as of June 30, 2024). As disclosed in Note 8 herein, the Company is required to repay 95% of the net proceeds for any asset sales to the holders of the Notes. As such, approximately $0.3 million was repaid on June 21, 2024, and the remainder will be repaid in-line with the aforementioned installment schedule). *BringMe* did not have a material impact on the Company's net loss for any period presented herein.

20. Subsequent Events

On July 3, 2024, the Company increased the maximum aggregate offering price of the shares of the Company's Class A common stock issuable under the At-The-Market-Offering Agreement with Craig-Hallum Capital Group LLC to $150.0 million and filed a prospectus supplement with respect to such increase.

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 the condensed consolidated financial statements of BuzzFeed and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in the sections entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" included elsewhere in this Quarterly Report on Form 10-Q and in our other filings with the Securities and Exchange Commission. Additionally, our historical results are not necessarily indicative of the results that may be expected for any period in the future.

Company Overview

BuzzFeed is a premier digital media company for the most diverse, most online, and most socially connected generations the world has ever seen. Across entertainment, news, food, pop culture and commerce, our brands drive conversation and inspire what audiences watch, read, and buy now — and into the future. Our iconic, globally-loved brands include BuzzFeed, HuffPost, Tasty, and First We Feast (including Hot Ones). Today, our flagship BuzzFeed brand continues to be the biggest player in digital media, with vastly more time spent than widely known digital and legacy brands like Vox, Bustle, and People.

BuzzFeed's mission is to spread truth, joy, and creativity on the Internet. We are committed to making the Internet better: providing trusted, high-quality, brand-safe entertainment and news; making content on the Internet more inclusive, empathetic and creative; and inspiring our audience to live better lives.

BuzzFeed curates the Internet, and acts as an "inspiration engine," driving both online and real-world action and transactions. Our strong audience signal and powerful content flywheel have enabled us to build category-leading brands, a deep, two-way connection with our audiences, and an engine for high-quality content at massive scale and low cost. As a result, each of our brands has a large, loyal, highly-engaged audience that is very attractive to advertisers, and through our rich first party data offering and contextual marketing solutions, we are able to help both advertisers and creators effectively and efficiently reach their target audiences. In 2023, our audiences consumed more than 300 million hours of content and drove over $500 million in attributable transactions.

Our strength has always been to adapt our business model to the evolution of the digital landscape. Founded by Jonah Peretti in 2006, BuzzFeed started as a lab in New York City's Chinatown, experimenting with how the Internet could change how content is consumed, distributed, interacted with, and shared. This pioneering work was followed by a period of significant growth, during which BuzzFeed became a household name. Over the last few years, we have focused on revenue diversification and profitability (on an Adjusted EBITDA-basis, a non-GAAP financial measure, as discussed below). Our data-driven approach to content creation and our cross-platform distribution network have enabled us to monetize our content by delivering a comprehensive suite of digital advertising products and services and introducing new, complementary revenue streams.

As of December 31, 2023, we determined that the assets of Complex Networks, excluding the First We Feast brand, met the criteria for classification as held for sale. Additionally, we concluded the ultimate disposal, which took place on February 21, 2024 (the "Disposition"), represented a strategic shift that had a major effect on our operations and financial results. As such, the historical financial results of Complex Networks have been reflected as discontinued operations in our condensed consolidated financial statements. Refer to Note 19 to the condensed consolidated financial statements included elsewhere within this Quarterly Report on Form 10-Q for additional details.

The Business Combination

On December 3, 2021, we consummated a business combination (the "Business Combination") with 890 5th Avenue Partners, Inc. ("890"), certain wholly-owned subsidiaries of 890, and BuzzFeed, Inc., a Delaware corporation ("Legacy BuzzFeed"). In connection with the Business Combination, we acquired 100% of the membership interests of CM Partners, LLC. CM Partners, LLC, together with Complex Media, Inc., is referred to herein as "Complex Networks." Following the closing of the Business Combination, 890 was renamed "BuzzFeed, Inc."

Additionally, pursuant to subscription agreements entered into in connection with the consummation of the Business Combination, we issued, and certain investors purchased, $150.0 million aggregate principal amount of unsecured convertible notes due 2026 (the "Notes") concurrently with the closing of the Business Combination. On March 7, 2024, we repaid approximately $30.9 million to holders of the Notes. Additionally, we repaid approximately $0.3 million to the holders of the Notes on June 21, 2024, leaving approximately $118.8 million aggregate principal amount of Notes outstanding as of June 30, 2024. Refer to Notes 8 and 19 to the condensed consolidated financial statements included elsewhere within this Quarterly Report on Form 10-Q for additional details.

Restructuring

In February 2024, we announced plans to reduce expenses by implementing an approximately 16% reduction in the then-current workforce (after the Disposition). In doing so, we reduced the size of our centralized operations to enable our individual brands to operate with more autonomy and deliver against their differentiated value propositions for advertisers. The reduction in workforce plan was intended to position us to be more agile, sustainable, and profitable. We incurred approximately $2.9 million of restructuring costs for the six months ended June 30, 2024, comprised mainly of severance and related benefits costs, of which $1.2 million were included in cost of revenue, excluding depreciation and amortization, $1.5 million were included in sales and marketing, and $0.2 million were included in general and administrative.

Additionally, in accordance with the Asset Purchase Agreement (the "Complex Sale Agreement"), dated as of February 21, 2024 between a wholly-owned subsidiary of the Company and Commerce Media Holdings, LLC., pursuant to which the Disposition was consummated, Commerce Media reimbursed us for approximately $1.8 million in payments related to "Non-Transferring Employees" (as defined in the Complex Sale Agreement), including severance. The amount of these severance and related charges are not included within the restructuring charges noted above. We treated the reimbursement as an expense reimbursement.

In April 2023, we announced plans to reduce expenses by implementing an approximately 15% reduction in the then-current workforce. The reduction in workforce plan was part of a broader strategic reprioritization across the Company in order to improve upon profitability and cash flow. We incurred approximately $6.8 million of restructuring costs for the three months ended June 30, 2023, comprised mainly of severance and related benefit costs, of which $4.3 million were included in cost of revenue, excluding depreciation and amortization, $1.3 million were included in sales and marketing, $0.4 million were included in general and administrative, and $0.8 million were included in research and development.

Effects of Current Economic Conditions

Macroeconomic conditions have a direct impact on overall advertising and marketing expenditures in the United States (the "U.S."). As advertising and marketing budgets are often discretionary in nature, they can be easier to reduce in the short-term as compared to other corporate expenses. Additionally, economic downturns and recessionary fears may also negatively impact our ability to capture advertising dollars. Consequently, we believe advertising and content budgets have been, and may continue to be, affected by macroeconomic factors, such as ongoing macroeconomic uncertainty and elevated interest rates, which has contributed to reduced spending from advertising and content customers. These macroeconomic factors have adversely impacted our advertising and content revenue in 2023 and to date in 2024, and we expect these factors will continue to adversely affect our revenue in 2024. In addition, uncertainty surrounding macroeconomic factors in the U.S. and globally characterized by inflationary pressure, elevated interest rates, geopolitical issues or other factors may result in a recession, which could have a material adverse effect on our business. Refer to Part I, Item 1A "Risk Factors" within our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 for additional details.

Executive Overview

The following table sets forth our operational highlights for the periods presented (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
GAAP				
Total revenue	$ 46,932	$ 62,128	$ 91,687	$ 117,036
Loss from continuing operations	(4,214)	(16,422)	(25,027)	(40,899)
Net loss from continuing operations	(6,483)	(22,482)	(33,052)	(51,871)
Non-GAAP				
Adjusted EBITDA[(1)]	$ 2,659	$ (2,204)	$ (8,605)	$ (20,292)
Non-Financial				
Time Spent[(2)]	70,981	74,948	138,305	155,366
—% on owned and operated properties	90 %	86 %	90 %	86 %
—% on third-party platforms	10 %	14 %	10 %	14 %

(1) See "*Reconciliation from Net loss from continuing operations to Adjusted EBITDA*" for a reconciliation of Adjusted EBITDA to the most directly comparable financial measure in accordance with accounting principles generally accepted in the U.S ("GAAP").

(2) We define Time Spent as the estimated total number of hours spent by users on our owned and operated U.S. properties, our content on Apple News in the U.S., and our content on YouTube in the U.S., in each case, as reported by Comscore. Time Spent does not reflect time spent with our content across all platforms, including some on which we generated a portion of our advertising revenue, and excludes time spent with our content on platforms for which we have minimal advertising capabilities that contribute to our advertising revenue, including Instagram, TikTok, Facebook, Snapchat, and Twitter. There are inherent challenges in measuring the total actual number of hours spent with our content across all platforms; however, we consider the data reported by Comscore to represent industry-standard estimates of the time actually spent on our largest distribution platforms with our most significant monetization opportunities. We use Time Spent to evaluate the level of engagement of our audience. Trends in Time Spent affect our revenue and financial results by influencing the number of ads we are able to show. However, increases or decreases in Time Spent may not directly correspond to increases or decreases in our revenue. For example, the number of programmatic impressions served by third-party platforms can vary based on the advertising revenue optimization strategies of these platforms and, as a result, an increase or decrease in Time Spent does not necessarily correlate with a corresponding increase or decrease in the number of programmatic impressions served, but Time Spent can be a key indicator for our programmatic advertising revenue when the third-party platforms optimize revenue over programmatic impressions. Our definition of Time Spent is not based on any standardized industry methodology and is not necessarily defined in the same manner, or comparable to, similarly titled measures presented by other companies. For the three and six months ended June 30, 2024, Time Spent decreased by 5% and 11%, respectively, consistent with broader industry trends, amongst our competitive set, according to Comscore. Time Spent presented above excludes time spent on Complex Networks, as Complex Networks is presented as a discontinued operation herein (refer to Note 19 to the condensed consolidated financial statements included elsewhere within this Quarterly Report on Form 10-Q for additional details). Time Spent on Complex Networks, as reported by Comscore, was approximately 10.0 million hours through the date of Disposition, February 21, 2024, and 21.2 million and 50.0 million hours for the three and six months ended June 30, 2023, respectively. Time Spent on Complex Networks, as reported by Comscore, historically included Time Spent on First We Feast, as First We Feast was historically under the Complex Networks' measurement portfolio of Comscore. At this time, Time Spent on First We Feast cannot be reasonably bifurcated from Time Spent on Complex Networks. As such, in order to have a more comparable measure of Time Spent, we have excluded Time Spent on First We Feast from our measure of Time Spent presented above, and we will exclude Time Spent on First We Feast in the future.

Content Performance Metrics

We use certain metrics to assess the operational and financial performance of our business. Specifically, we monitor the performance of our branded content advertisers through retention and average trailing 12-month revenue per branded content advertiser. Net branded content advertiser revenue retention is an indicator of our ability to retain the spend of our existing customers year-over-year, which we view as a reflection of the effectiveness of our services. In addition, we monitor the number of branded content advertisers and the net average branded content advertiser revenue, as defined below, as these metrics provide further details with respect to the majority of our reported content revenue and influence our business planning decisions. Our use of net branded content advertiser revenue retention, branded content advertisers, and net average branded content advertiser revenue have limitations as analytical tools, and investors should not consider them in isolation. Additionally, the aforementioned metrics do not have any standardized meaning and are therefore unlikely to be comparable to similarly titled measures presented by other companies. Pro forma amounts for acquisitions and dispositions are calculated as if the acquisitions and / or dispositions occurred on the first day of the applicable period.

The following table sets forth certain operating metrics for our branded content revenue for the three months ended June 30, 2024 and 2023 (on a trailing 12-month basis):

	June 30,	
	2024	**2023**
Net branded content advertiser revenue retention[1]	54 %	62 %
Branded content advertisers[2]	>45	>60
Net average branded content advertiser revenue[3]	$ 0.9	$ 0.9

(1) Net branded content advertiser revenue retention is calculated by dividing the branded content revenue for the trailing 12 months from the close of the applicable reporting period, from advertisers who were also advertisers at the close of the same period in the prior year (the "base period"), by the branded content revenue for the trailing 12 months from the close of the base period. This analysis only considers branded content advertisers who spent greater than $250,000 (actual dollars) in the trailing 12 months from the close of the base period, and is pro forma for acquisitions and dispositions. This metric also excludes revenues derived from joint ventures and from deals not included in the branded content definition below. In both periods presented, this represents the significant majority of branded content advertiser revenue.

(2) Represents the actual number of branded content advertisers, excluding branded content advertisers that spent less than $250,000 (actual dollars) during the trailing 12 months at the close of the current reporting period, and is pro forma for acquisitions and dispositions. This does not mean an included advertiser spent $250,000 (actual dollars) in any given quarter.

(3) Represents the net branded content revenue (dollars in millions) generated by branded content customers (as defined in footnote (2) above) during the trailing 12 months at the close of the current reporting period divided by the number of branded content advertisers during that period, and is pro forma for acquisitions and dispositions. This does not mean an included advertiser spent $250,000 (actual dollars) in any given quarter.

Components of Results of Operations

Revenue: The majority of our revenue is generated through the following types of arrangements:

- *Advertising:* Consists of display, programmatic, and video advertising on our owned and operated sites and applications and social media platforms. The majority of our advertising revenue is monetized on a per-impression basis; however, we also generate revenue from advertising products that are not monetized on a per-impression basis (for example, page takeovers that are monetized on a per-day basis). Advertising revenue is recognized in the period that the related impression or non-impression based metric is delivered. Programmatic impressions on third-party platforms, such as YouTube, are controlled by the individual platforms, and the respective advertising revenue optimization strategies of these platforms have an impact on the number of programmatic impressions that these platforms serve. These optimization strategies change from time to time and have varying impacts on the numbers of programmatic impressions served. Additionally, there is a component of our advertising revenue derived from sources where we are unable to obtain impression data. We generate an immaterial portion of our advertising revenue on platforms excluded from our measurement of Time Spent.

- *Content:* Includes revenue generated from creating content, including promotional content, and customer advertising (herein referred to as "branded content"). Additionally, includes revenue from feature films and content licensing. Content revenue is recognized when the content, or the related action (click or view), is delivered.

- *Commerce and other:* Includes affiliate marketplace revenue and licensing of intellectual property. We participate in multiple marketplace arrangements with third parties whereby we provide affiliate links which redirect the audience to purchase products and/or services from the third parties. When the participant purchases a product and / or service, we receive a commission fee for that sale from the third party. Affiliate marketplace revenue is recognized when a successful sale is made and the commission is earned.

Cost of revenue, excluding depreciation and amortization: Consists primarily of compensation-related expenses and costs incurred for the creation of editorial, promotional, and news content across all platforms, as well as amounts due to third-party websites and platforms to fulfill customers' advertising campaigns. Web hosting and advertising serving platform costs are also included in cost of revenue, excluding depreciation and amortization.

Sales and marketing: Consists primarily of compensation-related expenses for sales employees. In addition, sales and marketing expenses include advertising costs and market research.

General and administrative: Consists of compensation-related expenses for corporate employees. Also, it consists of expenses for facilities, professional services fees, insurance costs, and other general overhead costs.

Research and development: Consists primarily of compensation-related expenses incurred for the development of, enhancements to, and maintenance of our website, technology platforms, data collection and infrastructure. Research and development expenses that do not meet the criteria for capitalization are expensed as incurred.

Depreciation and amortization: Represents depreciation of property and equipment and amortization of intangible assets and capitalized software costs.

***Other income (expense), net*:** Consists of foreign exchange gains and losses, gains and losses on investments, gains and losses on dispositions of subsidiaries, gains and losses on disposition of assets, income from transition service agreements, and other miscellaneous income and expenses.

Interest expense, net: Consists of interest expense incurred on our borrowings, net of interest income on interest bearing checking accounts.

Change in fair value of warrant liabilities: Reflects the changes in warrant liabilities, which is primarily based on the market price of our Public Warrants listed on The Nasdaq Capital Market under the symbol "BZFDW." Refer to Note 4 to the condensed consolidated financial statements for additional details.

Change in fair value of derivative liability: In December 2021, we issued a $150.0 million aggregate principal amount of unsecured convertible notes due 2026 (i.e., the Notes) that contain redemption features which we determined were embedded derivatives to be recognized as liabilities and measured at fair value. At the end of each reporting period, changes in the estimated fair value during the period are recorded as a change in the fair value of derivative liability. During the year ended December 31, 2023, we determined the fair value of the derivative liability was immaterial; refer to Note 4 to the condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional details. On March 7, 2024 and June 21, 2024, we repaid approximately $30.9 million and $0.3 million, respectively, to holders of the Notes, leaving approximately $118.8 million aggregate principal amount of Notes outstanding as of June 30, 2024.

Income tax (benefit) provision: Represents federal, state, and local taxes based on income in multiple domestic and international jurisdictions.

Results of Operations:

Comparison of results for the three and six months ended June 30, 2024 and 2023

The following tables set forth our condensed consolidated statement of operations data for each of the periods presented (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue	$ 46,932	$ 62,128	$ 91,687	$ 117,036
Costs and Expenses				
Cost of revenue, excluding depreciation and amortization	25,001	38,967	56,064	76,204
Sales and marketing	4,509	10,139	13,654	22,047
General and administrative	14,052	20,765	30,301	42,175
Research and development	2,721	3,351	5,951	6,479
Depreciation and amortization	4,863	5,328	10,744	11,030
Total costs and expenses	51,146	78,550	116,714	157,935
Loss from continuing operations	(4,214)	(16,422)	(25,027)	(40,899)
Other income (expense), net	2,168	(3,675)	1,612	(3,055)
Interest expense, net	(3,981)	(3,942)	(8,462)	(7,729)
Change in fair value of warrant liabilities	(632)	395	(669)	(198)
Change in fair value of derivative liability	—	1,125	—	120
Loss from continuing operations before income taxes	(6,659)	(22,519)	(32,546)	(51,761)
Income tax (benefit) provision	(176)	(37)	506	110
Net loss from continuing operations	(6,483)	(22,482)	(33,052)	(51,871)
Net loss from discontinued operations, net of tax	(877)	(5,354)	(10,089)	(12,226)
Net loss	(7,360)	(27,836)	(43,141)	(64,097)
Less: net income (loss) attributable to noncontrolling interests	127	—	74	(260)
Net loss attributable to BuzzFeed, Inc.	$ (7,487)	$ (27,836)	$ (43,215)	$ (63,837)

Costs and expenses included in stock-based compensation expense are included in the condensed consolidated statements of operations as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Cost of revenue, excluding depreciation and amortization	$ 363	$ 214	$ 576	$ 524
Sales and marketing	61	245	201	445
General and administrative	1,209	1,606	1,547	2,136
Research and development[1]	114	64	175	(289)
Total	$ 1,747	$ 2,129	$ 2,499	$ 2,816

(1) The negative stock-based compensation expense for the six months ended June 30, 2023 for research and development was due to forfeitures.

The following table sets forth our condensed consolidated statement of operations data for each of the periods presented as a percentage of revenue[1]:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue	100 %	100 %	100 %	100 %
Costs and Expenses				
Cost of revenue, excluding depreciation and amortization	53 %	63 %	61 %	65 %
Sales and marketing	10 %	16 %	15 %	19 %
General and administrative	30 %	33 %	33 %	36 %
Research and development	6 %	5 %	6 %	6 %
Depreciation and amortization	10 %	9 %	12 %	9 %
Total costs and expenses	109 %	126 %	127 %	135 %
Loss from continuing operations	(9)%	(26)%	(27)%	(35)%
Other income (expense), net	5 %	(6)%	2 %	(3)%
Interest expense, net	(8)%	(6)%	(9)%	(7)%
Change in fair value of warrant liabilities	(1)%	1	(1)%	— %
Change in fair value of derivative liability	— %	2	— %	— %
Loss from continuing operations before income taxes	(14)%	(36)%	(35)%	(44)%
Income tax (benefit) provision	— %	— %	1 %	— %
Net loss from continuing operations	(14)%	(36)%	(36)%	(44)%
Net loss from discontinued operations, net of tax	(2)%	(9)%	(11)%	(10)%
Net loss	(16)%	(45)%	(47)%	(55)%
Net income (loss) attributable to noncontrolling interests	— %	— %	— %	— %
Net loss attributable to BuzzFeed, Inc.	(16)%	(45)%	(47)%	(55)%

(1) Percentages have been rounded for presentation purposes and may differ from unrounded results.

Revenue

Total revenue was as follows (in thousands):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Advertising	$ 23,814	$ 29,412	(19)%	45,237	56,805	(20)%
Content	11,369	21,739	(48)%	24,476	37,990	(36)%
Commerce and other	11,749	10,977	7 %	21,974	22,241	(1)%
Total revenue	$ 46,932	$ 62,128	(24)%	$ 91,687	$ 117,036	(22)%

Advertising revenue decreased by $5.6 million, or 19%, for the three months ended June 30, 2024, due to a $6.1 million decline in direct sold advertising products, partially offset by a $0.5 million increase in programmatic advertising revenue reflecting improved pricing on our owned and operated properties. For the three months ended June 30, 2024 and 2023, direct sold advertising was $7.8 million and $13.9 million, respectively, and programmatic advertising revenue was $16.0 million and $15.5 million, respectively. The decline in direct sold advertising revenue reflects broader macroeconomic headwinds and a shift in our strategy to focus more on programmatic advertising.

Advertising revenue decreased by $11.6 million, or 20%, for the six months ended June 30, 2024, due to a $10.0 million decline in direct sold advertising products and a $1.6 million decline in programmatic advertising revenue, primarily on distributed platforms. For the six months ended June 30, 2024 and 2023, direct sold advertising was $14.4 million and $24.4 million, respectively, and programmatic advertising was $30.8 million and $32.4 million, respectively.

Content revenue decreased by $10.4 million, or 48%, for the three months ended June 30, 2024, primarily driven by a decrease in the number of branded content customers due to the continued softness in direct sold content demand and the broader macroeconomic environment, and a $1.6 million decrease in revenue associated with non-recurring custom content campaigns that were delivered during the three months ended June 30, 2023, with no comparable revenue during the current three-month period. We expect content revenue to continue to decline in 2024, as compared to the prior year, as we focus on programmatic advertising and affiliate revenue products.

Content revenue decreased by $13.5 million, or 36%, for the six months ended June 30, 2024, primarily driven by a decrease in the number of branded content customers due to the continued softness in direct sold content demand and the broader macroeconomic environment, and a $3.7 million decrease in revenue associated with non-recurring custom content campaigns that were delivered during the six months ended June 30, 2023, with no comparable revenue in the current six-month period.

Commerce and other increased by $0.8 million, or 7%, for the three months ended June 30, 2024, driven by a $0.9 million increase in affiliate commission revenue, partially offset by a $0.1 million decline in other products. For the three months ended June 30, 2024 and 2023, affiliate commerce revenue was $10.4 million and $9.6 million, respectively, and other revenue, such as product licensing, was $1.3 million and $1.4 million, respectively.

Commerce and other decreased $0.3 million, or 1%, for the six months ended June 30, 2024, driven by a $0.2 million decline in affiliate commerce revenue reflecting less promotional spending and lower shopping traffic in the first quarter of 2024, and a $0.1 million decline in other products. For the six months ended June 30, 2024 and 2023, affiliate commerce revenue was $19.3 million and $19.5 million, respectively, and other revenue was $2.7 million and $2.8 million, respectively.

Cost of revenue, excluding depreciation and amortization:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Cost of revenue, excluding depreciation and amortization	25,001	38,967	(36)%	56,064	76,204	(26)%
As a percentage of revenue	53 %	63 %		61 %	65 %	

Cost of revenue, excluding depreciation and amortization decreased by $14.0 million, or 36%, for the three months ended June 30, 2024, driven by $5.0 million decrease in variable costs of revenue due to changes in the revenue mix and the decline in revenue year-over-year, a $4.3 million decrease in restructuring expenses, a $3.2 million decrease in compensation expense reflecting our previous cost savings actions, and a $1.3 million decrease in consulting expenses.

Cost of revenue, excluding depreciation and amortization decreased by $20.1 million, or 26%, for the six months ended June 30, 2024, driven by a $7.5 million decrease in variable costs of revenue due to changes in the revenue mix and the decline in revenue year-over-year, a $6.6 million decrease in compensation expense reflecting our previous cost savings actions, a $3.1 million decrease in restructuring expenses, and a $2.8 million decrease in consulting and other expenses.

Sales and marketing:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Sales and marketing	4,509	10,139	(56)%	13,654	22,047	(38)%
As a percentage of revenue	10 %	16 %		15 %	19 %	

Sales and marketing expenses decreased by $5.6 million, or 56%, for the three months ended June 30, 2024, driven by a $4.1 million decrease in compensation and related expenses reflecting our previous cost savings actions and a $1.3 million decrease in restructuring expenses.

Sales and marketing expenses decreased by $8.4 million, or 38%, for the six months ended June 30, 2024, driven by a $7.1 million decrease in compensation and related expenses reflecting our previous cost savings actions and a $0.7 million decrease in consulting expenses.

General and administrative:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
General and administrative	14,052	20,765	(32)%	30,301	42,175	(28)%
As a percentage of revenue	30 %	33 %		33 %	36 %	

General and administrative expenses decreased by $6.7 million, or 32%, for the three months ended June 30, 2024, driven by a $1.6 million decrease in rent expense, a $0.9 million decrease in compensation expenses reflecting our previous cost savings actions, a $0.7 million decrease in professional fees, a $0.7 million decrease in insurance, a $0.5 million decrease in software expenses, a $0.5 million increase in sublease income, a $0.4 million decrease in stock-based compensation expense, and a $0.4 million decrease in restructuring expenses.

General and administrative expenses decreased by $11.9 million, or 28%, for the six months ended June 30, 2024, driven by a $3.3 million decrease in rent expense, a $1.2 million decrease in professional fees, a $1.2 million decrease in compensation expenses reflecting our previous cost savings actions, a $1.0 million decrease in insurance, a $0.9 million decrease in software expenses, a $0.7 million increase in sublease income, a $0.6 million decrease in stock-based compensation expense, a $0.5 million decrease in consulting expenses, and a $0.5 million decrease in general facilities' expenses.

Research and development:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Research and development	2,721	3,351	(19)%	5,951	6,479	(8)%
As a percentage of revenue	6 %	5 %		6 %	6 %	

Research and development expenses decreased by $0.6 million, or 19%, for the three months ended June 30, 2024, driven by a $0.8 million decrease in restructuring expenses, partially offset by a $0.2 million increase in stock-based compensation and other expenses.

Research and development expenses decreased by $0.5 million, or 8%, for the six months ended June 30, 2024, driven by a $0.8 million decrease in restructuring expenses and a $0.2 million decrease in consulting expenses, partially offset by a $0.5 million increase in stock-based compensation expense.

Depreciation and amortization:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Depreciation and amortization	4,863	5,328	(9)%	10,744	11,030	(3)%
As a percentage of revenue	10 %	9 %		12 %	9 %	

For the three months ended June 30, 2024, depreciation and amortization expenses decreased by $0.5 million, or 9%.

For the six months ended June 30, 2024, depreciation and amortization expenses decreased by $0.3 million, or 3%.

Other income (expense), net:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Other income (expense), net	2,168	(3,675)	(159)%	1,612	(3,055)	(153)%
As a percentage of revenue	5 %	(6)%		2 %	(3)%	

We recorded other income, net of $2.2 million for the three months ended June 30, 2024, compared to other expense, net of $3.7 million for the three months ended June 30, 2023. The change of $5.8 million was primarily driven by the comparison against a $3.6 million loss on investment recorded during the three months ended June 30, 2023 (with no comparable loss in the current-year period), a $1.3 million increase in gain on disposition of an asset, and a $0.8 million increase in other income principally reflecting transition services' income from the purchaser of Complex Networks.

We recorded other income, net of $1.6 million for the six months ended June 30, 2024, compared to other expense, net of $3.1 million for the six months ended June 30, 2023. The change of $4.7 million was primarily driven by the comparison against a $3.6 million loss on investment recorded during the six months ended June 30, 2023 (with no comparable loss in the current-year period), a $1.3 million increase in gain on disposition of an asset, and a $0.8 million increase in other income principally reflecting transition services' income from the purchaser of Complex Networks, partially offset by a $0.9 million decrease in exchange gain.

Interest expense, net:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Interest expense, net	(3,981)	(3,942)	1 %	(8,462)	(7,729)	9 %
As a percentage of revenue	(8)%	(6)%		(9)%	(7)%	

For the three months ended June 30, 2024, interest expense, net remained relatively flat year-over-year.

Interest expense, net increased by $0.7 million, or 9%, for the six months ended June 30, 2024.

Change in fair value of warrant liabilities:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Change in fair value of warrant liabilities	(632)	395	(260)%	(669)	(198)	238 %
As a percentage of revenue	(1)%	1 %		(1)%	— %	

For the three and six months ended June 30, 2024, we recorded losses of $0.6 million and $0.7 million, respectively, on the change in fair value of warrant liabilities.

Change in fair value of derivative liability:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Change in fair value of derivative liability	—	1,125	(100)%	—	120	(100)%
As a percentage of revenue	— %	2 %		— %	— %	

We recorded gains of $1.1 million and $0.1 million on the change in fair value of derivative liability for the three and six months ended June 30, 2023, respectively, with no comparable gains in the current three and six month period.

Income tax (benefit) provision:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Income tax (benefit) provision	(176)	(37)	376 %	506	110	360 %
As a percentage of revenue	— %	— %		1 %	— %	

For the and six three months ended June 30, 2024, the Company’s effective tax rate on continuing operations differed from the U.S. federal statutory income tax rate of 21% primarily due to limited tax benefits provided for against its current year pre-tax operating loss, as the Company maintains a full valuation allowance against its U.S. deferred tax assets that are not realizable on a more-likely-than-not basis, and the discrete impact of finalization of Canadian tax return filings.

For the three and six months ended June 30, 2023, the Company’s effective tax rate on continuing operations differed from the U.S. federal statutory income tax rate of 21% primarily due to limited tax benefits provided for against its current year pre-tax operating loss as the Company maintains a full valuation allowance against its U.S. deferred tax assets that are not realizable on a more-likely-than-not basis.

Net loss from discontinued operations, net of tax:

For the three months ended June 30, 2024, net loss from discontinued operations, net of tax decreased by $4.5 million, or 84%, principally reflecting timing. Specifically, except for the income tax adjustments described in Note 19 to the condensed consolidated financial statements included elsewhere within this Quarterly Report on Form 10-Q and for the income tax adjustments that may be expected for the remainder of 2024, net loss from discontinued operations, net of tax, was final as of February 21, 2024, the date of Disposition.

For the six months ended June 30, 2024, net loss from discontinued operations, net of tax, decreased by $2.1 million, or 17.5%, reflecting a $4.9 million loss on partial debt extinguishment, partially offset by a $2.2 million improvement in loss from discontinued operations and a $0.9 million final gain on remeasurement of classification as held for sale. Apart from the income tax adjustments described in Note 19 to the condensed consolidated financial statements included elsewhere within this Quarterly Report on Form 10-Q, the results for the six months ended June 30, 2024 includes activity only from January 1, 2024 through the date of Disposition (i.e., February 21, 2024).

Non-GAAP Financial Measure

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure and represents a key metric used by management and our board of directors to measure the operational strength and performance of our business, to establish budgets, and to develop operational goals for managing our business. We define Adjusted EBITDA as net loss from continuing operations, excluding the impact of net income (loss) attributable to noncontrolling interests, income tax (benefit) provision, interest expense, net, other (income) expense, net, depreciation and amortization, stock-based compensation, change in fair value of warrant liabilities, change in fair value of derivative liability, restructuring costs, and other non-cash and non-recurring items that management believes are not indicative of ongoing operations.

We believe Adjusted EBITDA is relevant and useful information for investors because it allows investors to view performance in a manner similar to the method used by our management. However, there are limitations to the use of Adjusted EBITDA and our definition of Adjusted EBITDA may not be comparable to similarly titled measures of other companies. Other companies, including companies in our industry, may calculate non-GAAP financial measures differently than we do, limiting the usefulness of those measures for comparative purposes.

Adjusted EBITDA should not be considered a substitute for loss from continuing operations, net loss, or net loss attributable to BuzzFeed, Inc. that we have reported in accordance with GAAP.

Reconciliation from Net loss from continuing operations to Adjusted EBITDA

The following table reconciles consolidated net loss from continuing operations to Adjusted EBITDA for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net loss from continuing operations	$ (6,483)	$ (22,482)	$ (33,052)	$ (51,871)
Income tax (benefit) provision	(176)	(37)	506	110
Interest expense, net	3,981	3,942	8,462	7,729
Other (income) expense, net	(2,168)	3,675	(1,612)	3,055
Depreciation and amortization	4,863	5,328	10,744	11,030
Stock-based compensation	1,747	2,129	2,499	2,816
Change in fair value of warrant liabilities	632	(395)	669	198
Change in fair value of derivative liability	—	(1,125)	—	(120)
Restructuring[(1)]	263	6,761	3,179	6,761
Adjusted EBITDA	$ 2,659	$ (2,204)	$ (8,605)	$ (20,292)

(1) Refer to elsewhere above in Item 2. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” herein for a discussion of the distinct restructuring activities during the six months ended June 30, 2024 and 2023. We exclude restructuring expenses from our non-GAAP measures because we believe they do not reflect expected future operating expenses, they are not indicative of our core operating performance, and they are not meaningful in comparisons to our past operating performance.

Liquidity and Capital Resources

Our principal sources of liquidity are our cash and cash equivalents and cash generated from continuing operations. Our cash and cash equivalents consist of demand deposits with financial institutions and investments in money market funds.

The condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. (“U.S. GAAP”) on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. As of the date the accompanying condensed consolidated financial statements were issued (the “issuance date”), the significance of the following adverse conditions were evaluated in accordance with U.S. GAAP. The presence of the following risks and uncertainties associated with our financial condition may adversely affect our ability to sustain our operations over the next 12 months beyond the issuance date.

Since our inception, we have generally incurred significant losses and used net cash flows from operations to grow our owned and operated properties and our iconic brands. During the six months ended June 30, 2024, the Company incurred a net loss of $43.1 million (and a net loss of $33.1 million from continuing operations) and used net cash flows from its operations of $25.7 million (and net cash used in operating activities from continuing operations was $16.8 million). Additionally, as of June 30, 2024, the Company had unrestricted cash and cash equivalents of $45.5 million to fund its operations and an accumulated deficit of $655.0 million.

As described in Note 8 to the condensed consolidated financial statements included elsewhere within this Quarterly Report on Form 10-Q, we repaid approximately $30.9 million and $0.3 million of the Notes on March 7, 2024 and June 21, 2024, respectively, leaving approximately $118.8 million aggregate principal amount of Notes outstanding as of June 30, 2024. As described in Note 8 to the condensed consolidated financial statements included elsewhere within this Quarterly Report on Form 10-Q, each holder of a Note has the right under the indenture governing the Notes to require us to repurchase, for cash, all or a portion of the Notes held by such holder (i) at any time on or after December 3, 2024, at a repurchase price equal to the principal amount plus accrued and unpaid interest, or (ii) upon the occurrence of a fundamental change (as defined in the indenture) before the maturity date (i.e., December 3, 2026), at a repurchase price equal to 101% of the principal amount plus accrued and unpaid interest. Moreover, we will be required to repay the Notes, in cash, at their maturity, unless earlier converted, redeemed, or repurchased. In the event some or all of the holders of the Notes exercise their call rights, we currently do not have sufficient cash on hand or projected cash flows to fund the potential call. Our failure to comply with the provisions of the indenture governing the Notes, including our failure to repurchase the Notes, as required by the indenture, could trigger an event of default under the indenture, which would allow the holders of Notes to accelerate the maturity of the Notes and require us to repay the Notes prior to their maturity. In addition, on February 28, 2024, we amended the indenture governing the Notes to provide that, among other things, 95% of the net proceeds of future asset sales must be used to repay the Notes.

To address our capital needs, we may explore options to restructure our outstanding debt, and we are working with advisors to optimize our condensed consolidated balance sheet. However, we can provide no assurance that we will generate sufficient cash inflows from operations, or that we will be successful in obtaining such new financing, or in optimizing our condensed consolidated balance sheet in a manner necessary to fund our obligations as they become due over the next 12 months beyond the issuance date. Additionally, we may implement incremental cost savings actions and pursue additional sources of outside capital to supplement our funding obligations as they become due, which may include additional offerings of our Class A common stock under the at-the-market offering (refer to Note 9 to the condensed consolidated financial statements included elsewhere within this Quarterly Report on Form 10-Q for additional details). As of the issuance date, no additional sources of outside capital have been secured or were deemed probable of being secured, other than our at-the-market-offering, which is subject to the conditions contained in the At-The-Market Offering Agreement dated June 20, 2023 with Craig-Hallum Capital Group LLC. We can provide no assurance we will successfully generate sufficient liquidity to fund our operations for the next 12 months beyond the issuance date, or if necessary, secure additional outside capital (including through our at-the-market-offering) or implement incremental cost savings.

Moreover, on an ongoing basis, we are evaluating strategic changes to our operations, including asset divestitures, restructuring, or the discontinuance of unprofitable lines of business. Any such transaction could be material to our business, financial condition and results of operations. The nature and timing of any such changes depend on a variety of factors, including, as of the applicable time, our available cash, liquidity and operating performance; our commitments and obligations; our capital requirements; limitations imposed under our credit arrangements; and overall market conditions. As of the issuance date, we continue to work with our external advisors to optimize our condensed consolidated balance sheet and evaluate our assets.

These uncertainties raise substantial doubt about our ability to continue as a going concern. The accompanying condensed consolidated financial statements have been prepared on the basis that we will continue to operate as a going concern, which contemplates that we will be able to realize assets and settle liabilities and commitments in the normal course of business for the foreseeable future. Accordingly, the accompanying condensed consolidated financial statements do not include any adjustments that may result from the outcome of these uncertainties.

Revolving Credit Facility

On December 30, 2020, the Company entered into a three-year, $50.0 million, revolving loan and standby letter of credit facility agreement, which was amended and restated on December 3, 2021 in connection with the closing of the Business Combination, further amended and restated on December 15, 2022, and amended on each of June 29, 2023 and September 26, 2023 (i.e., the Revolving Credit Facility). Among other things, the Revolving Credit Facility provided for the issuance of up to $15.5 million of standby letters of credit, which were issued during the three months ended March 31, 2021 in favor of certain of the Company's landlords. The Company had outstanding letters of credit of $15.5 million under the Revolving Credit Facility at December 31, 2023 (none at June 30, 2024, as described below).

On February 21, 2024, in connection with the Disposition discussed within Note 19 to the condensed consolidated financial statements included elsewhere within this Quarterly Report on Form 10-Q, the Company terminated the Revolving Credit Facility, except for the $15.5 million in letters of credit then-outstanding. However, during the second quarter of 2024, the Company terminated the $15.5 million in letters of credit outstanding under the Revolving Credit Facility, resulting in the full termination of the Revolving Credit Facility.

Standby Letters of Credit

During the second quarter of 2024, the Company entered into an agreement with a financial institution for standby letters of credit in the amount of $15.5 million, which were issued during the second quarter of 2024 in favor of certain of the Company's landlords and remain outstanding as of June 30, 2024.

Convertible Notes

In June 2021, in connection with the entry into the merger agreement pursuant to which the Business Combination was consummated, we entered into subscription agreements with certain investors to sell $150.0 million aggregate principal amount of unsecured convertible notes due 2026 (i.e., the Notes). In connection with the closing of the Business Combination, we issued, and those investors purchased, the Notes. The Notes are convertible into shares of our Class A common stock at a conversion price of approximately $50.00 and bear interest at a rate of 8.50% per annum, payable semi-annually. The Notes mature on December 3, 2026. As of June 30, 2024, the Notes were convertible into approximately 2,375,347 shares of our Class A common stock.

We may, at our election, force conversion of the Notes after December 3, 2024 (i.e., after the third anniversary of the issuance of the Notes), subject to a holder's prior right to convert and the satisfaction of certain other conditions, if the volume-weighted average trading price of our Class A common stock is greater than or equal to 130% of the conversion price for more than 20 trading days during a period of 30 consecutive trading days, which has yet to occur. In the event that a holder of the Notes elects to convert its Notes prior to December 3, 2024, we will be obligated to pay an amount in cash equal to 12 month's interest declining ratably on a monthly basis to zero month's interest, in each case, on the aggregate principal amount of Notes so converted. Without limiting a holder's right to convert the Notes at its option, interest will cease to accrue on the Notes during any period in which we would otherwise be entitled to force conversion of the Notes, but are not permitted to do so solely due to the failure of a trading volume condition specified in the indenture governing the Notes.

Each holder of a Note has the right under the indenture governing the Notes to require us to repurchase, for cash, all or a portion of the Notes held by such holder (i) at any time on or after December 3, 2024 (i.e., the third anniversary of the issuance of the Notes), at a repurchase price equal to the principal amount plus accrued and unpaid interest, or (ii) upon the occurrence of a fundamental change (as defined in the indenture) before the maturity date (i.e., December 3, 2026), at a repurchase price equal to 101% of the principal amount plus accrued and unpaid interest. In addition, a failure to comply with the provisions of the indenture governing our Notes could trigger an event of default under the indenture, which would allow the holders of the Notes to accelerate the maturity of the Notes and require us to repay the Notes prior to their maturity. Moreover, we will be required to repay the Notes, in cash, at their maturity, unless earlier converted, redeemed, or repurchased. We may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of such Notes surrendered or pay cash with respect to such Notes being converted.

The indenture governing the Notes includes restrictive covenants that, among other things, limit our ability to incur additional debt or liens, make restricted payments or investments, dispose of significant assets, transfer specified intellectual property, or enter into transactions with affiliates. Additionally, on February 28, 2024, the indenture governing the Notes was amended to, among other things, provide that 95% of the net proceeds of future asset sales must be used to repay the Notes.

We repaid approximately $30.9 million and $0.3 million of the Notes on March 7, 2024 and June 21, 2024, respectively, leaving approximately $118.8 million aggregate principal amount of Notes outstanding as of June 30, 2024. Refer to Notes 8 and 19 to the condensed consolidated financial statements included elsewhere within this Quarterly Report on Form 10-Q for details.

Cash flows (used in) provided by operating, investing and financing activities from continuing operations were as follows for the periods presented:

	Six Months Ended June 30,	
	2024	2023
Cash used in operating activities from continuing operations	$ (16,786)	$ (2,080)
Cash used in investing activities from continuing operations	(6,273)	(7,972)
Cash (used in) provided by financing activities	(66,396)	1,385

At-The-Market-Offering

On March 21, 2023, we filed a shelf registration statement on Form S-3 (the "Shelf Registration Statement") under which we may, from time to time, sell securities in one or more offerings having an aggregate offering price of up to $150.0 million. The Shelf Registration Statement was declared effective as of April 5, 2023. On June 20, 2023, we entered into an At-The-Market Offering Agreement with Craig-Hallum Capital Group LLC pursuant to which we may, from time to time, sell up to 3,316,503 shares of our Class A common stock. As of June 30, 2024, we sold, in the aggregate, 517,385 shares of our Class A common stock, at an average price of $2.08 per share, for aggregate net proceeds of $0.9 million after deducting commissions and offering expenses. We used the aggregate net proceeds for general corporate purposes, and we had 2,799,118 remaining shares available under the At-The-Market-Offering Agreement. In July 2024, the Company increased the size of the offering available under the At-The-Market-Offering Agreement. Refer to Note 20 to the condensed consolidated financial statements included elsewhere within this Quarterly Report on Form 10-Q for additional details.

Operating Activities

For the six months ended June 30, 2024, cash used in operating activities from continuing operations was $16.8 million compared to cash used in operating activities from continuing operations of $2.1 million for the six months ended June 30, 2023. The change was primarily driven by a $13.3 million improvement in net loss, adjusted for non-cash items, an $11.8 million increase in the change in accrued compensation, an $11.8 million increase in the change in accrued expenses, other current liabilities and other liabilities, a $1.6 million increase in the change in deferred revenue, and a $1.4 million increase in the change in lease liabilities. These were partially offset by a $39.0 million decrease in the change in accounts payable, a $15.5 million decrease in the change in accounts receivable, and a $0.1 million decrease in the change in prepaid expenses and other current assets and prepaid expenses and other assets.

Investing Activities

For the six months ended June 30, 2024, cash used in investing activities from continuing operations was $6.3 million, which consisted of $6.4 million of capital expenditures on internal-use software and $0.2 million of other capital expenditures, partially offset by $0.4 million in proceeds from the sale of an asset. For the six months ended June 30, 2024, net cash provided by investing activities from discontinued operations was $108.6 million, which represents the cash received for the sale of certain assets relating to the business of Complex Networks (i.e., the Disposition) and is non-recurring in nature.

For the six months ended June 30, 2023, cash used in investing activities from continuing operations was $8.0 million, which consisted of $7.7 million of capital expenditures on internal-use software and $0.5 million of other capital expenditures, partially offset by a $0.2 million gain on the sale of an asset.

Financing Activities

For the six months ended June 30, 2024, cash used in financing activities was $66.4 million, which consisted of a $33.8 million full repayment of the Revolving Credit Facility, $31.2 million in partial repayments on the Notes, a $0.6 million payment of deferred issuance costs, and a $0.5 million early termination payment for the Revolving Credit Facility.

For the six months ended June 30, 2023, cash provided by financing activities was $1.4 million, which consisted of $2.1 million of borrowings on the Revolving Credit Facility and $0.8 million of net proceeds from the sale of common stock pursuant to our at-the-market offering after deducting commissions and fees. These were partially offset by a $1.3 million repayment on the Revolving Credit Facility and a $0.2 million payment for withholding taxes on the vesting of certain restricted stock units.

Contractual Obligations

Our principal commitments consist of obligations for repayment of borrowings under the Notes obligations for office space under non-cancelable operating leases with various expiration dates through 2029. Refer to Notes 8 and 13 to the condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional details.

Critical Accounting Policies and Estimates

We prepare our condensed consolidated financial statements and related notes in accordance with U.S. GAAP. In doing so, we have to make estimates and assumptions that affect our reported amounts of assets, liabilities, revenues, expenses, and related disclosures. We evaluate our estimates and assumptions on an ongoing basis. Our estimates are based on historical experience and other assumptions that we believe are reasonable under the circumstances. To the extent that there are material differences between these estimates and actual results, our financial condition or operating results would be affected.

We consider an accounting judgment, estimate, or assumption to be critical when (1) the estimate or judgment is complex in nature or requires a high degree of judgment and (2) the use of different judgments, estimates, or assumptions could have a material impact on our condensed consolidated financial statements. Refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 for a more complete discussion of our critical accounting policies and estimates.

Recently Adopted and Issued Accounting Pronouncements

Refer to Note 2 to the condensed consolidated financial statements included elsewhere within this Quarterly Report on Form 10-Q for additional details.

Emerging Growth Company Accounting Election

Section 102 of the Jumpstart Our Business Startups Act (the "JOBS Act") provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended (the "Securities Act"), for complying with new or revised accounting standards. We are an emerging growth company and have elected to take advantage of the extended transition period. As a result, the condensed consolidated financial statements of BuzzFeed, Inc. may not be comparable to companies that comply with new or revised accounting standards as of public company effective dates.

In addition, we intend to rely on the other exemptions and reduced reporting requirements provided by the JOBS Act. Specifically, subject to the satisfaction of certain conditions set forth in the JOBS Act, we are not required to, and do not intend to, among other things: (i) provide an auditor's attestation report on our system of internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002; (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act; (iii) comply with the requirement of the Public Company Accounting Oversight Board regarding the communication of critical audit matters in the auditor's report on the financial statements; and (iv) disclose certain executive compensation-related items, such as the correlation between executive compensation, and performance and comparisons of the Chief Executive Officer's compensation to median employee compensation.

We will remain an emerging growth company under the JOBS Act until the earliest of: (i) the last day of our first fiscal year following the fifth anniversary of 890's initial public offering (i.e., December 31, 2026); (ii) the last date of our fiscal year in which we have total annual gross revenue of at least $1.235 billion; (iii) the date on we are deemed to be a "large accelerated filer" under the rules of the U.S. Securities and Exchange Commission with at least $700.0 million of outstanding securities held by non-affiliates; and (iv) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the previous three years.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have operations both within the U.S. and internationally, and we are exposed to market risks in the ordinary course of our business. These risks include primarily foreign currency exchange, interest rate fluctuation and equity investment risks.

Foreign Currency Exchange Risk

We transact business in various foreign currencies and obtain international revenue, as well as incur costs denominated in foreign currencies — primarily the British pound, Japanese yen, and Canadian dollar. This exposes us to the risk of fluctuations in foreign currency exchange rates. Accordingly, changes in exchange rates could negatively affect our revenue and results of operations as expressed in U.S. dollars. Fluctuations in foreign currency rates adversely affects our revenue growth in terms of the amounts that we report in U.S. dollars after converting our foreign currency results into U.S. dollars. In addition, currency variations can adversely affect margins on sales of our products and services in countries outside of the U.S. Generally our reported revenues and operating results are adversely affected when the U.S. dollar strengthens relative to other currencies. The Company does not enter into foreign currency forward exchange contracts or other derivative financial instruments to hedge the effects of adverse fluctuations in foreign currency exchange rates.

Interest Rate Fluctuation Risk

We are exposed to market risks, which primarily include changes in interest rates. We receive interest payments on our cash and cash equivalents, including on our money market accounts. Changes in interest rates may impact the interest income we recognize in the future. The effect of a hypothetical 10% change in interest rates applicable to our business would not have a material impact on our condensed consolidated financial statements for the three and six months ended June 30, 2024 or 2023.

Equity Investment Risk

We hold an investment in equity securities of a privately-held company without a readily determinable fair value. We elected to account for this investment using the measurement alternative, which is cost, less any impairment, adjusted for changes in fair value resulting from observable transactions for identical or similar investments of the same issuer. We perform a qualitative assessment at each reporting date to determine whether there are triggering events for impairment. The qualitative assessment considers factors such as, but not limited to: the investee's financial performance and business prospects; industry performance; economic environment; and other relevant events and factors affecting the investee. Valuations of our equity investment are complex due to the lack of readily available market data and observable transactions. The carrying value of our investment was $0.8 million as of both June 30, 2024 and December 31, 2023. Refer to Note 4 to the condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional details.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in our reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the U.S. Securities and Exchange Commission, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

In connection with the audit of our consolidated financial statements as of, and for the year ended, December 31, 2023, 2022 and 2021, we identified material weaknesses in our internal control over financial reporting, which remain unremediated. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses identified in our internal control over financial reporting related to: (i) a lack of formalized internal controls and segregation of duties surrounding our financial statement close process, and (ii) a lack of formalized information technology ("IT") general controls in the area of change management and logical security controls over financial IT systems. The remediation of these deficiencies has required, and will continue to require, a significant amount of time and resources from management and other personnel.

(i) A Lack of Formalized Internal Controls and Segregation of Duties Surrounding our Financial Statement Close Process:

During 2023 and continuing into 2024, with the oversight of the audit committee of our board of directors, we began implementing remediation plans and enhanced controls within the financial statement close process, including documentation improvements for certain higher risk and material balance sheet reconciliation schedules and supporting financial calculations and analyses. However, certain business process controls were not designed, or did not operate at the appropriate level of precision, to prevent or detect a material misstatement, and conflicts with respect to segregation of duties were identified across our end-to-end financial statement close process. Our management will continue to implement remediation plans to define control procedures, enhance documentation, and enforce segregation of duties to ensure controls are adequately designed and operate sufficiently including, but not limited to: enhancing certain higher risk balance sheet reconciliation schedules, completeness and accuracy, and related review procedures; enhancing review procedures with respect to financial results and supporting financial calculations; designing processes and controls to adequately segregate job responsibilities; redesigning workflow approval routing and security permissions; and reducing reliance on manual controls.

(ii) A Lack of Formalized Information Technology General Controls in the Area of Change Management and Logical Security Controls Over Financial Information Technology Systems:

During 2023 and continuing into 2024, our management began implementing remediation plans to address certain control deficiencies around system development and change management and IT security, including formalizing the processes and controls around security administration and implementing user access reviews for certain key financial systems. However, we did not have sufficient resources with technical expertise to centralize certain IT functions and to provide adequate IT oversight over financial systems.

Our management intends to revisit its IT sustainment plan to further support and provide appropriate oversight over key financial systems, and intends to implement remediation plans, including, but not limited to: centralizing the change management and security administration function; implementing policies and procedures with respect to change management, system development, and application-level security; documenting test procedures and approvals relating to changes made to production; maintaining separate development, test, and production environments; formalizing controls around security administration; and implementing real-time monitoring.

The material weaknesses will not be considered remediated until the applicable controls operate for a sufficient period of time, and we have concluded, through testing, that the newly implemented and enhanced controls are operating effectively. Our management will continue to monitor the effectiveness of our remediation plans in 2024 and will make the changes we determine to be appropriate.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this report. In making this evaluation, management considered the material weakness in our internal control over financial reporting described above. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2024, the period covered in this report, our disclosure controls and procedures were not effective.

Notwithstanding the assessment that our disclosure controls and procedures are not effective, we believe that we have performed sufficient supplementary procedures to ensure that the condensed consolidated financial statements contained in this filing fairly present our financial position, results of operations and cash flows for the reporting periods covered herein in all material respects.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the quarter ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

ITEM 1. LEGAL PROCEEDINGS

From time to time, we may become involved in legal proceedings and claims arising in the ordinary course of business, including, but not limited to, disputes in the areas of contracts, securities, privacy, data protection, content regulation, intellectual property, consumer protection, e-commerce, marketing, advertising, messaging, rights of publicity, libel and defamation, health and safety, employment and labor, product liability, accessibility, competition, and taxation. We record a liability when we believe that it is probable that a loss will be incurred by us and the amount of that loss can be reasonably estimated. Based on our current knowledge, we do not believe that there is a reasonable probability that the final adjudication of any such pending or threatened legal proceedings to which we are a party, will, either individually or in the aggregate, have a material adverse effect on our financial position, results of operations, or cash flows. Although the outcome of litigation and other legal matters is inherently subject to uncertainties, we feel comfortable with the adequacy of our insurance coverage.

Video Privacy Protection Act

On May 16, 2023, a lawsuit titled Hunthausen v. BuzzFeed, Inc. was filed against us in the United States District Court for the Southern District of California, asserting class action claims for alleged violation of the Video Privacy Protection Act ("VPPA") based on the claimed transmission of personally identifying information via the Meta pixel, Google Analytics, and the TikTok pixel, all of which are purportedly connected to posts on the BuzzFeed.com website. The putative class plaintiff was seeking an injunction to stop further alleged wrongful conduct, to recover unspecified compensatory damages and an award of costs, and any further appropriate relief. The matter was settled on January 4, 2024 and is now disposed.

On August 4, 2023, we received 8,927 individual demands for JAMS arbitration in California, all of which allege that we violated the VPPA by transmitting personally identifying information via the Meta pixel, purportedly connected to posts on the BuzzFeed website. Each claimant was seeking to recover damages in the amount of $2,500 (actual dollars) for each alleged violation of the VPPA. We provisionally settled these claims on January 29, 2024 as part of an agreed class action settlement in the matter titled Peters v. BuzzFeed, Inc., pending in the Circuit Court of the 17th Judicial Circuit in Broward County, Florida.

On August 15, 2023, we received (1) 5,247 individual demands for JAMS arbitration in California, all of which allege that we violated the VPPA by transmitting personally identifying information via the use of various pixels purportedly in connection with the HuffPost.com website; and (2) 12,176 individual demands for JAMS arbitration in California, all of which allege that we violated the VPPA by transmitting personal identifying information via the use of various pixels purportedly in connection with the BuzzFeed.com website. Each claimant was seeking to recover damages in the amount of $2,500 (actual dollars) for each alleged violation of the VPPA, as well as punitive damages, attorneys' fees and costs, and equitable relief. The Company settled these claims on January 16, 2024 and the settlement has since been paid.

On October 31, 2023, we received 590 individual demands for JAMS arbitration in California, all of which allege that we violated the VPPA by transmitting personally identifying information via the use of various pixels purportedly in connection with the BuzzFeed.com website. Each claimant was seeking to recover damages in the amount of $2,500 (actual dollars) for each alleged violation of the VPPA. We provisionally settled these claims on January 29, 2024 as part of an agreed class action settlement in the matter titled Peters v. BuzzFeed, Inc., pending in the Circuit Court of the 17th Judicial Circuit in Broward County, Florida.

Mass Arbitrations

Two mass arbitrations (the "Arbitrations") were initiated before the American Arbitration Association (the "AAA") on March 15, 2022 against us and certain of our executive officers and directors (together, the "BuzzFeed Defendants") and Continental Stock Transfer Corporation by 91 individuals previously employed by Legacy BuzzFeed (the “Claimants”). The Claimants alleged that they were harmed when they were allegedly unable to convert their shares of Class B common stock to Class A common stock and sell those shares on December 6, 2021, the first day of trading following the Business Combination, and asserted claims for negligence, misrepresentation, breach of fiduciary duty, and violation of Section 11 of the Securities Act. The Claimants sought to recover unspecified compensatory damages, an award of costs, and any further appropriate relief.

On April 21, 2022, the BuzzFeed Defendants filed a complaint in the Delaware Court of Chancery seeking to enjoin the Arbitrations on the grounds that, inter alia, the Claimants’ purported causes of action arise from their rights as our shareholders, are governed by our charter, including its forum selection provision, and are therefore not arbitrable (the “Delaware Action”). The complaint sought declaratory and injunctive relief. A hearing on the merits of the Delaware Action was held on July 26, 2022. On October 28, 2022, the Court of Chancery granted our motion to permanently enjoin the Claimants’ arbitration claims.

On January 17, 2023, the Claimants filed amended statements of claim in the Arbitrations against BuzzFeed Media Enterprises, Inc., our wholly-owned subsidiary, and Continental Stock Transfer & Trust Corporation, the transfer agent for 890 and, later, our transfer agent. The amended statements of claim likewise allege that the Claimants were harmed when they were allegedly unable to convert their shares of Class B common stock to Class A common stock and sell those shares on the first day of trading following the Business Combination. The Claimants allege claims for breach of contract and the covenant of good faith and fair dealing, misrepresentation, and negligence, and seek to recover unspecified compensatory damages, an award of costs, and any further appropriate relief.

On March 29, 2023, BuzzFeed Media Enterprises, Inc., filed a complaint in the Delaware Court of Chancery seeking to enjoin the Arbitrations on the grounds that, inter alia, the Claimants’ purported causes of action arise from their rights as our shareholders, are governed by our charter, including its forum selection provision, and are therefore not arbitrable. The complaint seeks declaratory and injunctive relief. The parties cross-moved for summary judgment.

On November 20, 2023, the Court of Chancery heard oral arguments on our motion for summary judgment and the Claimants’ cross-motion to dismiss our complaint. On May 15, 2024, the Delaware Chancery Court ruled that the AAA was to determine whether the matter was arbitrable for those claimants who had produced employment agreements containing arbitration clauses. On June 13, 2024, we wrote to the AAA requesting that it continue to stay the arbitrations because there remained six claimants who had not established that they had employment agreements containing arbitration clauses and, therefore, the Delaware Chancery Court retained jurisdiction to adjudicate those six claims. Claimants opposed and, on June 18, 2024, the AAA indicated that it planned to move the arbitration forward with respect to the 85 claimants whose claims had been resolved by the Delaware Chancery Court, notwithstanding that six claimants still remained before that court. The matter is ongoing.

California Invasion of Privacy Act

On April 11, 2024, a lawsuit titled Chih-Yuan Chang *et al.* v. BuzzFeed, Inc. was filed against us in the Southern District of New York, alleging that we, by causing the Sharethrough, IQM, and Dotomi trackers to be installed on website visitors’ internet browsers, are collecting visitors’ personal identifying information without their consent, in violation of the California Invasion of Privacy Act (CIPA). Plaintiff, additionally, seeks class certification. This matter was provisionally settled on July 9, 2024.

For information regarding other legal proceedings in which we are involved, refer to Note 14 to the condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional details.

ITEM 1A. RISK FACTORS

Disclosure about our existing risk factors is set forth in Item 1A, “Risk Factors,” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and Quarterly Report on Form 10-Q for the period ended March 31, 2024. Other than as described below, our risk factors have not changed materially since March 31, 2024.

Actions of activist shareholders, which have been increasing, could be disruptive and costly, may cause uncertainty about the strategic direction of our business, result in litigation, divert management’s and our board of directors’ attention and our resources, and may attempt to effect changes in our governance and strategic direction or to acquire control over our board of directors or the Company, any of which may have an adverse effect on our business and stock price.

From time to time, and increasingly so lately, we may be subject to proposals by activist shareholders, which could take many forms or arise in a variety of situations, including making public demands that we consider certain strategic alternatives, engaging in public campaigns to attempt to influence our corporate governance and / or our management, or commencing proxy contests aimed at electing the activists' representatives to our board of directors. Future activist shareholder initiatives, including proxy contests and potential related litigation, could have a material adverse effect on us for many reasons, including, but not limited to:

- Such shareholders may attempt to effect changes in our governance and strategic direction or to acquire control over us or our board of directors.
- Increased media scrutiny and public pressure could impact investor sentiment and lead to heightened public relations challenges, such as unfavorable media coverage which could damage our reputation and alienate customers and clients, embolden further activist shareholder initiatives, impact employee morale, or result in additional scrutiny from regulators and oversight bodies.
- While we welcome the opinions of all shareholders, responding to activist shareholder initiatives could be costly and time-consuming, and could disrupt our operations, divert the attention of our board of directors, management team and other employees away from their regular duties and the pursuit of business opportunities to enhance shareholder value, and divert funds away from our core business activities and strategic investments, any of which could negatively impact our ability to pursue growth opportunities and affect our overall financial performance.
- Perceived uncertainties as to our future direction and control, our ability to execute on our strategy, or changes to the composition of our board of directors or senior management team arising from activist shareholder initiatives could lead to the perception of a change in the direction of our business, instability or lack of continuity, which may cause concern to our existing or potential collaboration partners, make it more difficult to pursue our strategic initiatives, or limit our ability to attract and retain qualified personnel and business partners, any of which could adversely affect our business and operating results.
- Perceived uncertainties as to our future direction, strategy or leadership due to these activist shareholder initiatives may harm our ability to attract new investors, alter our relationships with our existing investors, who may react negatively or alter their investment strategies based on perceived instability, or cause our stock price to experience periods of volatility or stagnation based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals or prospects of our business.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated as of June 24, 2021, by and among 890 5th Avenue Partners, Inc., Bolt Merger Sub I, Inc., Bolt Merger Sub II, Inc., and BuzzFeed, Inc.(incorporated by reference to Exhibit 2.1 to the Company’s Current Report on Form 8-K filed on June 24, 2021).
2.2	Amendment No. 1 to Agreement and Plan of Merger, dated as of October 28, 2021, by and among 890 5th Avenue Partners, Inc., Bolt Merger Sub I, Inc., Bolt Merger Sub II, Inc., and BuzzFeed, Inc. (incorporated by reference to Exhibit 2.2 to the Company’s Registration Statement on Form S-4/A filed on October 29, 2021).
2.3†*	Membership Interest Purchase Agreement, dated as of March 27, 2021, by and among BuzzFeed, Inc., CM Partners, LLC, Complex Media, Inc., Verizon CMP Holdings LLC and HDS II, Inc. (incorporated by reference to Exhibit 2.2 to the Company’s Registration Statement on Form S-4 filed on July 30, 2021).
2.4	Amendment No. 1 to the Membership Interest Purchase Agreement, dated as of June 24, 2021, by and among BuzzFeed, Inc., CM Partners, LLC, Complex Media, Inc., Verizon CMP Holdings LLC and HDS II, Inc. (incorporated by reference to Exhibit 2.3 to the Company’s Registration Statement on Form S-4 filed on July 30, 2021).
2.5	Asset Purchase Agreement, dated as of February 21, 2024, by and between BuzzFeed Media Enterprises, Inc. and Commerce Media Holdings, LLC (incorporated by reference to Exhibit 2.3 to the Company’s Annual Report on Form 10-K filed on March 29, 2024).
3.1	Second Amended and Restated Certificate of Incorporation of BuzzFeed, Inc., (incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K filed on December 3, 2021).
3.2	Certificate of Change of Registered Agent and/or Registered Office, dated as of March 13, 2023 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on March 15, 2023).
3.3	Certificate of Amendment of Second Amended and Restated Certificate of Incorporation of BuzzFeed, Inc. filed on June 1, 2023 (incorporated by reference to Exhibit 3.3 to the Company’s Quarterly Report on Form 10-Q for the period ended June 30, 2023 filed on August 9, 2023).
3.4	Second Amendment to the Second Amended and Restated Certificate of Incorporation of BuzzFeed, Inc. filed on April 26, 2024 (incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K filed on May 2, 2024).
3.5	Restated Bylaws of BuzzFeed, Inc. (incorporated by reference to Exhibit 3.2 to the Company’s Current Report on Form 8-K filed on December 9, 2021).
4.1	Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-4/A filed on October 1, 2021).
4.2	Specimen Warrant Certificate (incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-1/A filed on January 6, 2021).
4.3	Indenture, dated December 3, 2021, by and between BuzzFeed, Inc. and Wilmington Savings Fund Society, a federal savings bank, as Trustee (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on December 9, 2021.
4.4	Form of Global Note (included in Exhibit 4.3) (incorporated by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K filed on December 9, 2021).
4.5	First Supplemental Indenture, dated as of July 10, 2023, to the Indenture, dated December 3, 2021 between BuzzFeed, Inc., BuzzFeed Canada, Inc., and Wilmington Savings Fund Society, a Federal Savings Bank, as Trustee.
4.6	Second Supplemental Indenture, dated February 28, 2024, to the Indenture dated December 3, 2021 between BuzzFeed, Inc. and Wilmington Savings Fund Society, a Federal Savings Bank, as Trustee (incorporated by reference to Exhibit 4.1 to the Company’s Current Report on Form 8-K filed on February 29, 2024).
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1#	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2#	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCHXBRL	Taxonomy Extension Schema Document.
101.CAL XBRL	Taxonomy Extension Calculation Linkbase Document.
101.DEF XBRL	Taxonomy Extension Definition Linkbase Document.
101.LAB XBRL	Taxonomy Extension Label Linkbase Document.
101.PRE XBRL	Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and included in Exhibit 101).

† Schedules and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(b)(2). The Registrant agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

* The Registrant has omitted portions of this Exhibit as permitted under Item 601(b)(1) of Regulation S-K.

This certification is deemed not filed for purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

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.

BuzzFeed, Inc.

By: /s/ Matt Omer

Chief Financial Officer

(Principal Financial Officer and Duly Authorized Officer)

Date: August 13, 2024

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jonah Peretti, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BuzzFeed, Inc. ("the registrant");

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 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.

5. The registrant's other certifying officer 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: August 13, 2024

By: /s/ Jonah Peretti
Jonah Peretti
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Matt Omer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BuzzFeed, Inc. (the "registrant");

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 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.

5. The registrant's other certifying officer 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.

August 13, 2024

By: /s/ Matt Omer
Matt Omer
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jonah Peretti, Chief Executive Officer of BuzzFeed, Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 13, 2024

By: /s/ Jonah Peretti
Jonah Peretti
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Matt Omer, Chief Financial Officer of BuzzFeed, Inc. (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 13, 2024

By: /s/ Matt Omer
Matt Omer
Chief Financial Officer
(Principal Financial Officer)