BuzzFeed Inc.

Q4 2023

Investor Letter

Jonah Peretti
Founder & CEO

At BuzzFeed, the way we pursue our mission — to spread joy, truth and creativity on the internet — is as important as the mission itself. We've never been a conventional media company focused on just content output. We've always been as obsessed with the medium as we are with the message. By embracing new technologies, pioneering new formats, and innovating to create new ways to bring our content to life, we have built some of the most iconic brands on the internet.

Our early teams were responsible for much of the foundational work that established social media. It now seems commonplace, but when we started it wasn't the norm for content to be shareable, relatable, identity affirming, and purpose built to connect people into fandoms and affinity groups based on shared passions. And, over the past 15 years, we've been part of this medium emerging, maturing, becoming ubiquitous and inspiring media outlets as diverse as The New York Times and Mr. Beast.

By employing these same core tenets of **identity**, **fandom**, and **shareability**, I believe we have a tremendous opportunity in front of us to **build the defining media company for the AI era.**

To capitalize on this opportunity, we have **aggressively refocused our business around:**

- our **iconic brands** — BuzzFeed, HuffPost, Tasty, First We Feast and Hot Ones — which, combined, continued to lead the industry in Q4 terms of time spent, according to Comscore.
- our **owned and operated websites and apps**, where we have more control over monetization.
- our **most scalable, highest-margin, tech-led revenue streams** — programmatic advertising and affiliate commerce.

THE SALE OF COMPLEX MARKS AN INFLECTION POINT FOR BUZZFEED INC.

With that as a backdrop, I would like to share some important and exciting updates on our business.

- We continue to operate in a period of unprecedented change for digital media.
- Last month we announced the sale of Complex for approximately two times its 2023 revenue, in an all-cash deal that brought in **$114 million** for the company.
  - Our acquisition of Complex in 2021 coincided with a downturn in the advertising market. So, instead of being able to close bigger, bundled portfolio deals, each of our brands ended up competing against each other for the available smaller opportunities.
- The sale marks an inflection point for BuzzFeed, Inc. as we refocus our business around scalable, high margin, tech-led revenue streams.
  - Complex was an asset that derived revenues predominantly from lower-margin businesses: custom branded video content and events.
  - Following the sale, **the majority of our revenue is now generated through programmatic advertising and affiliate commerce** — both capital efficient, high margin, scalable businesses that leverage our existing tech infrastructure and have less exposure to the market and secular headwinds that we have experienced over the last several quarters.
  - Further, selling Complex has allowed us to restructure our business around **our own sites and apps**, where we can better control monetization and build amazing experiences for our audience.

  - The sale proceeds also improved our liquidity, helping us reduce our debt and interest obligations and optimize working capital.
- As a result, our company is now organized around the business lines that have historically been the most stable, profitable, and nimble.
  - In fact, gross margin on revenues from continuing operations — across BuzzFeed, HuffPost, Tasty, First We Feast and Hot Ones — was approximately 44%, as compared to a 40% gross margin for the combined business including Complex — **a difference of 400 basis points.**

REFOCUSING OUR BUSINESS AROUND SCALABLE, HIGH-MARGIN REVENUE

To recap our financial performance for our continuing operations, excluding Complex:

- Fourth quarter revenues were $76 million, down 26% year-over-year, in line with our revised outlook provided last month. We delivered fourth quarter Adjusted EBITDA of $15 million, also in line with our prior outlook.
- Full year revenues were $253 million, also down 26% year-over-year. We generated an Adjusted EBITDA loss of $5 million, versus approximately breakeven Adjusted EBITDA in the prior year.
- For both Q4 and the full year, Adjusted EBITDA remained relatively stable year-over-year despite significant topline pressure, which reflects the cost savings initiatives we implemented throughout 2023.

However, we aren't satisfied with this performance. I think it is worthwhile to outline the current dynamics impacting our **revenue** as well as some of the strategic decisions we have made to adapt in this environment.

- **First,** digital publishers continue to be impacted by intense competition for audience time between the largest platforms. As those platforms try to retain users, they are sending less traffic to publishers, which has impacted our ability to drive advertising revenues based on audience time spent.
- **Second,** in a tough market for digital advertising, our clients have often had to forego custom brand advertising campaigns. This has resulted in lower demand for our custom branded video products and experiential events.
- **Third,** with limited budgets, partners want to go deeper on one brand, with one specific target audience. They are no longer looking for offerings from a collection of brands. In this environment, our brands ended up competing against one another for fewer opportunities.

To address these headwinds, we have made key strategic and organizational changes that I am excited to share with you today.

- **First,** in order to reduce our dependence on the major platforms for audience traffic, we are **prioritizing new content initiatives on our owned and operated websites and apps** — where we have a loyal, highly engaged audience and more control over monetization. Specifically, we are harnessing the power of AI to get more leverage on human creativity. This includes leaning into AI-assisted content formats that are more engaging for our audience, as well as AI tools and tech to make our teams and our clients more efficient.
- **Second,** we are **moving away from branded video to focus on our most scalable, tech-led, and highest margin revenue lines, specifically — programmatic advertising and affiliate commerce.** Together these businesses drove more than $130 million dollars in revenue in 2023.
  - Divesting Complex was a significant step in this direction, since branded video drove the majority of Complex revenue. This was also some of our lowest-margin revenue, positioning us for improved profitability as a result.
- **Third, we are re-organizing our sales team by brand.** To enable this, we implemented the restructuring program we shared with you last month, to reduce centralized costs and direct more dedicated resources to our individual brands — BuzzFeed, HuffPost, Tasty, First We Feast and Hot Ones. This includes operating with a much leaner direct sales team as we leverage our existing tech infrastructure to drive programmatic advertising revenue.

LEADING THE INDUSTRY WITH ICONIC BRANDS

I am confident this is the right strategy for the business because it is centered on our leadership in the marketplace. Across our network of brands, **we continue to lead the industry in terms of time spent.** In Q4, audiences once again spent more time consuming our content than that of any other digital media company in our competitive set, according to Comscore. This is driven by strong and differentiated IP across BuzzFeed, HuffPost, Tasty, First We Feast and Hot Ones — each with a trusted and established brand identity.

- For **BuzzFeed**, it is pop culture, entertainment, and curating the best of the internet. As we continue to innovate around new, AI-assisted formats and develop a more personalized experience we see a huge opportunity to reach even more young people and deepen engagement with our loyal website and app-based users. In fact, **among our app-based audience, we grew time spent per page view quarter-over-quarter throughout 2023.**
- For **HuffPost**, it is breaking news coverage and audience-centric stories for a **massive, direct-to-front page audience**. The brand is also reaching its audience in new ways — with **expanded shopping content and two new podcasts** — both of which have opened up new sources of advertising revenue.
- For **Tasty**, it is building the next generation of food creators. **With more than 300 million cross-platform followers** — **three times the size of its next closest competitor** — Tasty continues to lead the way. **In 2023, Tasty drove impressive growth in viewership of its short-form, creator-led content: up 25% year-over-year to reach 5 billion views across platforms.** Tasty has translated this momentum into new opportunities for brands to partner with us — including sponsorships of creator video series, brand integrations with creator recipe content and advertiser-sponsored experiences to connect creators and food lovers IRL.
- For **First We Feast**, it is expanding the **Hot Ones** universe, and building more IP at the intersection of food and pop culture. With **over 30 billion minutes watched to date**, Hot Ones continues to attract premium episode sponsorships from household names like Sprite, Zelle and Snickers. The franchise has continued to build on its cultural relevance and serve the insatiable demand of its fans with spinoff series like Heat Eaters and new CPG launches like Hot Ones Hot Pockets.

BUILDING THE DEFINING MEDIA COMPANY FOR THE AI ERA

Before I wrap up, I want to reiterate my excitement for the future. We have taken steps to stabilize our business, we have organized around our most profitable business lines, and we are excited to continue building on this stronger foundation by innovating to create the future of media.

Most specifically, we have a tremendous opportunity in front of us to **build the defining media company for the AI era.** We have only begun to see the power of AI in transforming the way we live, the way we work, and the way we interact. The internet will be a vastly different place in a few years. AI will emerge as an entirely new medium. Creativity will flourish. And I believe BuzzFeed, Inc is at the forefront of that change. We are already harnessing the capabilities of AI to be more creative and more efficient. And while today it is primarily a tool to adapt our **existing** business, I foresee entirely **new** businesses and revenue opportunities emerging as the technology evolves and we continue to learn from our own experimentation with AI.

I am excited to work alongside you — our employees, creators, partners and shareholders — to realize this vision. And I look forward to sharing more in my annual letter to shareholders next month.

Jonah Peretti
Founder & CEO

Audience Engagement Trends

AI-ASSISTED AND CREATOR-LED CONTENT DRIVING ROBUST VIEWERSHIP ACROSS PLATFORMS

Across platforms, our creative teams published

more than

12K

short-form videos

the highest quarterly output to date

Our short-form content once again

surpassed

1B

quarterly views

on each of Instagram, YouTube and TikTok

BuzzFeed continued to innovate with AI in Q4, taking its internet curation skills to the next level with Shoppy — an AI-powered holiday shopping bot to help consumers find the perfect gift for everyone on their list.

In 2023, **Tasty** hit 5 billion views of its short-form content across platforms, up an impressive 25% from the prior year.

First We Feast's hit celebrity interview show **Hot Ones** wrapped its 22nd season with another star-studded lineup — including Doja Cat and Mark Ruffalo — averaging more than 10 million weekly views across platforms.

HuffPost continued to reach tens of millions of people with content ranging from breaking political news and captivating personal stories to holiday shopping content and a new podcast.

Selected Client Wins

Amazon Prime | First We Feast

Amazon Prime partnered with First We Feast to drive perception shift and purchase intent during the holiday season. The partnership, which spanned both Amazon's One Prime and Prime Retail categories, was focused on tapping into the cultural relevance of the hit show, Hot Ones, and included two high profile episode sponsorships featuring the hilarious comedian Sebastian Maniscalco and the beloved actor Sterling K. Brown. A Hot Ones pre-roll asset featuring Sean Evans and Camera Guy Bill ran alongside the sponsored episodes to promote Amazon Prime holiday gifts. The campaign exceeded benchmark for click-thru-rate and demonstrated a lift in brand perception. The program was rounded out by leveraging the audience scale of BuzzFeed.com through takeovers and high impact moments throughout the holiday season.

Zelle | Tasty

Tasty and Zelle partnered to bring an immersive, food-centric experience to life in Chicago with a cozy bakery by day & groovy speakeasy at night. Tasty fans had the chance to hang with Tasty Creators, while trying their exclusively curated seasonal bites and cocktails. The event was accompanied by a content and media blitz to launch Tasty's one-of-a kind pop up and bring our audience of more than 300 million cross-platform followers along for the ride.

Paramount+ | HuffPost

Paramount+ and Showtime partnered with HuffPost over Black Friday Weekend and Cyber Week to promote their special offer for a discounted annual subscription. The campaign leveraged our access to deal-seeking entertainment and retail consumers via organic traffic drivers to HuffPost content onsite and across social, exceeding all client benchmarks.

Q4’23 Financial Highlights

Operational and financial metrics here are presented on a continuing operations basis, excluding Complex[1]

TOTAL REVENUE

Q4’23	$76M
Q4’22	$102M

NET INCOME (LOSS)

Q4’23	$4M
Q4’22	$(61)M

ADJUSTED EBITDA[2]

Q4’23	$15M
Q4’22	$17M

TIME SPENT[3]

72M
hours

CASH AND CASH EQUIVALENTS

$36M

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[2] A non-GAAP financial measure. See “Reconciliation of GAAP to Non-GAAP Financial Measures” in the Appendix for a reconciliation to the most directly comparable financial measure in accordance with accounting principles generally accepted in the United States (“GAAP”).

[3] 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, and our content on YouTube in the U.S., in each case, as reported by Comscore. For additional details please refer to the full definition of Time Spent in the Appendix.

FY’23 Financial Highlights

Operational and financial metrics here are presented on a continuing operations basis, excluding Complex[1]

TOTAL REVENUE

FY’23	$253M
FY’22	$343M

NET LOSS

FY’23	$(60)M
FY’22	$(140)M

ADJUSTED EBITDA[2]

FY’23	$(5)M
FY’22	$ -

TIME SPENT[3]

306M
hours

CASH AND CASH EQUIVALENTS

$36M

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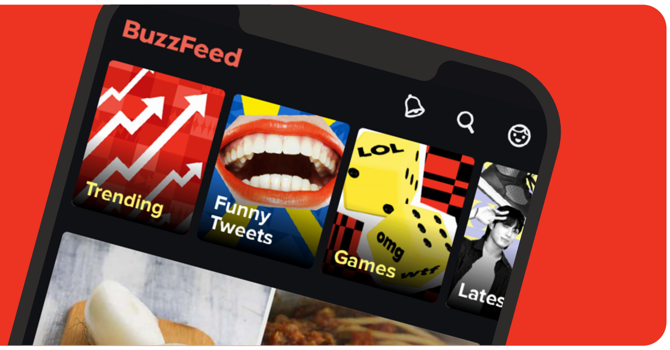
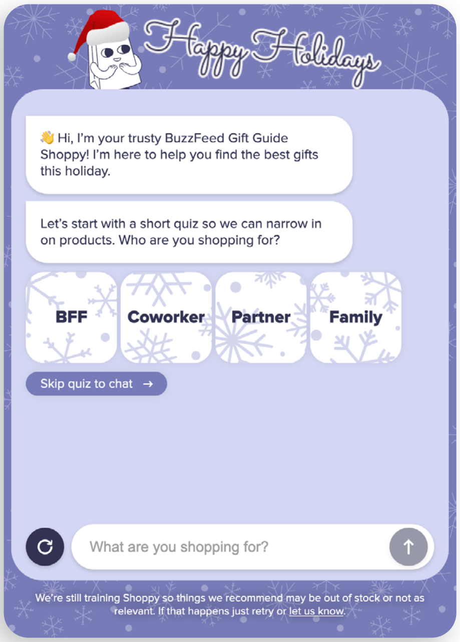
ADVANCING CREATIVITY AND ENHANCING THE AUDIENCE EXPERIENCE WITH AI-INSPIRED CONTENT

BuzzFeed curates the best of the internet for a massive young audience. By leaning into AI-assisted formats like quizzes, interactive games and chatbots, BuzzFeed has been able to **deepen engagement with its most loyal audience across its owned and operated websites and apps.**

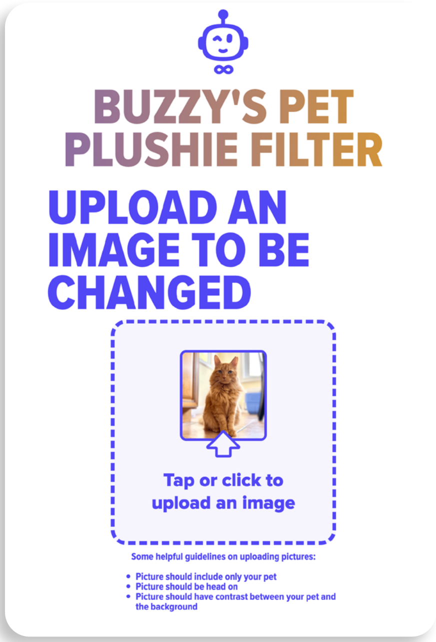
Among our app-based audience, time spent per page view grew q/q throughout 2023



In Q4, BuzzFeed launched multiple new AI products that were met with strong audience engagement.



BuzzFeed debuted Shoppy — the AI-powered shopping assistant designed to help consumers find the best gift for everyone on their list.



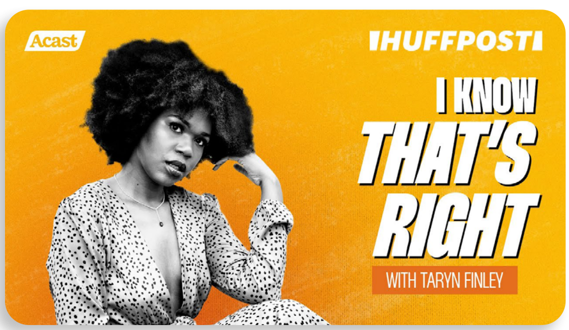
BuzzFeed delighted pet parents with a new AI-powered filter where users could turn their dog or cat into a plushie.

PRODUCING MORE PREDICTABLE SUCCESS IN LONG-FORM PREMIUM CONTENT

Holiday RomCom EXMas Streams on Freevee and Prime Video

On November 17, EXmas from BuzzFeed Studios was released on Amazon Freevee and Prime Video in time for the start of the holiday season. Starring Leighton Meester and Robbie Amell as exes who find themselves stuck together at family Christmas, the holiday film was featured on must-watch lists in the New York Times, Vanity Fair, People, The Daily Beast, and Variety. It was among the top-ten most streamed movies on the weekend of its release, according to WhipMedia.

BuzzFeed Studios and HuffPost Launch New Podcast in Partnership with Acast



In November, BuzzFeed Studios and Acast launched a new podcast, "I Know That's Right." Presented by HuffPost and hosted by HuffPost senior culture reporter Taryn Finley, the podcast provides an engaging weekly rundown of the latest in culture, entertainment and trending conversations. The first episode featured special guest Usher.

Dear David Premieres in Theaters and on Digital

On October 13, DEAR DAVID, the film adaptation of the viral 2017 story of the haunting of a BuzzFeed staffer, was released by Lionsgate in select theaters and on digital. In support of the film's release, BuzzFeed Studios launched an innovative marketing campaign to drive viewership, including targeted out-of-home placements surrounding New York Comic Con and a Dear David social media chat bot .

ATTRACTING THE NEXT GENERATION OF FOOD CREATORS ON THE INTERNET

Over the past year, Tasty has **leaned into creator-led, short-form recipe content**, supercharging the careers of some of the internet's most promising food creators via the Tasty Residency, launching new vertical video series that attracted advertiser attention and sponsorship dollars, and extending into new brand partnership opportunities.

In 2023, Tasty's short-form content across platforms generated

5 BILLION
cross-platform views in 2023

+25%
y/y

And the Tasty Residency also continued to drive impressive results for creators

On average, Tasty residents have seen up to **50%** audience growth since joining the program

Residents see **2X** lift in reach and engagement when creator content is posted to Tasty channels

TASTY | Zelle
HIDDEN CRUMB
SPEAKEASY

Zelle | Tasty

Creator-led recipe content also attracted new brand sponsors in Q4, namely Zelle, who sponsored Tasty's first ever experiential pop-up in Chicago, where fans and home cooks gathered in Chicago to meet some of the brand's most popular creators and taste their recipes IRL.

The event was accompanied by a content rollout that kept fans engaged, driving **millions of impressions and video views.**

FIRST WE FEAST'S HIT CELEBRITY INTERVIEW SHOW ON YOUTUBE AND MASSIVE IP UNIVERSE AT THE INTERSECTION OF FOOD AND POP CULTURE

Hot Ones Wrapped Season 22, Averaging More Than 10 Million Weekly Views Across Platforms

Season 22 of the hit celebrity interview show, hosted by Sean Evans, featured a fan-favorite crossover episode alongside Chicken Shop Date's Amelia Dimoldenberg. Other celebrity guests included Doja Cat, Mark Ruffalo and Tony Hawk, with sponsorships from Hot Pockets, Zelle, and Sprite.

Hot Ones Partners With Panda Express

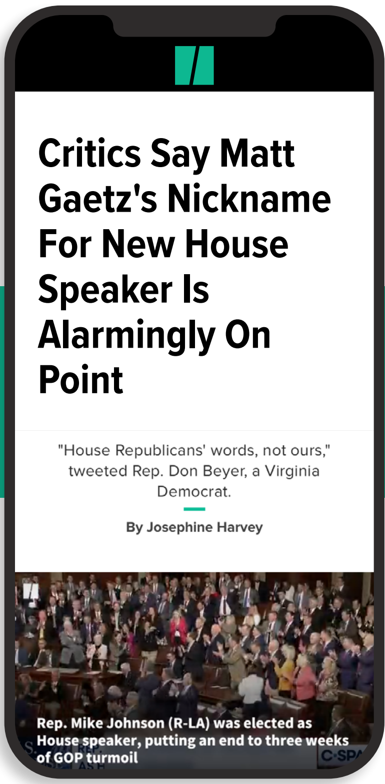
In November, Hot Ones partnered with Panda Express to launch 'Blazing Bourbon Chicken,' a limited-time menu item that combines crispy boneless chicken bites with the signature Hot Ones Last Dab Apollo hot sauce. The dish was an instant hit with fans, and is now slated for nationwide release later this year.

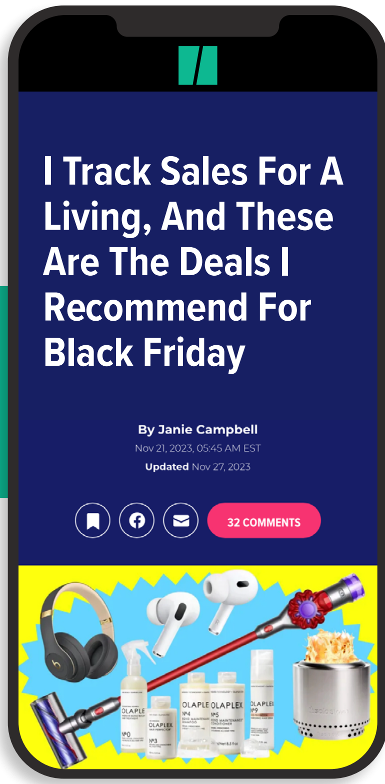
Hot Ones Hot Sauce Pepper Earns Guinness World Record™

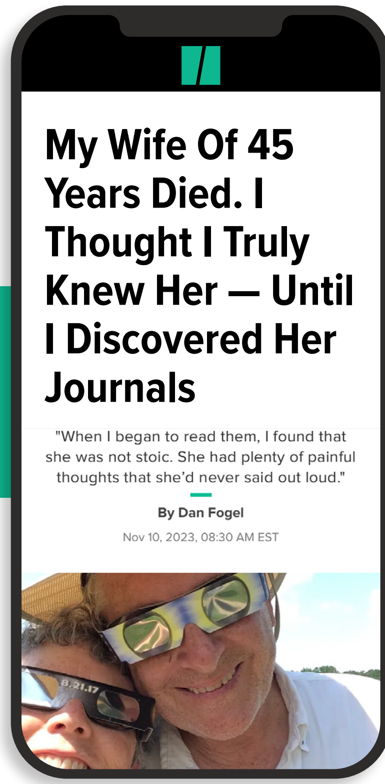
Pepper X, which is featured in Heatonist Hot Ones The Last Dab hot sauce, earned the Guinness World Record title as the hottest pepper in the world. Sean Evans led the celebration of Pepper X's groundbreaking achievement, and the special Hot Ones episode featuring Smokin' Ed Currie garnered over 5 million views on YouTube.

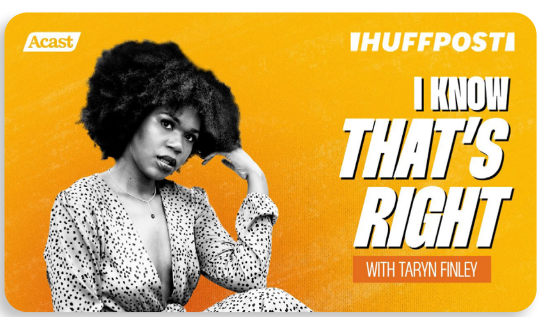
ENGAGING READERS WITH RESONANT COVERAGE OF THE WORLD'S BIGGEST CULTURAL MOMENTS

From breaking political news coverage to captivating personal stories, HuffPost continued to reach tens of millions of people across news, shopping and podcasts.









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In November, BuzzFeed Studios and Acast launched a new podcast, "I Know That's Right." Presented by HuffPost and hosted by HuffPost senior culture reporter Taryn Finley, the podcast provides an engaging weekly rundown of the latest in culture, entertainment and trending conversations. The first episode featured special guest Usher. The podcast was featured as an Editor's Pick on Apple Podcasts.

Q4’23 Financial Results

With the sale of Complex behind us and our restructuring program nearly fully executed, we believe we are a stronger, more stable, and more profitable business.

- We now have less exposure to declining, lower-margin branded video revenues.
- We have meaningfully reduced our go-forward headcount and cash cost structure.
- And, as a result of paying down a significant portion of our debt, we have also reduced our go-forward cash interest obligations.

While we still have work to do to address the traffic and revenue headwinds facing our business — and digital publishers at large — we believe we are significantly better positioned than our peers to navigate the way forward sustainably and profitably.

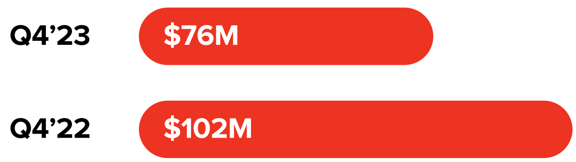
Moving on to our fourth quarter results. As a reminder, all financials and comparables presented here are on a continuing operations basis, which excludes Complex.

Overall revenues for Q4 2023 declined 26% year-over-year to $75.7 million, in line with the revised outlook we provided last month. Performance by revenue line was as follows:

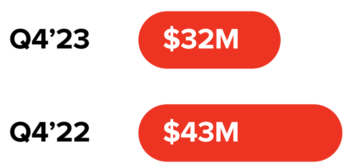
- **Advertising revenues** declined 25% year-over-year, to $31.9 million, predominantly driven by lower year-over-year **direct sold** revenues. Our direct sales channel has been more acutely impacted by the current trends in the advertising market. Bundling our brands into a single portfolio proved challenging during a time in which many of our clients face uncertainty with respect to their own budgets and spending.
    - By contrast, trends in programmatic advertising — which makes up the significant majority of our Advertising revenues — saw a more moderate decline of 11% year-over-year in Q4.
- **Content revenues** declined 34% year-over-year to $27.0 million, driven primarily by a decline in the number of branded content advertisers. Amid a tighter digital ad market, we have continued to experience lower demand for our custom branded content products, which are typically focused on top-of-funnel ad spending aimed at driving overall brand awareness.
- **Commerce and other revenues** of $16.7 million declined $1.4 million or 8% year-over-year. Nearly all of our Commerce revenues are generated from commissions earned on transactions initiated from our editorial shopping content.

Operational and financial metrics here are presented on a continuing operations basis, excluding Complex[1]

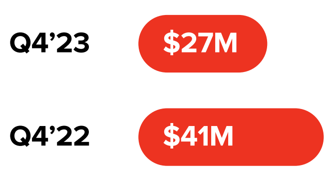
TOTAL REVENUE



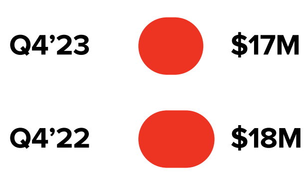
ADVERTISING REVENUE



CONTENT REVENUE



COMMERCE AND OTHER REVENUES



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Q4’23 Financial Results (continued)

We delivered fourth quarter **Adjusted EBITDA** of $15.1 million, also in line with our revised outlook. It is important to note that, per US GAAP, we have not allocated any of the shared expenses to discontinued operations. As a result, our fourth quarter and full year 2023 Adjusted EBITDA includes Complex’s portion of shared corporate expenses, which were significant.

As result of the sale of Complex, the underlying profitability of our ongoing operations has already improved meaningfully. In 2023, the gross margin on revenues from continuing operations — across BuzzFeed, HuffPost, Tasty and First We Feast — was approximately 44%, as compared to a 40% gross margin for the combined business including Complex.

We ended the fourth quarter with **cash and cash equivalents** of approximately $36 million. And, in February we closed the sale of Complex in an all-cash deal for approximately $114 million, including additional cash considerations. We used the sale proceeds to:

- redeem $30.9 million of the company’s $150 million dollar convertible note at par value, plus accrued interest of $0.6 million,
- eliminate the company’s revolving credit facility by repaying it in full for $35.5 million, which includes the amount outstanding plus accrued interest and certain fees, and
- finance the strategic restructuring program we announced last month, estimated in the range of $2.5 to $4 million dollars.

The remaining cash proceeds will be retained for working capital optimization and general corporate purposes.

As outlined here, we have already made meaningful strides in strengthening our balance sheet and improving overall liquidity. And, looking ahead, as we lean into our highest margin revenue streams, we expect to make even more progress toward becoming a cash-profitable business.

NET INCOME (LOSS)

ADJUSTED EBITDA[1]

CASH AND CASH EQUIVALENTS

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Q1'24 Outlook

For the first quarter of 2024, on a continuing operations basis[1]:

- We expect overall revenues in the range of **$42 to $44 million**, or 20 to 23% lower than the year ago quarter.
- We expect Adjusted EBITDA losses in the range of **$10 to $12 million**, an improvement of approximately $7 million dollars year-over-year at the midpoint.

Earnings Conference Call

- BuzzFeed, Inc. Founder and CEO Jonah Peretti and CFO Matt Omer will host a conference call to discuss the results on **Monday, March 25th, 2024 at 5:00 PM EST.**
- The financial results conference call will be available via webcast at **investors.buzzfeed.com** under the heading News and Events. A replay of the call will be made available at the same URL. To participate in the conference call, interested parties must register in advance.

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Appendix

Definitions

BuzzFeed reports revenues across three primary business lines: Advertising, Content and Commerce and other. The definition of “Time Spent” is also set forth below.

Advertising revenues are primarily generated from advertisers for ads distributed against our editorial and news content, including display, pre-roll and mid-roll video products sold directly to brands and also programmatically. We distribute these ad products across our owned and operated sites as well as third-party platforms, primarily YouTube and Apple News.

Content revenues are primarily generated from clients for custom assets, including both long-form and short-form content, from branded quizzes to Instagram takeovers to sponsored content and content licensing. Revenues for film and TV projects are also included here.

Commerce and other revenues consist primarily of affiliate commissions earned on transactions initiated from our editorial shopping content. Revenues from our product licensing businesses are also included here.

Time Spent captures the time audiences spend engaging with our content across our owned and operated sites, as well as YouTube and Apple News, as measured by Comscore. This metric excludes time spent with our content on platforms for which we have minimal advertising capabilities that contribute to our Advertising revenues, 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. Effective January 1, 2023, we exclude time spent on Facebook from our measure of Time Spent as our monetization strategy is increasingly focused on advertising on our owned and operated properties, and Facebook now contributes an immaterial amount of advertising revenue. Time Spent on Facebook, as reported by Facebook, was approximately 58 and 184 million hours for the years ended December 31, 2023 and 2022, respectively. Additionally, Time Spent presented above excludes time spent on Complex Networks, as Complex Networks is presented as a discontinued operation within our consolidated financial statements. Time Spent on Complex Networks, as reported by Comscore, was approximately 76 million and 126 million hours for the years ended December 31, 2023 and 2022, respectively. Time Spent on Complex Networks, as reported by Comscore, previously included Time Spent on First We Feast, as First We Feast was historically under the Complex Networks’ measurement portfolio of Comscore. However, the historical Time Spent on First We Feast cannot be reasonably bifurcated from Time Spent on Complex Networks. Accordingly, for comparability of Time Spent, we have excluded Time Spent on First We Feast from our measure of Time Spent for all periods presented above and for future reporting of Time Spent.

Non-GAAP Financial Measures

Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures and represent key metrics 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 income (loss) from continuing operations, excluding the impact of net (loss) income attributable to noncontrolling interests, income tax provision (benefit), 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, impairment expense, transaction-related costs, certain litigation costs, public company readiness costs, and other non-cash and non-recurring items that management believes are not indicative of ongoing operations. Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by revenue for the same period.

We believe Adjusted EBITDA and Adjusted EBITDA margin are relevant and useful information for investors because they allow investors to view performance in a manner similar to the method used by our management. There are limitations to the use of Adjusted EBITDA and Adjusted EBITDA margin and our Adjusted EBITDA and Adjusted EBITDA margin 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 and Adjusted EBITDA margin should not be considered a substitute for measures prepared in accordance with GAAP. Reconciliations of non-GAAP financial measures to the most directly comparable financial results as determined in accordance with GAAP are included at the end of this press release following the accompanying financial data.

Forward Looking Statements

Certain statements in this press release may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, 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 (including our outlook for Q1 2024) 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. The forward-looking statements contained in this press release 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, uncertainties (some of which are beyond our control) 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: (1) macroeconomic factors including: adverse economic conditions in the United States and globally, including the potential onset of recession; potential government shutdowns or failure to raise the U.S. federal debt ceiling; current global supply chain disruptions; 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; and the competitive labor market; (2) developments relating to our competitors and the digital media industry, including overall demand of advertising in the markets in which we operate; (3) demand for our products and services or changes in traffic or engagement with our brands and content; (4) changes in the business and competitive environment in which we and our current and prospective partners and advertisers operate; (5) our future capital requirements, including, but not limited to, our ability to obtain additional capital in the future, to settle conversions of our outstanding convertible notes, repurchase the notes upon a

Forward Looking Statements (continued)

fundamental change or repay the notes in cash at their maturity any restrictions imposed by, or commitments under, the indenture governing our unsecured notes or the facility governing any future indebtedness, and any restrictions on our ability to access our cash and cash equivalents; (6) 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; (7) the benefits of our restructuring; (8) our success divesting of companies, assets or brands we sell or in integrating and supporting the companies we acquire; (9) technological developments including artificial intelligence; (10) our success in retaining or recruiting, or changes required in, officers, other key employees or directors; (11) use of content creators and on-camera talent and relationships with third parties managing certain of our branded operations outside of the United States; (12) the security of our information technology systems or data; (13) disruption in our service, or by our failure to timely and effectively scale and adapt our existing technology and infrastructure; (14) our ability to maintain the listing of our Class A common stock and warrants on The Nasdaq Stock Market LLC ; and (15) those factors described under the sections entitled "Risk Factors" in the Company's annual and quarterly filings with the Securities and Exchange Commission.

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.

BUZZFEED, INC.
Financial Highlights
(Unaudited, dollars in thousands)

	Three Months Ended December 31,		%	Year Ended December 31,		%
	2023	2022	Change	2023	2022	Change
Advertising	$ 31,900	$ 42,643	(25)%	$ 115,620	$ 166,934	(31)%
Content	27,036	40,910	(34)%	83,642	121,541	(31)%
Commerce and other	16,727	18,098	(8)%	53,415	54,079	(1)%
Total revenue	$ 75,663	$ 101,651	(26)%	$ 252,677	$ 342,554	(26)%
Income (loss) from continuing operations	$ 7,750	$ (61,298)	113 %	$ (39,824)	$ (128,351)	69 %
Net income (loss) from continuing operations	$ 3,531	$ (60,685)	106 %	$ (60,332)	$ (140,483)	57 %
Adjusted EBITDA	$ 15,149	$ 16,758	(10)%	$ (4,743)	$ 318	NM

NM: Not Meaningful

BUZZFEED, INC.
Consolidated Balance Sheets
(Unaudited, dollars and shares in thousands, except per share amounts)

	December 31, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	$ 35,637	$ 55,774
Accounts receivable (net of allowance for doubtful accounts of $1,424, and $1,879 as at December 31, 2023 and 2022)	75,692	116,460
Prepaid expenses and other current assets	21,460	26,373
Current assets of discontinued operations	—	—
Total current assets	132,789	198,607
Property and equipment, net	11,856	17,774
Right-of-use assets	46,715	66,581
Capitalized software costs, net	22,292	19,259
Intangible assets, net	26,665	31,038
Goodwill	57,562	57,562
Prepaid expenses and other assets	9,508	14,790
Noncurrent assets of discontinued operations	104,089	124,361
Total assets	**$ 411,476**	**$ 529,972**
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 46,378	$ 29,329
Accrued expenses	15,515	26,357
Deferred revenue	1,895	8,836
Accrued compensation	12,970	31,052
Current lease liabilities	21,659	23,398
Current debt	124,977	—
Other current liabilities	4,401	3,900
Current liabilities of discontinued operations	—	—
Total current liabilities	227,795	122,872
Noncurrent lease liabilities	37,820	59,315
Debt	33,837	152,253
Derivative liability	—	180
Warrant liabilities	406	395
Other liabilities	435	403
Noncurrent liabilities of discontinued operations	—	—
Total liabilities	**300,293**	**335,418**
Commitments and contingencies		
Stockholders' equity		
Class A Common stock, $0.0001 par value; 700,000 shares authorized; 140,138 and 126,387 shares issued and outstanding at December 31, 2023 and 2022, respectively	14	13
Class B Common stock, $0.0001 par value; 20,000 shares authorized; 5,474 and 6,678 shares issued and outstanding at December 31, 2023 and 2022, respectively	1	1
Class C Common stock, $0.0001 par value; 10,000 shares authorized; 0 and 6,478 shares issued and outstanding at December 31, 2023 and 2022, respectively	—	1
Additional paid-in capital	723,081	716,233
Accumulated deficit	(611,768)	(523,063)
Accumulated other comprehensive loss	(2,500)	(1,968)
Total BuzzFeed, Inc. stockholders' equity	108,828	191,217
Noncontrolling interests	2,355	3,337
Total stockholders' equity	111,183	194,554
Total liabilities and stockholders' equity	**$ 411,476**	**$ 529,972**

BUZZFEED, INC.
Consolidated Statements of Operations
(Unaudited, dollars and shares in thousands, except per share amounts)

	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2023	2022	2023	2022
Revenue	$ 75,663	$ 101,651	$ 252,677	$ 342,554
Costs and Expenses				
Cost of revenue, excluding depreciation and amortization	34,295	49,404	142,366	194,348
Sales and marketing	8,700	13,141	38,989	47,293
General and administrative	17,109	23,840	78,026	111,437
Research and development	2,264	6,181	11,179	27,100
Depreciation and amortization	5,545	6,079	21,941	24,263
Impairment expense	—	64,304	—	66,464
Total costs and expenses	67,913	162,949	292,501	470,905
Income (loss) from continuing operations	7,750	(61,298)	(39,824)	(128,351)
Other income (expense), net	1,372	2,254	(2,990)	(3,076)
Interest expense, net	(4,267)	(4,558)	(16,085)	(15,591)
Change in fair value of warrant liabilities	83	1,579	(11)	4,543
Change in fair value of derivative liability	30	1,170	180	4,695
Income (loss) from continuing operations before income taxes	4,968	(60,853)	(58,730)	(137,780)
Income tax provision (benefit)	1,437	(168)	1,602	2,703
Net income (loss) from continuing operations	3,531	(60,685)	(60,332)	(140,483)
Net loss from discontinued operations, net of tax	(14,824)	(45,501)	(28,990)	(60,843)
Net loss	(11,293)	(106,186)	(89,322)	(201,326)
Less: net income attributable to the redeemable noncontrolling interest	—	—	—	164
Less: net loss attributable to the noncontrolling interests	(273)	(744)	(743)	(533)
Net loss attributable to BuzzFeed, Inc.	$ (11,020)	$ (105,442)	$ (88,579)	$ (200,957)
Net income (loss) from continuing operations attributable to holders of Class A, Class B and Class C common stock:				
Basic	$ 3,804	$ (59,941)	$ (59,589)	$ (140,114)
Diluted	$ 3,804	$ (59,941)	$ (59,589)	$ (140,114)
Net income (loss) from continuing operations per Class A, Class B and Class C common share:				
Basic	$ 0.03	$ (0.43)	$ (0.42)	$ (1.01)
Diluted	$ 0.03	$ (0.43)	$ (0.42)	$ (1.01)
Weighted average common shares outstanding:				
Basic	145,428	139,685	143,062	138,148
Diluted	145,813	139,685	143,062	138,148

BUZZFEED, INC.
Consolidated Statements of Cash Flows
(Unaudited, USD in thousands)

	For the Year Ended December 31,		
	2023	2022	2021
Operating activities:			
Net (loss) income	$ (89,322)	$ (201,326)	$ 25,876
Less: net loss (income) from discontinued operations, net of tax	28,990	60,843	(22,006)
Net (loss) income from continuing operations	(60,332)	(140,483)	3,870
Adjustments to reconcile net (loss) income from continuing operations to net cash (used in) provided by operating activities:			
Depreciation and amortization	21,941	24,263	22,093
Unrealized (gain) loss on foreign currency	(1,088)	5,389	1,824
Stock based compensation	5,579	19,169	23,565
Change in fair value of warrants	11	(4,543)	(4,740)
Change in fair value of derivative liability	(180)	(4,695)	(26,745)
Issuance costs allocated to derivative liability	—	—	1,424
Amortization of debt discount and deferred issuance costs	4,945	4,268	259
Deferred income tax	3,236	(1,594)	(28,087)
Loss on disposition of subsidiaries	—	—	1,234
(Gain) loss on disposition of assets	(175)	(500)	220
Loss (gain) on investment	3,500	(1,260)	—
Provision for doubtful accounts	(581)	785	(161)
Impairment expense	—	66,464	—
Noncash lease expense	20,017	19,870	—
Changes in operating assets and liabilities:			
Accounts receivable	40,737	23,941	(12,951)
Prepaid expenses and other current assets and prepaid expenses and other assets	4,795	2,540	2,361
Accounts payable	19,258	11,582	3,546
Deferred rent	—	—	(4,456)
Accrued compensation	(18,088)	(5,663)	2,307
Accrued expenses, other current liabilities and other liabilities	(12,619)	(2,841)	(1,847)
Lease liabilities	(23,421)	(23,249)	—
Deferred revenue	(6,946)	7,154	(5,759)
Cash provided by (used in) operating activities from continuing operations	589	597	(22,043)
Net cash (used in) provided by operating activities from discontinued operations	(6,692)	(8,454)	22,840
Net cash flow (used in) provided by operating activities	(6,103)	(7,857)	797
Investing activities:			
Business acquisitions, net of cash acquired	—	—	(189,885)
Capital expenditures	(964)	(5,424)	(4,983)
Capitalization of internal-use software	(13,934)	(12,361)	(11,039)
Proceeds from sale of asset	175	500	—
Cash of disposed subsidiaries, less proceeds on disposition	—	—	(2,121)
Cash used in investing activities from continuing operations	(14,723)	(17,285)	(208,028)
Cash (used in) provided by investing activities from discontinued operations	—	—	—
Cash used in investing activities	(14,723)	(17,285)	(208,028)

	For the Year Ended December 31,		
	2023	2022	2021
Financing activities:			
Proceeds from reverse recapitalization, net of costs	—	—	(11,652)
Proceeds from issuance of common stock	—	—	35,000
Payment for shares withheld for employee taxes	(451)	(1,698)	—
Deferred reverse recapitalization costs	—	(585)	—
Proceeds from issuance of convertible notes, net of issuance costs	—	—	143,806
Proceeds from exercise of stock options	29	459	6,975
Proceeds from the issuance of common stock in connection with at-the-market offering, net of issuance costs	902	—	—
Borrowings on Revolving Credit Facility	2,128	5,000	9,000
Payments on Revolving Credit Facility	(1,796)	—	(1,306)
Cash provided by financing activities	812	3,176	181,823
Effect of currency translation on cash and cash equivalents	(123)	(1,993)	(985)
Net decrease in cash and cash equivalents	(20,137)	(23,959)	(26,393)
Cash, cash and cash equivalents and restricted cash at beginning of year	55,774	79,733	106,126
Cash, cash and cash equivalents and restricted cash at end of year	$ 35,637	$ 55,774	$ 79,733

BUZZFEED, INC.
Reconciliation of GAAP to Non-GAAP
(Unaudited, USD in thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net income (loss) from continuing operations	$ 3,531	$ (60,685)	$ (60,332)	$ (140,483)
Income tax provision (benefit)	1,437	(168)	1,602	2,703
Interest expense, net	4,267	4,558	16,085	15,591
Other (income) expense, net	(1,372)	(2,254)	2,990	3,076
Depreciation and amortization	5,545	6,079	21,941	24,263
Stock-based compensation	1,054	2,301	5,579	19,169
Change in fair value of warrant liabilities	(83)	(1,579)	11	(4,543)
Change in fair value of derivative liability	(30)	(1,170)	(180)	(4,695)
Restructuring[1]	—	5,372	6,761	10,199
Impairment expense[2]	—	64,304	—	66,464
Transaction-related costs[3]	800	—	800	5,132
Litigation costs[4]	—	—	—	1,920
Public company readiness costs[5]	—	—	—	1,522
Adjusted EBITDA	$ 15,149	$ 16,758	$ (4,743)	$ 318
Adjusted EBITDA margin[6]	20.0 %	16.5 %	(1.9)%	0.1 %
Net income (loss) as a percentage of revenue	4.7 %	(59.7)%	(23.9)%	(41.0)%

(1) 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 comparison to our past operating performance.

(2) Reflects aggregate non-cash impairment expenses recorded during the year ended December 31, 2022 associated with goodwill impairment of $64.3 million and $2.2 million related to certain long-lived assets of our former corporate headquarters, which was fully subleased during the third quarter of 2022.

(3) Reflects transaction-related costs and other items which are either not representative of our underlying operations or are incremental costs that result from an actual or contemplated transaction and include professional fees, integration expenses, and certain costs related to integrating and converging IT systems.

(4) Reflects costs related to litigation that are outside the ordinary course of our business. We believe it is useful to exclude such charges because we do not consider such amounts to be part of the ongoing operations of our business and because of the singular nature of the claims underlying the matter.

(5) Reflects one-time initial set-up costs associated with the establishment of our public company structure and processes.

(6) Net income (loss) as a percentage of revenue is included as the most comparable GAAP measure to Adjusted EBITDA margin, which is a Non-GAAP measure.

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