# Investor Letter
# Q3 2022

# BuzzFeed Inc.

BuzzFeed ENTERTAINMENT

TASTY LIFESTYLE BRANDS

COMPLEX NETWORKS

BuzzFeed News HUFFPOST

# A Message from Jonah

**Jonah Peretti**
Founder and CEO

The media industry has never been more interesting and dynamic. Since BuzzFeed's inception more than 15 years ago, our team has consistently led the industry forward through innovation. We have been a **pioneer in digital media** with a long track record of successfully navigating the ever-changing online habits of our audience and enabling content-makers and creators with a growing set of powerful development tools.

And we are undoubtedly experiencing one of the most seismic shifts in the industry's history. The rise of short-form, creator-centric vertical video has changed the way people get their entertainment, the way culture develops, and how information and ideas spread. The ubiquity of vertical video is also rapidly changing the economics of how content is produced and distributed. **BuzzFeed is structured to identify such shifts early and move with agility** to successfully adapt to changes in audience behavior.

Our success is fueled by our long-standing relationships with creators and best-in-class creator tools and infrastructure. **We have been a creator-led publisher from the start.** Some of the biggest careers in media and culture have started at BuzzFeed and Complex. Through focused investments across our network of brands, we are further cementing our leadership position as **a discovery engine for the next generation of internet creators.**

This expertise coupled with our portfolio of iconic brands means we can effectively address the most pressing challenges advertisers are facing in the marketplace today — **navigating the world of creators, adapting to new formats and platforms, and accessing reliable audience data.**

- **Navigating the World of Creators —** Advertisers can tap into our **trusted network** of talent to execute highly effective influencer-led marketing campaigns. Meanwhile, creators in our network can leverage a comprehensive set of technology, production resources, and tools — including AI-assisted content creation — to power their entire content creation and monetization engine. By operating at the intersection of creators and advertisers, we are able to provide an end-to-end solution that helps drive financial returns for all stakeholders.

- **Adapting to New Formats and Platforms —** We publish thousands of pieces of content each quarter across our owned and operated sites and apps and all the major platforms, including YouTube, Facebook, Instagram, and TikTok. This **platform-agnostic** distribution model allows us to serve as a one stop shop for advertisers looking to reach audiences wherever they choose to spend their time. Our shopping content is a great example of this. Some of our top performing shopping posts in the quarter were created based on audience signal from TikTok. Our team adapted trending products on TikTok into shoppable posts on our owned and operated platform.

- **Accessing Reliable Audience Data —** From foodies to sneakerheads to young parents, our brands represent Millennial and Gen Z audiences across a wide range of interests. According to Comscore, Millennial and Gen Z audiences spent 151 million hours consuming BuzzFeed content this quarter — vastly more than that of any other pure play digital media company. As a result, our brand portfolio powers highly reliable **first party data** around consumer preferences that helps advertisers achieve influence at scale. And they can do so with the assurance that their campaigns will be executed in a **brand-safe** environment. This is the reason our largest clients across categories renew spending with us year after year.

Our role extends beyond simply executing our clients' campaigns effectively. We are a critical strategic partner, helping them to deploy limited budgets and drive efficient returns. Our consultative sales approach and diversified product offering mean we can provide a **one stop shop for our advertising partners** as priorities and budgets shift, helping them to spend smarter and mitigate risk.

Looking ahead, I am optimistic about the future. The team and I are focused on developing and executing against a long-range plan to ensure we can continue to attract the next generation of internet creators and inspire our diverse young audiences with truth, joy and creativity. As we navigate the dual dynamics of the rapid rise of short-form vertical video and a weakening macroeconomic environment, this also means we are focused on preserving cash and leveraging our strong audience signal to direct resources toward the opportunities with the highest potential for monetization.

I want to acknowledge our talented network of creators, journalists, producers, and all our employees, who are continually striving to uplift the voices of the most diverse, most online and most socially engaged generations the world has ever seen. We appreciate the support of our shareholders as we continue to execute on our vision to make the internet — and the world — a better place.

**Jonah Peretti** | Founder and CEO

# Q3 '22 Financial Results

**TOTAL REVENUE**

Q3 '22 $104M

Q3 '21 $90M

+15% Year over Year

**TIME SPENT**

151M hours

**NET LOSS**

Q3 '22 $(27)M

Q3 '21 $(4)M

**CASH AND CASH EQUIVALENTS**

$59M

**ADJUSTED EBITDA[1]**

Q3 '22 $(2)M

Q3 '21 $6M

[1] 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").

# Audience Engagement Trends

**RAPIDLY SCALING VERTICAL VIDEO ACROSS PLATFORMS**

**OUR CREATIVE TEAM PUBLISHED**

more than
5K
videos

**ACROSS REELS, SHORTS & TIKTOKS DOUBLING Y/Y**

**QUARTERLY VIEWS ON YOUTUBE SHORTS**

surpassed
1B
views

**FOR THE FIRST TIME**

**VIEWS OF OUR REELS, SHORTS AND TIKTOKS**

grew more than
60%
compared to Q2 '22

**REACHING THEIR HIGHEST QUARTERLY LEVEL EVER**

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- **BuzzFeed's** animation channel Chikn Nuggit debuted on YouTube Shorts in June and quickly became our fastest-growing shorts-only account ever, in terms of subscribers.
- **Tasty** content on Instagram Reels generated more than 1 billion views in the third quarter, with multiple Reels generating more than 10 million views each.
- **Complex** continued to gain momentum, with engagement in its original short-form series programming growing exponentially on Facebook versus the second quarter.
- **BuzzFeed News** began adapting its celebrity, news and culture coverage into voicey, short-form vertical videos distributed across the brand's owned and operated website and the BuzzFeed Facebook network.
- **HuffPost** short-form vertical video content continued to gain momentum across platforms, with the average number of views per video in Q3 growing by a double-digit percentage versus Q2.

# Selected Client Wins

**DELIVERING MASSIVE AUDIENCE REACH FOR OUR CLIENTS AND PARTNERS**

In the third quarter, our sales team **executed campaigns on behalf of hundreds of clients spanning more than a dozen verticals,** including fashion, toys, beauty, and more. From premium series sponsorships to vertical video campaigns to branded content, our **diversified portfolio of advertising products** continues to attract new and returning clients alike. Below are just a few examples of how we are delivering for our clients and partners.

hundreds of clients

more than a dozen verticals

diversified product portfolio

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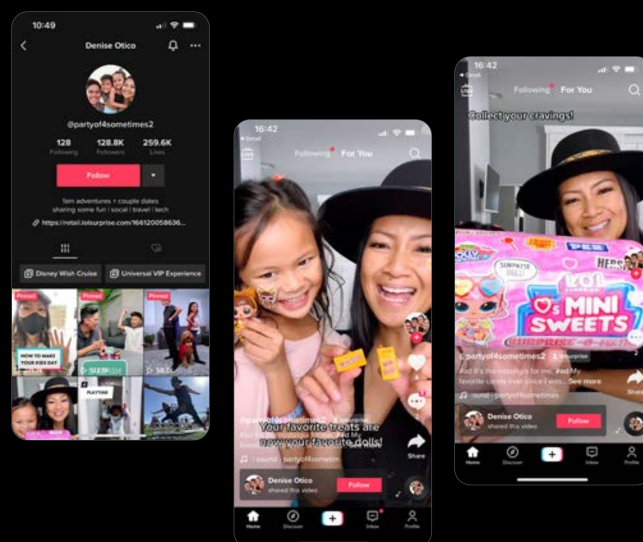
## Timberland

**Timberland renewed its sponsorship for Season 2 of the Complex original series, Hiking with Rappers.** To amplify Timberland's "Built for the Bold" initiative, Complex integrated their bold messaging, product, and verbal callouts into multiple episodes in order to drive curiosity to our adventurous audience and ensure top-of-mind awareness at scale. Season 2 premiered on YouTube in September, **surpassing total views of Season 1 within the first month.** Building on this success, Timberland has continued to leverage **Complex's authority in visual storytelling** to include an additional branded content series aimed at highlighting urban and trail exploration.




## MGA Entertainment

One of the world's largest privately held toy and entertainment companies, MGA Entertainment, enlisted BuzzFeed to generate excitement and sales momentum among Moms for their newest product – L.O.L. Surprise! Loves Mini Sweets. MGA came to BuzzFeed to tap into relevant media brands such as Tasty in order to reach Moms at scale. And, by leveraging our cross-platform distribution network, **MGA met Moms in their TikTok feeds across multiple of our TikTok channels and on our owned and operated BuzzFeed, Tasty and Shopping sites.** As a result, we were able to further amplify audience reach and delight our client.

COMPLEX

BEAUTY BEYOND THE SURFACE

PRESENTED BY SEPHORA


# Sephora x Complex: Beauty Beyond the Surface

- Complex and Sephora have recently partnered to create the first-ever beauty platform launched on Complex.com. *Beauty Beyond the Surface* is a space for BIPOC women where their beauty and style questions can be answered, their needs carefully tended to and their culture authentically appreciated. With content ranging from skincare through generations, to the complexities of complexion products, to the power of a red lip, this space is where women of color will be seen, heard and have their stories told.

- The campaign has garnered over 48M impressions and counting, encompassing both editorial and branded content across Complex's owned and operated properties and multiple social platforms, and delivered resoundingly on Sephora's objective to reach Black and Latinx communities and showcase that Sephora has products for them.

## Why Sephora Approached Complex

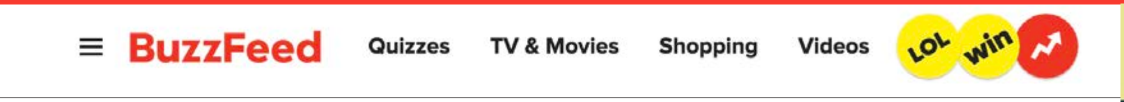
*"It started with thinking about Complex's audience. Obviously we have a commitment to our diverse brands and our diverse audience and Complex is an incredible voice working to uplift communities of color and we felt like there was great synergy there. We also thought of Complex as an incredible destination for style, and there is such an opportunity and synergy between style and beauty that we felt hadn't been tapped into yet, so we got really excited about that opportunity and thankfully when we approached them they got excited about it, too."*

**— Abigail Jacobs**
**SVP Brand and Integrated Marketing at Sephora**

# Our Brands

**LEVERAGING AUDIENCE INSIGHTS TO SCALE ORIGINAL AND CREATOR-LED IP ACROSS PLATFORMS**

BuzzFeed ENTERTAINMENT




The BuzzFeed brand is home to a rich library of original IP, ranging from identity brands like Cocoa Butter to shorts-only animation channels like Chikn Nuggit on TikTok and YouTube. Across all of this content, BuzzFeed has continually strived to **curate the best of the internet for our audiences.**

In Q3, the team continued to see success in **adapting original content to new formats and platforms, developing new IP, and innovating around emerging technologies.**

## Scaling Vertical Video with Character-Driven IP

Originally launched on TikTok as our **first vertical-led and shorts-only IP,** Chikn Nuggit is a great example of our expertise in quickly creating original IP that resonates with our audience and successfully adapting that IP across platforms. In the third quarter, Chikn Nuggit became our **fastest-growing YouTube Shorts channel** in terms of subscribers, after debuting on the platform in June.

## Extending Our Identity Brands to New Formats & Platforms

Originally launched in 2015, Cocoa Butter is a cross-platform destination for Black culture and identity. The brand has continued to build an audience across platforms. One of our most viewed videos on YouTube Shorts in the third quarter was Cocoa Butter's Dishwasher Lasagna. Most recently, BuzzFeed launched the brand on TikTok and, in the third quarter, Cocoa Butter was the **fastest growing TikTok account** in the BuzzFeed family.

## Driving Retention with Original, Audience-Led Programming

Born out of strong audience signal across platforms around the K-pop music genre, BuzzFeed launched a new, original series on YouTube, A K-Pop Group Styled Me For A Week. The premiere featured the South Korean girl group, aespa, and saw some of the **highest viewer retention** that the BuzzFeed Celeb YouTube channel has historically seen.

## Powering Sharable Content with AI

As audience behavior around sharing has evolved, we have adapted our quiz technology to mirror that evolution. One of the **top performing quizzes** in the quarter helped readers find their soulmate. With the help of AI, the quiz generates a unique image of their AI soulmate that cannot be found anywhere else on the internet. This elicited a significantly higher level of peer-to-peer sharing relative to traditional quizzes.


**Our First Vertical-led and Shorts-only IP**


**Our Fastest Growing TikTok Account in Q3**


**Strong Viewer Retention**

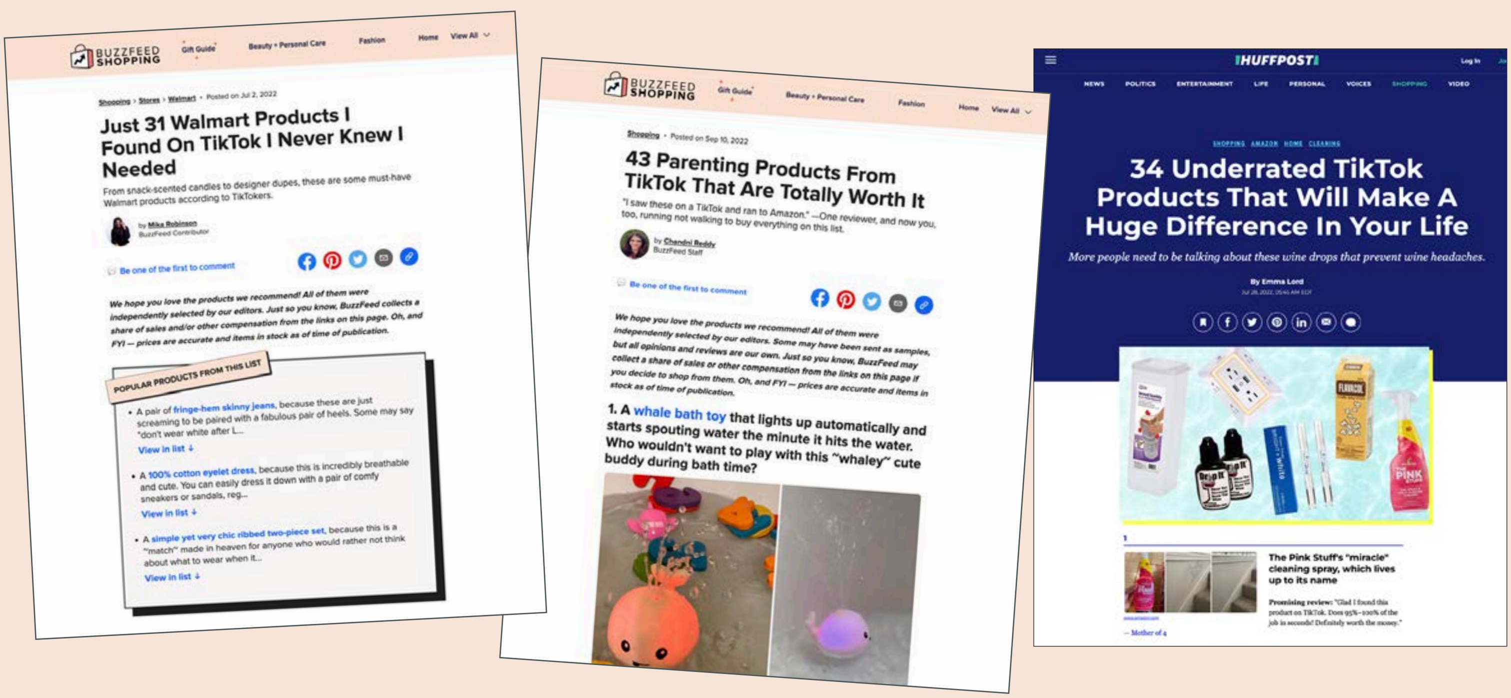
**AI-Powered Quizzes**

# Our Brands

**DEVELOPING TRUSTED SHOPPING CONTENT INFORMED BY STRONG AUDIENCE SIGNAL**


For years, young people have continued to come to BuzzFeed for culturally relevant content that inspires them to discover new things. We extended this relationship to our Commerce business to create **trusted shopping content** that inspires our audiences to discover new products.

Unlike many publishers and platforms that rely predominantly on search to drive commerce revenues, **we take a social-first approach with a focus on developing shopping content led by our editorial team and informed by our strong audience signal.** In doing so, we help customers move down the path from discovery to inspiration to real world transactions with a single click.




We continue to hear from retailers that are experiencing an impact on site traffic driven by audience shifts to emerging platforms like TikTok. **We are able to provide brands an incremental channel for recapturing high-quality and actionable traffic as an extension of their owned and operated customer acquisition channels.** Our audience-led approach to content creation proved especially effective in Q3. During the quarter, **our TikTok-curated content series was a consistent top performer** for retail partners.

# Our Brands

**PRODUCING MORE PREDICTABLE SUCCESS IN LONG-FORM CONTENT DEVELOPMENT**

As competition among the major streaming platforms has intensified over the last several months, new challenges have emerged for our studio and streaming partners. BuzzFeed Studios is well-positioned to address these challenges by cost-effectively delivering on premium programming that young people want. **Our approach is informed by our proprietary first party data, and accompanied by innovative marketing and intellectual property extension campaigns.** We are leveraging our rich insights around audience preferences and our vast library of intellectual property to identify and develop film and TV concepts that resonate with Gen Z and Millennial viewers. And we are taking a lean approach to our premium content business through smart partnerships with some of the largest studios and streaming platforms in the industry while leveraging our broader creative leadership position and brand portfolio as a marketing platform.


**Our data-driven approach to creativity can produce more predictable success in long-form content development.** Our first feature film, Book of Love, which debuted earlier this year on Amazon Prime Video, was recently recognized with an Imagen Award for Best Primetime Movie, honoring Latinos in film and television. In the first week after its release, the film became a top performer on Amazon Prime Video, ranking in the top five most streamed titles in the US.

Q3 also saw the release of **1UP** on Amazon Prime Video. The film follows the journey of an all-girls esports team competing for the national championship. Our team was able to **leverage our cross-platform distribution network to promote the film**, driving 175M impressions and strong conversion in terms of clicks through to Amazon's platform.


**Fall** also debuted in theaters and quickly entered the zeitgeist courtesy of Stephen King via Twitter and many others. To promote the film, we took an innovative, creator-led approach, tapping into themes like fear and friendship to create original promotional assets. Our social-first campaign focused on turning Fall into a must-see event, driving tremendous audience engagement and contributing to strong box office performance. The film's trailer was **one of the top performing trailer assets ever on a BuzzFeed platform,** and the film ranked in the top 10 on opening weekend.

# Our Brands

**INSPIRING THE LARGEST, MOST ENGAGED FOOD COMMUNITY ON THE INTERNET**

TASTY LIFESTYLE BRANDS

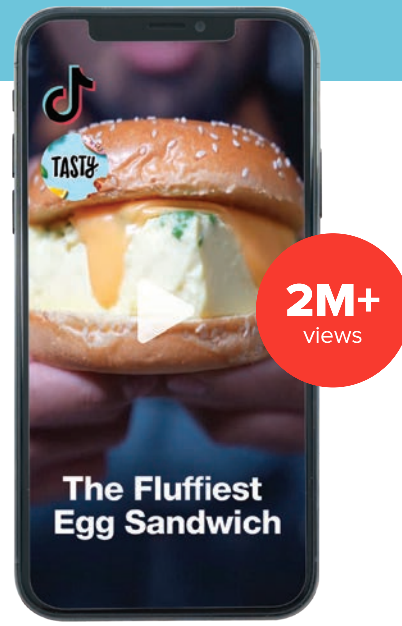
Tasty continued to make great strides in Q3, helping millions of home cooks discover recipe ideas, connect with a community and find inspiration to play with their food. **Engagement across the Tasty website, mobile app and social channels surpassed competitors once again in Q3.**

Tasty **expanded its creator roster** in Q3, introducing a new generation of home cooks to the Tasty audience on all platforms.

- Emerging creators like **Gideon General built momentum on TikTok** with hits like the The Fluffiest Egg Sandwich which generated more than 2 million views.
- Beloved Tasty creators like **Jasmine Pak dominated Instagram** with a Sushi Bake Recipe that generated over 9 million views.
- Tasty also welcomed TikTok creator **Tway Nguyen as the new host of Tasty's Making it Big show on YouTube.**

Creator-led vertical video formats drove engagement and views across all platforms, building on incredible audience momentum from the first half of the year.

- Tasty generated **more than 1 billion views on Instagram Reels** in Q3, up more than 50% versus the second quarter, including multiple individual Reels that earned over 10 million views each.
- On **TikTok,** Tasty grew its audience and published its second-highest performing TikTok ever, Spicy Honey Garlic Chicken — **with over 5 million views** — created by one of our Tasty Residents.
- On **YouTube Shorts,** our Cinnamon Roll Hack video reached **1.5 million views** to become the brand's most successful video to date.

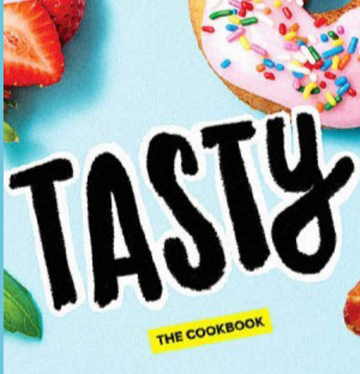




more than **1B** views

surpassed **20M** subscribers

# Meet Our Tasty Residents




The Tasty Residency program onboards emerging talent for a 6-month program designed to hone their perspective, grow their audience and connect them with brands. In Q3, Tasty onboarded a new generation of food creators. The residents dominated short-form video across platforms, generating some of the top performing Tasty content of the quarter.

## Gideon General

@gidsgids

VIRAL HITS MASTER
CONTENT EXPERIMENTATION
TIKTOK PLATFORM EXPERT

## Jeri Mobley

@whisperofyum

FOOD BLOGGER
RECIPE DEVELOPER
HIGH END PHOTOGRAPHER

## Toni Chapman

@themoodyfoody

VIRAL HITS MASTER
CONTENT EXPERIMENTATION
TIKTOK PLATFORM EXPERT



# Our Brands

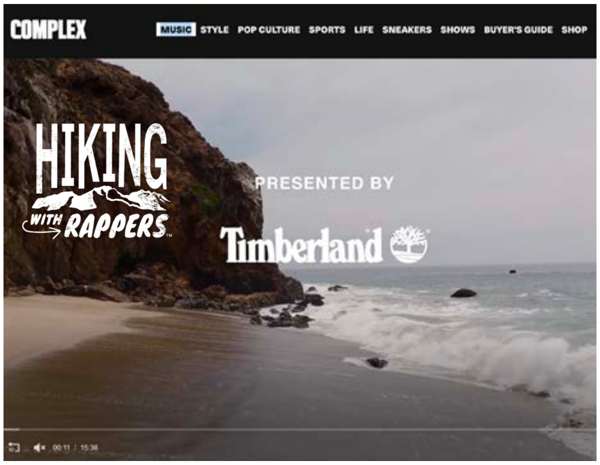
**ATTRACTING PREMIUM BRAND SPONSORSHIPS WITH AUTHORITATIVE, CULTURE-DEFINING PROGRAMMING**

COMPLEX NETWORKS

Q3 saw the return of premium Complex programming on YouTube, including Season 16 of Sneaker Shopping. Over the span of five months, episodes with global superstar athletes like David Beckham and Erling Haaland, as well as pop culture and Hollywood icons like Kevin Hart, Bill Nye and Mark Wahlberg, were all trending on YouTube, averaging **more than 3 million views an episode.**

Kevin Hart, JLP and Mark Wahlberg


King Keraun




Hiking with Rappers Season 2, hosted by comedian King Keraun, also returned in September, **surpassing total views from Season 1 within the first month. Timberland,** maker of the ubiquitous hiking boot, **renewed its exclusive sponsorship** of the show, dipping host Keraun and his guests — including Offset, Jadakiss, 2 Chainz and more — in a mix of the brand's iconic pieces and new gear.

And later this month, Complex will welcome tens of thousands of fans to the Long Beach Convention Center for the **seventh installment of the brand's flagship event,** ComplexCon. ComplexCon is an expertly-curated festival of the future, bringing together the world's most influential brands and artists for an immersive and unforgettable two days of style, sneakers, art, food, music, inspiration, and more. This year's event will mark our **largest live shopping experience ever** at ComplexCon, featuring hundreds of brands spanning more than a dozen categories — including fashion, retail, tech, CPG, beauty, and home goods.

# Our Brands

COMPLEX NETWORKS

The hit celebrity interview show, **Hot Ones** — in which guests eat increasingly spicy hot wings while being interviewed by host **Sean Evans** — wrapped up **Season 18** in August. Guests included Millie Bobby Brown, Bear Grylls, Lizzo, Neil Patrick Harris, and many more.





The Hot Ones franchise also launched innovative collaborations with two leading food brands.


## Shake Shack x Hot Ones

Shake Shack and Hot Ones partnered to create an entirely new culinary experience, bringing together the beloved Hot Ones sauces and the iconic Shack Sauce. **The new menu launched at over 200 locations nationwide** and features spicy takes on Shake Shack classics. Through this collaboration, Shake Shack was able to leverage the pop culture credibility of the Hot Ones brand to reach new customers. In turn, through partnerships such as these, Hot Ones continues to be elevated in consumer conversation and on the shelves as a best-in-class CPG brand.

## Pringles Scorchin' Hot Ones

Kellogg's Pringles collaborated with Hot Ones to create three spicy versions for their Scorchin' line of chips this summer. Pringles wanted to reach fans and #SpiceLords of Hot Ones, specifically through a co-branded product that packed some real heat inspired by Hot Ones hot sauces. The limited edition flavors were highlighted in a special Hot Ones Reunion episode featuring Sean Evans and Gabriel Iglesias, a metaverse monument within ComplexLand, and a special edition Pringles x Last Dab chip that fans could win during ComplexLand. The collaboration generated significant hype and interest, with **Kellogg's selling out to retailers ahead of the summer launch.** The Hot Ones Pringles chip canisters can now be found on eBay, reselling for more than five times the original price.

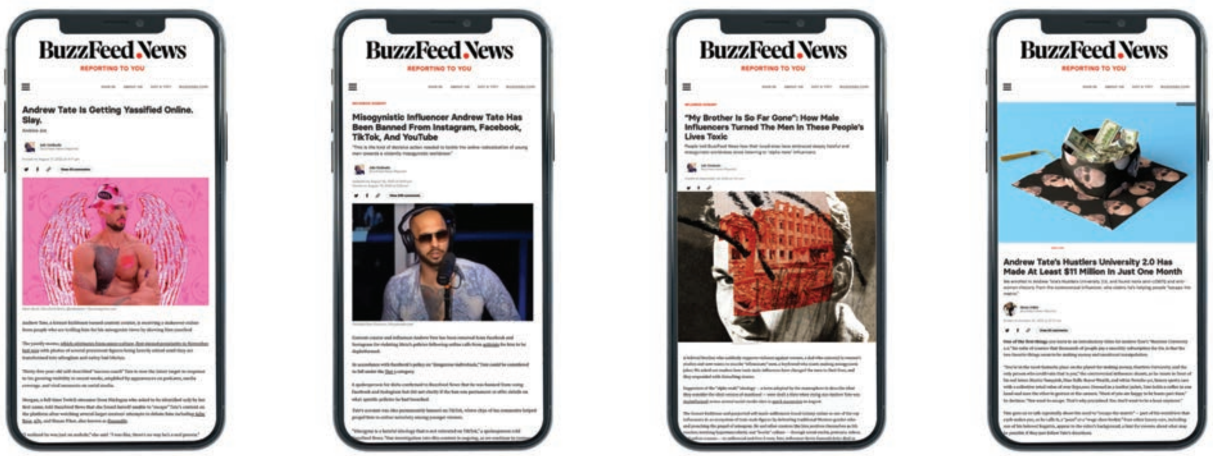
# Our Brands

**DRIVING CONVERSATION ON THE INTERNET**

**BuzzFeed News**

As a leading, trusted digital news source for Gen Z and Millennials, we drive the most crucial and entertaining conversations about how internet life is real life.

In Q3, BuzzFeed News' Internet Culture desk swarmed the controversy surrounding influencer Andrew Tate with thought-provoking coverage about his cultural impact. Their work garnered **nearly a million views** and was picked up by multiple publications, including Forbes and Slate's ICYMI podcast. Their reporting even led to a direct confrontation between Piers Morgan and Andrew Tate during a TV interview.

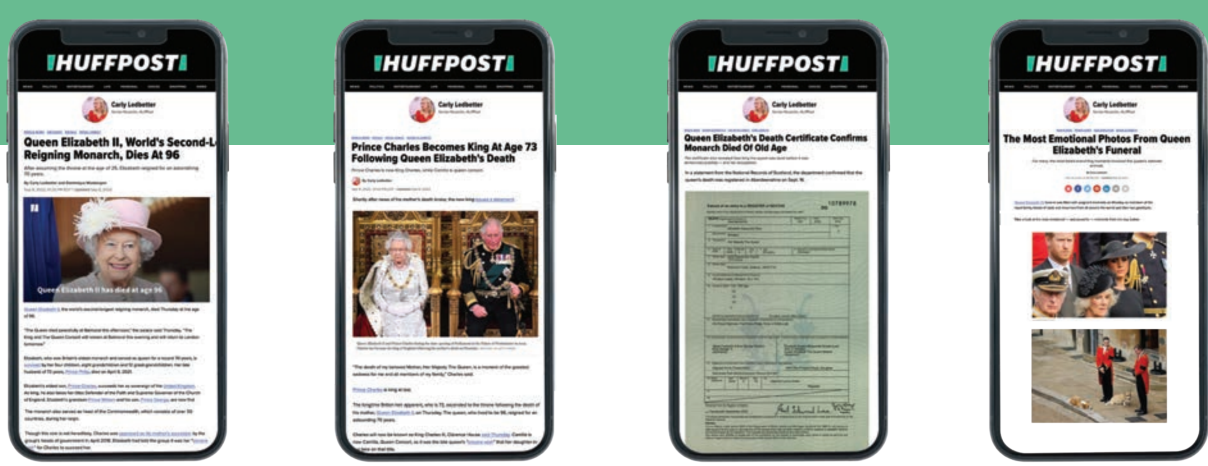



# Our Brands

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

**HUFFPOST**

At HuffPost, we report with empathy and put people at the heart of every story.




In Q3, HuffPost's coverage of Queen Elizabeth II's passing deeply resonated with readers, bringing in more than **10 million views.** HuffPost's coverage broke through the noise to highlight the legacy of the Queen and the royal family's global political impact. This coverage was led by our Royals reporter, **Carly Ledbetter,** who also appeared on SiriusXM, Fox 5 DC and MSNBC to discuss her reporting.

# Q3 ‘22 Financial Results

We delivered third quarter results ahead of our August outlook for both Revenue and Adjusted EBITDA. Revenues of $103.7 million exceeded the midpoint of our guidance range by $9 million, driven by higher than anticipated revenue in each of our Advertising, Content and Commerce businesses. Adjusted EBITDA loss of $2.4 million was $5 million better than the midpoint of our guidance range, driven by our revenue outperformance.

On a year-over-year basis, Revenues grew 15% to $103.7 million, as our category-leading brands continued to attract new and existing clients even in a constrained digital advertising environment, with performance by business as follows:

- Advertising revenues were flat year-over-year at $50.4 million, compared to $50.2 in the third quarter of 2021, as growth on our owned and operated properties offset declines on third-party platforms. The 2022 results include the acquisition of Complex Networks, which closed in December 2021. As expected, the rate of advertising revenue growth decelerated versus Q2, driven by ongoing price compression and uncertainty around consumer demand.

- Content revenues grew 45% year-over-year to $38.4 million, decelerating versus Q2 as expected, as macro constraints on ad budgets drove lower demand for branded content in certain verticals relative to prior quarters. As a reminder, the 2022 results include the acquisition of Complex Networks.

- Commerce revenues returned to growth in the third quarter, benefiting from the timing of Amazon Prime Day in Q3 of this year, versus Q2 in the prior year. Revenues grew 12% year-over-year to $14.9 million, with our editorial shopping content generating record GMV during July’s Prime Day.

**REVENUE**


**+15%**

Year over Year

**ADVERTISING REVENUE**


Flat Year over Year

**CONTENT REVENUE**


**+45%**

Year over Year

**COMMERCE & OTHER REVENUES**


**+12%**

Year over Year

This resulted in Adjusted EBITDA loss of $2.4 million in the quarter.

We also incurred charges that did not impact Adjusted EBITDA, including:

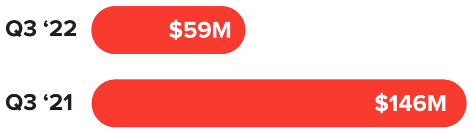
- $3.6 million in stock-based compensation, in line with our August outlook,
- $9.2 million of depreciation and amortization, with the year-over-year increase, attributable to the recognition of intangible assets associated with our acquisition of Complex Networks,
- and $5.2 million of interest expense, largely related to our convertible note financing.

We ended the quarter with cash and cash equivalents of approximately $59.1 million.

**NET LOSS**


**ADJUSTED EBITDA[1]**


**CASH & CASH EQUIVALENTS**




[1] A non-GAAP financial measure. See "Reconciliation from Net income (loss) to Adjusted EBITDA" 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").

# Q4 ‘22 Outlook

For the fourth quarter of 2022:

- We expect overall revenues in the range of **$129 to $134 million**
- We expect Adjusted EBITDA in the range of **$12.5 to $17.5 million**
  - Additionally, we expect stock-based compensation expenses in the range of **$3.5 to $4.5 million**

# Earnings Conference Call

- BuzzFeed, Inc. Founder and CEO Jonah Peretti, President Marcela Martin and CFO Felicia DellaFortuna will host a conference call to discuss the results on November 14th, 2022 at 5:00 PM EST
- The call will be available via webcast at investors.buzzfeed.com under the heading News & Events. To participate via telephone, please dial 833-634-1260 (toll-free) or 412-317-6021 (international) and ask to join the BuzzFeed, Inc. call. A replay of the call will be made available at the same URL.
- We look forward to your questions on our call this afternoon.

# 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** consist primarily of payments we receive 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 Facebook, YouTube, and Apple News.

**Content revenues** consist primarily of payments received from clients for custom assets, including both long-form and short-form content, from branded quizzes to Instagram takeovers to sponsored content. Revenues for film and TV projects produced by BuzzFeed Studios and Complex Networks 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. Additionally, we generate other revenues from the production of live and virtual events such as ComplexCon and ComplexLand.

**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, and on Facebook, as reported by Facebook. This metric excludes time spent with our content on platforms for which we do not have advertising capabilities that materially contribute to our Advertising revenues, including TikTok, Instagram, 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 and Facebook to represent industry-standard estimates of the time actually spent on our largest distribution platforms with our most significant monetization opportunities.

# 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 loss, excluding the impact of net (loss) income attributable to noncontrolling interests, income tax provision (benefit), interest expense, interest income, other 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 below.

# 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 Q4 2022) or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "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 may include, for example, statements about: (1) anticipated trends, growth rates, and challenges in our business and in the markets in which we operate; (2) demand for products and services and changes in traffic; (3) changes in the business and competitive environment in which we operate; (4) developments and projections relating to our competitors and the digital media industry; (5) the impact of national and local economic and other conditions and developments in technology, each of which could influence the levels (rate and volume) of our advertising, the growth of our business and the implementation of our strategic initiatives; (6) poor quality broadband infrastructure in certain markets; (7) technological developments; (8) our success in retaining or recruiting, or changes required in, officers, key employees or directors; (9) our business, operations and financial performance, including expectations with respect to our financial and business performance, including financial projections and business metrics and any underlying assumptions thereunder and future business plans and growth opportunities; (10) our future capital requirements and sources and uses of cash, including our ability to obtain additional capital in the future; (11) expectations regarding future acquisitions, partnerships or other relationships with third parties; (12) government regulation, including revised foreign content and ownership

# Forward-Looking Statements (continued)

regulations; (13) the continued impact of the COVID-19 pandemic and evolving strains of COVID-19 on our business and the actions we may take in the future in response thereto; and (14) our ability to maintain the listing of our Class A common stock and warrants on Nasdaq.

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, those factors described under the sections entitled “Risk Factors” in the Company’s 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

| *USD in thousands* | Three Months Ended September 30, 2022 | Three Months Ended September 30, 2021 | % Change | Nine Months Ended September 30, 2022 | Nine Months Ended September 30, 2021 | % Change |
|---|---|---|---|---|---|---|
| Advertising | $ 50,404 | $ 50,240 | 0% | $ 152,296 | $ 136,693 | 11% |
| Content | 38,416 | 26,483 | 45% | 110,979 | 70,261 | 58% |
| Commerce and other | 14,913 | 13,373 | 12% | 38,776 | 44,894 | (14)% |
| Total revenue | $ 103,733 | $ 90,096 | 15% | $ 302,051 | $ 251,848 | 20% |
| Loss from operations | $ (18,085) | $ (881) | NM | $ (78,271) | $ (17,817) | NM |
| Net loss | $ (26,993) | $ (3,582) | NM | $ (95,140) | $ (15,696) | NM |
| Adjusted EBITDA | $ (2,396) | $ 5,992 | NM | $ (17,067) | $ 7,307 | NM |

# BuzzFeed, Inc.
# Condensed Consolidated Statements of Operations
Unaudited

| *USD in thousands* | Three Months Ended September 30, 2022 | Three Months Ended September 30, 2021 | Nine Months Ended September 30, 2022 | Nine Months Ended September 30, 2021 |
|---|---|---|---|---|
| Revenue | $ 103,733 | $ 90,096 | $ 302,051 | $ 251,848 |
| Costs and Expenses | | | | |
| Cost of revenue, excluding depreciation and amortization | 60,989 | 48,837 | 183,336 | 135,903 |
| Sales and marketing | 16,317 | 11,218 | 52,808 | 34,170 |
| General and administrative | 27,254 | 19,829 | 92,381 | 65,274 |
| Research and development | 5,900 | 5,686 | 23,345 | 19,285 |
| Depreciation and amortization | 9,198 | 5,407 | 26,292 | 15,033 |
| Impairment expense | 2,160 | — | 2,160 | — |
| Total costs and expenses | 121,818 | 90,977 | 380,322 | 269,665 |
| Loss from operations | (18,085) | (881) | (78,271) | (17,817) |
| Other expense, net | (2,752) | (2,567) | (5,330) | (1,752) |
| Interest expense, net | (5,171) | (487) | (14,992) | (1,138) |
| Change in fair value of warrant liabilities | (395) | — | 2,964 | — |
| Change in fair value of derivative liability | 300 | — | 3,525 | — |
| Loss before income taxes | (26,103) | (3,935) | (92,104) | (20,707) |
| Income tax provision (benefit) | 890 | (353) | 3,036 | (5,011) |
| Net loss | (26,993) | (3,582) | (95,140) | (15,696) |
| Net income attributable to the redeemable noncontrolling interest | — | 67 | 164 | 212 |
| Net (loss) income attributable to noncontrolling interests | (137) | 137 | 211 | (173) |
| Net loss attributable to BuzzFeed, Inc. | $ (26,856) | $ (3,786) | $ (95,515) | $ (15,735) |
| | | | | |
| Net loss per Class A, Class B and Class C common share: | | | | |
| Basic | $ (0.19) | $ (0.20) | $ (0.69) | $ (0.90) |
| Diluted | $ (0.19) | $ (0.20) | $ (0.69) | $ (0.90) |
| Weighted average common shares outstanding: | | | | |
| Basic | 138,939 | 18,618 | 137,591 | 17,464 |
| Diluted | 138,939 | 18,618 | 137,591 | 17,464 |

# BuzzFeed, Inc.
# Reconciliation of GAAP to Non-GAAP Financial Measures

Unaudited

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| *USD in thousands* | 2022 | 2021 | 2022 | 2021 |
| Net loss | $ (26,993) | $ (3,582) | $ (95,140) | $ (15,696) |
| Income tax provision (benefit) | 890 | (353) | 3,036 | (5,011) |
| Interest expense | 5,316 | 592 | 15,325 | 1,370 |
| Interest income | (145) | (105) | (333) | (232) |
| Other expense, net | 2,752 | 2,567 | 5,330 | 1,752 |
| Depreciation and amortization | 9,198 | 5,407 | 26,292 | 15,033 |
| Stock-based compensation | 3,635 | 503 | 18,859 | 850 |
| Change in fair value of warrant liabilities | 395 | — | (2,964) | — |
| Change in fair value of derivative liability | (300) | — | (3,525) | — |
| Restructuring[1] | — | — | 5,319 | 3,645 |
| Impairment expense[2] | 2,160 | — | 2,160 | — |
| Transaction-related costs[3] | — | 963 | 5,132 | 5,596 |
| Litigation costs[4] | 696 | — | 1,920 | — |
| Public company readiness costs[5] | — | — | 1,522 | — |
| **Adjusted EBITDA** | **$ (2,396)** | **$ 5,992** | **$ (17,067)** | **$ 7,307** |
| Adjusted EBITDA margin | (2)% | 7% | (6)% | 3% |
| Net loss as a percentage of revenue[5] | (26)% | (4)% | (31)% | (6)% |

[1] For the nine months ended September 30, 2022, represents costs associated with certain organizational changes to align sales and marketing and general and administrative functions as well as changes in content to better service audience demands, and costs incurred as part of a strategic repositioning of BuzzFeed News. For the nine months ended September 30, 2021, reflects costs associated with involuntary terminations of employees across various roles and levels as part of the integration of the HuffPost Acquisition.

[2] Reflects a non-cash impairment expense recorded during the three months ended September 30, 2022 associated with certain long-lived assets of our former corporate headquarters which was fully subleased in 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.

https://investors.buzzfeed.com/