BuzzFeed Inc.

Q1 2024
Investor Letter

Jonah Peretti
Founder & CEO

Our flagship BuzzFeed brand continues to be the leading player in digital media, with vastly more time spent than other widely known digital and legacy properties like Vox, Bustle, People, Vanity Fair and Vogue, according to Comscore. As I outlined last month in my annual letter to shareholders, BuzzFeed is leaning into AI to extend this leadership position and build the defining media company for the AI era.

Over the past few months, we have made progress towards realizing this vision and have stabilized the business by:

- selling Complex,
- strengthening our balance sheet with more cash and less debt,
- implementing a cost savings plan to reduce the size of our central teams and direct more dedicated resources to our individual brands,
- and organizing our business around our most scalable, high-margin, tech-led revenue streams in programmatic advertising and affiliate commerce.

In doing so, we completed the biggest step in our transformation, which was to refocus the company on our owned and operated sites and apps, and away from the platform-dependent model of distribution. We are now starting to see the impact of that shift: our business evolved from one that was reliant upon Facebook and third-party social platforms for audience traffic, to now having the majority of our users come directly to our owned and operated sites and apps.

Today, direct traffic referrals are our largest source of traffic.

- In Q1, 90% of audience time spent with our content was on our owned and operated properties.

Even more promising, we are pulling the right levers and starting to see that audience grow.

- In Q1, direct traffic across the BuzzFeed web and app properties grew 3% versus Q4.

This shift also means we must change how we think about success. Instead of focusing on scaling a casual audience — which was massive when they were referred from Facebook — we are focused on deepening engagement among our most loyal users who visit us directly and turning more casual users into loyal users.

A single pageview to an article from a casual user has less value than a single pageview from a loyal user on our interactive formats — like games and chatbots — where they spend five minutes, take several kinds of actions, and are more likely to return.

As we focus our AI work on making our platform an interactive, personalized, and differentiated experience, we are in turn discovering what resonates with our audience based on these signals. Over the past few months, we've rolled out several new features and formats, some of which have driven record-levels of engagement:

- **AI image filters** like Turn Your Pet Into A Plushie, where users can design a plushie toy that resembles their pet,
- **Trending AI generators**, like the Taylor Swift Tortured Poets Department Song Generator,
- **Utility bots** like Shoppy, an AI assistant designed to help shoppers find the perfect gift for everyone on their list,
- **Chat games** like Nepogotchi and Under the Influencer, and
- **Content Generators** like Make Your Own Emoji, which skyrocketed to the top 10 most engaged BuzzFeed posts of all time, and the Shrek Generator, which turns your favorite celeb into a lovable ogre

This work is increasing the engagement and loyalty of our direct audience and turning casual users into loyal ones, which are encouraging trends. Not only have we been able to increase direct traffic to BuzzFeed.com, but we've also seen deeper engagement among our most loyal audience, with the number of pageviews per site visitor growing for four consecutive months since December.

Because we were so early to adopt GenAI, we also expect to benefit from this technology's potential to act as an accelerant, as new models can be plugged into our existing experiences without having to invest more in their development. As we continue to update and introduce new AI-powered content formats and experiences we expect to drive improvement in engagement, loyalty and time-spent per user.

With many more content initiatives in the pipeline, our teams are hard at work to make our sites and apps more rewarding, engaging and fun for users. In fact, just last week we began rolling out a new BuzzFeed homepage design with novel ways to interact and engage with our content built right in. And we expect to build on this momentum as we unveil more of our work in the coming weeks and months.

As we continue to lean into the power of our audience and existing tech infrastructure on O&O, we are also seeing positive trends on the revenue side. **In Q1, programmatic advertising revenues across the BuzzFeed and HuffPost websites and apps grew year-over-year for the third consecutive quarter.** While our overall revenue performance reflects ongoing pressure on our direct sales channel and lower monetization on third-party platforms, we are encouraged by this positive trend in our **largest and highest margin revenue stream.**

Our commerce business is another area where we see tremendous potential for the application of GenAI to transform the shopping experience. And we have a strong foundation from which to drive this transformation.

We have strategic partnerships with the largest retailers in the world — including Amazon, Walmart, and Target. I shared previously that, in 2023, our organic affiliate business drove more than $500 million in transactions on behalf of our retail partners and brought in approximately $50 million in revenue for us. But our partnerships with retailers extend far beyond this affiliate model, encompassing a range of advertising products, including programmatic revenue buys and branded content campaigns. **In 2023 we generated nearly $80 million in revenue through retailer relationships, representing more than 30% of our total 2023 revenue.**

Retailers love to partner with BuzzFeed because our commerce business is discovery-based. We create shopping content that introduces consumers to new products and inspires transactions. With this approach, our shopping content resonates with a wide addressable audience for retailers and advertisers, as compared to other affiliate and publishing models that narrowly focus on recommendations for a specific product. And, we have a proven track record of driving meaningful GMV on behalf of retailers.

- **Increasingly, we are also a trusted destination for retailers as retail media networks look to fill growing ad inventory.** And we are growing our retailer relationships by tapping into retail media network budgets. Very simply, as ad inventory grows, retailers are looking offsite to fill ad units. And BuzzFeed is a natural destination because we are already an established partner.
- Looking ahead, as we infuse our commerce approach with AI, we believe AI can help us develop more personalized shopping experiences for our audience, launch initiatives like dynamic insertion of recommended products, and introduce other models to take product curation to the next level and help us expand our relationships with retailers.

I want to reiterate that we are only at the start of this journey to build the defining media company for the AI era. Moving forward, we are focused on bringing our websites and apps to life in new ways with the help of AI. And in doing so, we expect to build on some of the positive audience and revenue trends I shared with you and continue to push the boundaries of what is possible in our industry. Stay tuned as we bring more of this work together into reimagined BuzzFeed web and app experiences for our audience.

Jonah Peretti
Founder & CEO

Q1’24 Financial Highlights

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

TOTAL REVENUE

Q1’24	$45M
Q1’23	$55M

NET INCOME (LOSS)

Q1’24	$(27)M
Q1’23	$(29)M

ADJUSTED EBITDA[2]

Q1’24	$(11)M
Q1’23	$(18)M

TIME SPENT[3]

67M
hours

CASH AND CASH EQUIVALENTS, AND RESTRICTED CASH

$62M

[1] The Company determined the assets of Complex Networks, excluding the First We Feast brand, met the classification for “held for sale.” Additionally, the Company concluded the disposal, which occurred on February 21, 2024, represented a strategic shift that had a major effect on our operations and financial results. As such, the historical financial results of Complex Networks have been reflected as discontinued operations in our condensed consolidated financial statements. Amounts presented throughout this press release are on a continuing operations basis (i.e., excluding Complex Networks).

[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.

Selected Client Wins

TurboTax | First We Feast

In Q1, TurboTax once again leaned into the cultural relevance of First We Feast's Hot Ones to appeal to a broad audience demographic during its critical tax season. TurboTax sponsored multiple episodes of Hot Ones surrounding the Super Bowl — including the Season 23 premiere featuring Sydney Sweeney, which earned more than 75 million views across platforms. The sponsorship also extended to the Hot Ones spinoff show, Truth or Dab, featuring NFL players Cam Newton and Brandon Marshall. The sponsored episodes were accompanied by a special pre-roll featuring Hot Ones talent Sean Evans & Camera Guy Bill testing their tax policy knowledge in a rapid fire Q&A format.

Pillsbury | Tasty

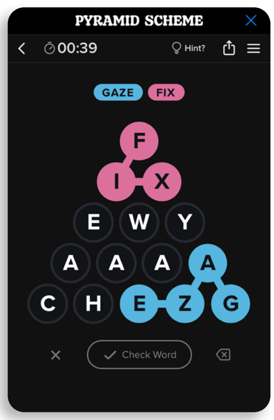
In Q1, Pillsbury's Funfetti partnered with Tasty to tap into the largest, most engaged food community on the Internet. The partnership included a range of advertising and media products — including editorial sponsorships and creator-led branded content — to surround and delight Tasty fans with fun, delicious and adorable Easter content featuring Funfetti products. The highlight was Pillsbury's sponsorship of Tasty's beloved TikTok series, I Draw You Cook, which integrated multiple Funfetti products. The show was one of the most-viewed Tasty videos in March and the campaign far exceeded benchmarks for click-thru-rate and engagements.

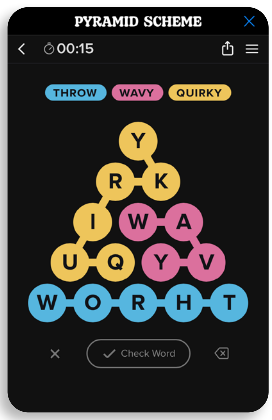
Eli Lilly | BuzzFeed

Eli Lilly was a first mover and launch partner of our new BuzzFeed Trending Topic Pages — designed to help readers and brands meet the moment of what's hot in pop culture. Leaning into the power of BuzzFeed's editorial voice and coverage of cultural tentpoles, Eli Lilly purchased sponsorships and ad units across the Oscars and Grammys Trending Topic pages alongside trending editorial and interactive content. Eli Lilly was able to capitalize on BuzzFeed's proven track record of driving audience engagement around big cultural moments as their campaign coincided with one of BuzzFeed's highest traffic days of the year.

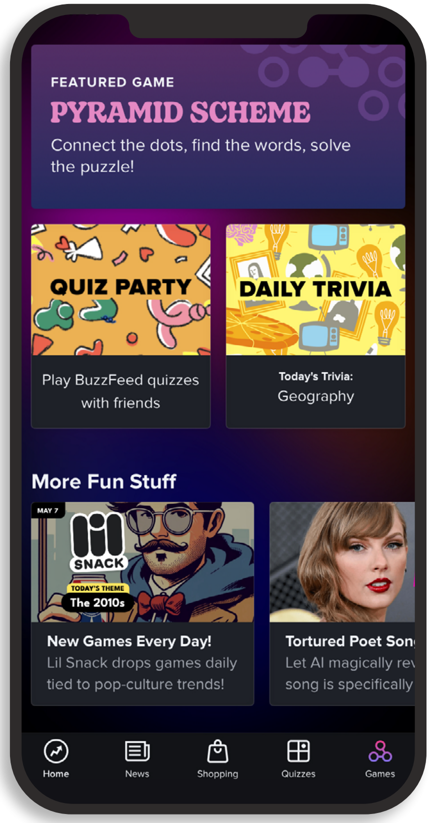
ADVANCING CREATIVITY AND ENHANCING THE AUDIENCE EXPERIENCE WITH AI-INSPIRED CONTENT

Big Red continued to build audience loyalty with the introduction of new Games surfaces across its website and app

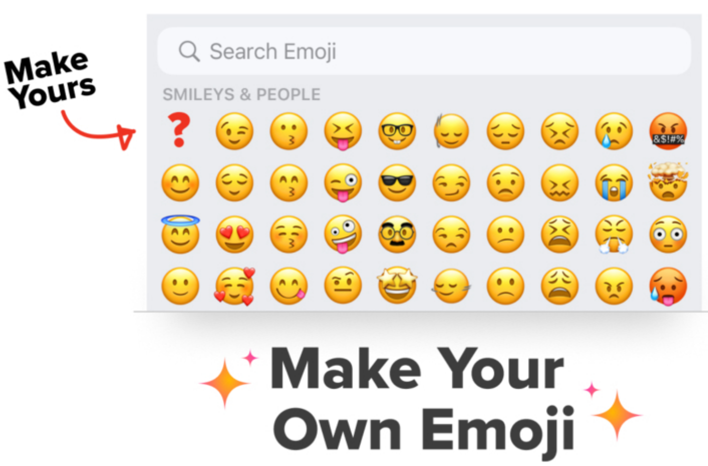




78%
of users return within 7 days



In Q1, BuzzFeed introduced its first AI-powered content engine, a custom Emoji Generator, which skyrocketed to the top 10 most-engaged BuzzFeed posts of all time



"Dumpster Fire"

"Ready To Receive The Tea"

"Purrito"

PRODUCING MORE PREDICTABLE SUCCESS IN LONG-FORM PREMIUM CONTENT

“Hot Ones” VR Experience Coming To Meta

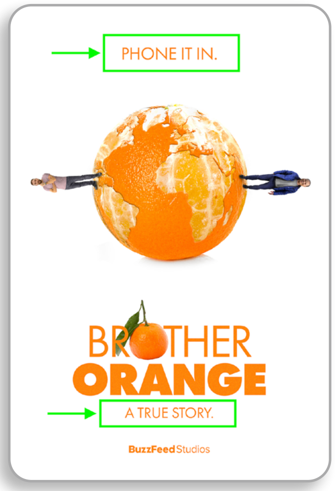
BuzzFeed Studios and Meta closed a licensing deal that will bring VR episodes of the hit show “Hot Ones” to the Meta platform. Under the deal, select episodes will be brought to the Meta Quest for users to experience the show in a whole new way.

“Am I Doing It Wrong” Tops Apple Podcast Charts

“Am I Doing It Wrong” from BuzzFeed Studios and Acast, hosted by HuffPost’s Noah Michelson and Raj Punjabi, continues to draw a growing audience week on week, recently sitting atop the Apple Podcasts Self Improvement and Education charts and within the top 25 shows across all Apple Podcasts. The show’s coverage of everyday struggles and questions has attracted attention from a number of outlets, including The Howard Stern Show.

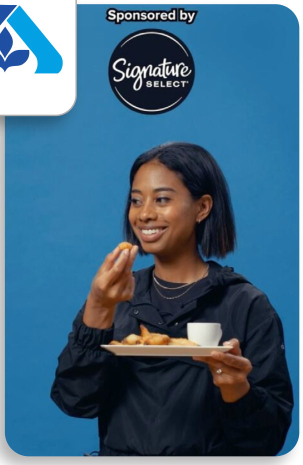
“Brother Orange” Documentary Gets Worldwide Distribution

Gravitas Ventures, a premium distributor of independent films, has picked up BuzzFeed Studiots’ documentary feature “Brother Orange”, which dives deeper into the viral BuzzFeed story that took the world by storm, including interviews with Brother Orange years after he and BuzzFeeder Matt Stopera met in China for the first time.



ATTRACTING THE NEXT GENERATION OF FOOD CREATORS ON THE INTERNET

In Q1, Tasty welcomed five new creators to the Tasty Residency, as brands continued to embrace Tasty's creator-led advertising opportunities



Building on Tasty's short-form success with Instagram Reels, the brand has seen recent audience momentum on YouTube Shorts, driven by multiple creator-led episodic series including Potatoes 100 Ways and I Draw, You Cook

200%
y/y growth in 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 Season 23 once again saw more than 10 million weekly average viewers, and grew overall cross-platform views by more than 30% versus Season 22

Snak Club Partners with Hot Ones to Launch New Line of Spicy Trail Mix

In February, Hot Ones collaborated with Century Snacks to launch a line of spicy snack mixes featuring three iconic Hot Ones hot sauce flavors. The snacks are available nationwide via Amazon and multiple retailers.

Hot Ones Launches Spinoff Series: Versus

In Q1, First We Feast launched a new Hot Ones spinoff series called Hot Ones Versus. The popular new show has a simple format: Tell the truth, or suffer the wrath of the Last Dab. Whoever eats the most wings, loses! Featured guests include WWE stars Seth Rollins and Becky Lynch and the Knicks' Jalen Brunson.

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

HuffPost earned a 2024 GLAAD Award recognizing Outstanding Online Journalism for its story highlighting the plight of trans youth who are being forced to flee America for their safety

HuffPost’s Senior Labor Reporter Dave Jamieson was the recipient of a Writers Guild Award for his reporting on the secret world of union busters

HuffPost’s new podcast Am I Doing It Wrong continued to draw a growing audience, peaking at number one on the Apple Podcasts Education chart, and joined the top 25 for Apple Podcasts overall

Q1’24 Financial Results

We closed the first quarter with great momentum in our business, some of which Jonah already touched on. Before I discuss our Q1 financial performance in more detail, let me recap some highlights from across the business:

- We delivered Q1 Revenue and Adjusted EBITDA in line with our March outlook, generating a $7 million improvement in Adjusted EBITDA year-over-year despite a $10 million year-over-year decline in revenue,
- Our flagship property, BuzzFeed.com, saw modest growth in direct traffic, up 3% versus Q4, a positive signal that traffic trends are beginning to stabilize as we complete the transition from being a Facebook-dependent business to one that drives traffic directly to our owned and operated platforms,
- Programmatic advertising revenues across the BuzzFeed and HuffPost websites and apps grew year-over-year for the third consecutive quarter,
- Last month we completed the restructuring program we announced in February, which is expected to yield approximately $23 million in annualized compensation cost savings,
- We paid down a significant portion of our outstanding debt, resulting in lower go-forward interest expense obligations,
- And, we increased our cash balance by approximately $26 million quarter-over-quarter, to $62 million — including restricted cash — driven by proceeds from the sale of Complex, which closed in February.

As a result, we are well-positioned to navigate the ongoing headwinds facing publishers — and digital media at large — sustainably and profitably.

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

Overall revenues for Q1 2024 declined 18% year-over-year to $44.8 million dollars, in line with our March outlook. Performance by revenue line was as follows:

- **Advertising revenues** declined 22% year-over-year, to $21.4 million, driven by ongoing pressure on our direct sales channel and lower monetization on third-

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

TOTAL REVENUE

Q1’24	$45M
Q1’23	$55M

ADVERTISING REVENUE

Q1’24	$21M
Q1’23	$27M

CONTENT REVENUE

Q1’24	$13M
Q1’23	$16M

COMMERCE AND OTHER REVENUES

Q1’24	$10M
Q1’23	$11M

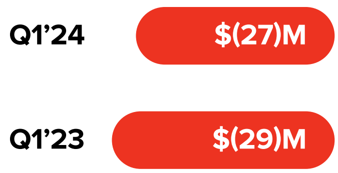
party platforms. By contrast, **programmatic advertising revenues across our largest owned and operated properties — BuzzFeed and HuffPost — grew modestly for the third consecutive quarter, increasing 6% year-over-year.**

- Advertising revenues are driven in large part by audience time spent with our content across platforms. In conjunction with advertising revenues, we continue to report US time spent across our owned and operated properties and third-party platforms, according to Comscore.
  - **In Q1, US time spent** as reported by Comscore declined 16% year-over-year, to 67 million hours, driven primarily by the ongoing declines in referral traffic from third-party platforms.
  - However, as Jonah discussed, we continue to see positive trends in direct traffic, which grew 3% quarter over quarter.
- **Content revenues** declined $3.1 million, or 19%, year-over-year to $13.1 million, driven primarily by a non-recurring custom content campaign that was delivered in the year ago quarter, with no comparable revenue in the current quarter.
- **Commerce and other revenues** of $10.2 million declined $1 million or 9% year-over-year, primarily due to less promotional spend by retailers and lower audience traffic as compared to the year ago quarter.

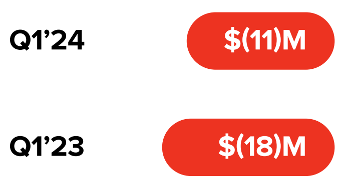
We generated first quarter Adjusted EBITDA losses of $11.3 million, also in line with our March outlook. It is important to note that, per US GAAP, we have not allocated any of the shared expenses to discontinued ops. As a result, our first quarter Adjusted EBITDA includes Complex’s portion of shared corporate expenses, which were significant.

We ended the first quarter with **cash and cash equivalents, including restricted cash**, of approximately $62 million dollars, a net **increase** of approximately $26 million versus the fourth quarter after paying down a significant portion of debt, funding our recent restructuring and improving working capital, driven by proceeds from the sale of Complex which closed in February.

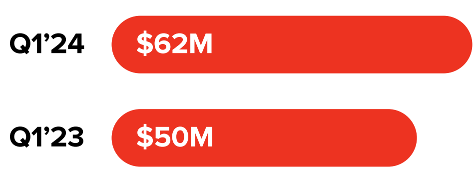
NET INCOME (LOSS)



ADJUSTED EBITDA[1]



CASH AND CASH EQUIVALENTS, AND RESTRICTED CASH



[1] Adjusted EBITDA is 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”).

Q2'24 Outlook

For the second quarter of 2024:

- We expect overall revenues in the range of **$44 to $49 million**, or approximately 21% to 30% lower than second quarter 2023
- We expect Adjusted EBITDA[1] in the range of **$4 million in losses to $1 million in profits**, approximately flat 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, May 13, 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. Upon registration, all telephone participants will receive a confirmation email detailing how to join the conference call, including the dial-in number along with a unique PIN that can be used to access the call. While it is not required, it is recommended you join 10 minutes prior to the event start time.

[1] Adjusted EBITDA is 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").

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. Time Spent presented above excludes time spent on Complex Networks, as Complex Networks is presented as a discontinued operation within our condensed consolidated financial statements. Time Spent on Complex Networks, as reported by Comscore, was approximately 10.0 million and 28.7 million hours for the three months ended March 31, 2024 and 2023, respectively (through the date of disposition of Complex Networks, February 21, 2024, for the three months ended March 31, 2024). 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 loss from continuing operations, excluding the impact of net loss attributable to noncontrolling interests, income tax provision, interest expense, net, other expense (income), net, depreciation and amortization, stock-based compensation, change in fair value of warrant liabilities, change in fair value of derivative liability, restructuring costs, and other non-cash and non-recurring items that management believes are not indicative of ongoing operations. 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 Q2 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. Forward-looking statements include all matters that are not historical facts.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, (some of which are beyond our control) uncertainties or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to: (1) developments relating to our competitors and the digital media industry, including overall demand of advertising in the markets in which we operate; (2) demand for our products and services or changes in traffic or engagement with our brands and content; (3) changes in the business and competitive environment in which we and our current and prospective partners and advertisers operate; (4) macroeconomic factors including: adverse economic conditions in the United States and globally, including the potential onset of recession; current global supply chain disruptions; potential government shutdowns or a failure to raise the U.S. federal debt ceiling or to fund the federal government; the ongoing conflicts between Russia and Ukraine and between Israel and Hamas and any related sanctions and geopolitical tensions, and further escalation of trade tensions between the United States and China; the inflationary environment; high unemployment; high interest rates, currency fluctuations; and the competitive labor market; (5) our future capital requirements,

Forward Looking Statements (continued)

including, but not limited to, our ability to obtain additional capital in the future, to settle conversions of our unsecured convertible notes, repurchase the notes upon a fundamental change such as the delisting of our Class A common stock or repay the notes in cash at their maturity any restrictions imposed by, or commitments under, the indenture governing our unsecured notes or agreements 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 March 31,		
	2024	2023	% Change
Advertising	$ 21,423	$ 27,393	(22)%
Content	13,107	16,251	(19)%
Commerce and other	10,225	11,263	(9)%
Total revenue	$ 44,755	$ 54,907	(18)%
Loss from continuing operations	$ (20,813)	$ (24,480)	15 %
Net loss from continuing operations	$ (26,569)	$ (29,392)	10 %
Adjusted EBITDA	$ (11,264)	$ (18,089)	38 %

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

	March 31, 2024 (Unaudited)	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	$ 44,457	$ 35,637
Restricted cash	17,050	—
Accounts receivable (net of allowance for doubtful accounts of $1,351 as at March 31, 2024 and $1,424 as at December 31, 2023)	50,982	75,692
Prepaid expenses and other current assets	20,424	21,460
Current assets of discontinued operations	—	—
Total current assets	132,913	132,789
Property and equipment, net	10,324	11,856
Right-of-use assets	42,430	46,715
Capitalized software costs, net	22,142	22,292
Intangible assets, net	25,801	26,665
Goodwill	57,562	57,562
Prepaid expenses and other assets	7,865	9,508
Noncurrent assets of discontinued operations	—	104,089
Total assets	**$ 299,037**	**$ 411,476**
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 22,544	$ 46,378
Accrued expenses	16,532	15,515
Deferred revenue	2,401	1,895
Accrued compensation	19,002	12,970
Current lease liabilities	22,476	21,659
Current debt	100,435	124,977
Other current liabilities	6,347	4,401
Current liabilities of discontinued operations	—	—
Total current liabilities	189,737	227,795
Noncurrent lease liabilities	31,858	37,820
Debt	—	33,837
Warrant liabilities	442	406
Other liabilities	1,160	435
Noncurrent liabilities of discontinued operations	—	—
Total liabilities	**223,197**	**300,293**
Commitments and contingencies		
Stockholders’ equity		
Class A Common stock, $0.0001 par value; 700,000 shares authorized; 35,079 and 35,035 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively	3	3
Class B Common stock, $0.0001 par value; 20,000 shares authorized; 1,368 and 1,368 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively	1	1
Additional paid-in capital	723,868	723,092
Accumulated deficit	(647,497)	(611,768)
Accumulated other comprehensive loss	(2,677)	(2,500)
Total BuzzFeed, Inc. stockholders’ equity	73,698	108,828
Noncontrolling interests	2,142	2,355
Total stockholders’ equity	75,840	111,183
Total liabilities and stockholders’ equity	**$ 299,037**	**$ 411,476**

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

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Revenue	$ 44,755	$ 54,907
Costs and Expenses		
Cost of revenue, excluding depreciation and amortization	31,063	37,237
Sales and marketing	9,145	11,908
General and administrative	16,249	21,410
Research and development	3,230	3,128
Depreciation and amortization	5,881	5,704
Total costs and expenses	65,568	79,387
Loss from continuing operations	(20,813)	(24,480)
Other (expense) income, net	(556)	620
Interest expense, net	(4,481)	(3,787)
Change in fair value of warrant liabilities	(37)	(593)
Change in fair value of derivative liability	—	(1,005)
Loss from continuing operations before income taxes	(25,887)	(29,245)
Income tax provision	682	147
Net loss from continuing operations	(26,569)	(29,392)
Net loss from discontinued operations, net of tax	(9,213)	(6,869)
Net loss	(35,782)	(36,261)
Less: net loss attributable to noncontrolling interests	(53)	(260)
Net loss attributable to BuzzFeed, Inc.	$ (35,729)	$ (36,001)
Net loss from continuing operations attributable to holders of Class A and Class B common stock:		
Basic and diluted	$ (26,516)	$ (29,132)
Net loss per Class A and Class B common share:		
Basic and diluted	$ (0.72)	$ (0.83)
Weighted average common shares outstanding:		
Basic and diluted	36,578	35,176

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

	Three Months Ended March 31,	
	2024	2023
Operating activities:		
Net (loss)	$ (35,782)	$ (36,261)
Less: net (loss) from discontinued operations, net of tax	9,213	6,869
Net loss from continuing operations	(26,569)	(29,392)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	5,881	5,704
Unrealized gain on foreign currency	(46)	(958)
Stock based compensation	752	687
Change in fair value of warrants	37	593
Change in fair value of derivative liability	—	1,005
Amortization of debt discount and deferred issuance costs	1,226	1,064
Deferred income tax	493	(21)
Provision for doubtful accounts	(74)	223
Gain on disposition of assets	—	(175)
Non-cash lease expense	4,261	5,034
Changes in operating assets and liabilities:		
Accounts receivable	26,101	43,837
Prepaid expenses and other current assets and prepaid expenses and other assets	1,037	1,979
Accounts payable	(23,123)	(95)
Accrued compensation	6,062	(12,772)
Accrued expenses, other current liabilities and other liabilities	3,315	(5,183)
Lease liabilities	(5,116)	(5,862)
Deferred revenue	505	(2,395)
Cash used in (provided by) operating activities from continuing operations	(5,258)	3,273
Cash used in operating activities from discontinued operations	(8,041)	(3,452)
Cash used in operating activities	(13,299)	(179)
Investing activities:		
Capital expenditures	(88)	(402)
Capitalization of internal-use software	(3,330)	(3,974)
Proceeds from sale of asset	—	175
Cash used in investing activities from continuing operations	(3,418)	(4,201)
Cash provided by investing activities from discontinued operations	108,575	—
Cash provided by (used in) investing activities	105,157	(4,201)
Financing activities:		
Proceeds from exercise of stock options	—	29
Payment for shares withheld for employee taxes	—	(193)
Payments on Revolving Credit Facility	(33,837)	(1,317)
Payment on Convertible Notes	(30,900)	—
Payment of early termination fee for Revolving Credit Facility	(500)	—
Payment of deferred issuance costs	(591)	—
Cash used in financing activities	(65,828)	(1,481)
Effect of currency translation on cash and cash equivalents	(160)	34
Net increase (decrease) in cash and cash equivalents	25,870	(5,827)
Cash and cash equivalents and restricted cash at beginning of period	35,637	55,774
Cash and cash equivalents and restricted cash at end of period	$ 61,507	$ 49,947

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

	Three Months Ended March 31,	
	2024	2023
Net loss from continuing operations	$ (26,569)	$ (29,392)
Income tax provision	682	147
Interest expense, net	4,481	3,787
Other expense (income), net	556	(620)
Depreciation and amortization	5,881	5,704
Stock-based compensation	752	687
Change in fair value of warrant liabilities	37	593
Change in fair value of derivative liability	—	1,005
Restructuring[1]	2,916	—
Adjusted EBITDA	$ (11,264)	$ (18,089)
Adjusted EBITDA margin	(25.2)%	(32.9)%
Net loss from continuing operations as a percentage of revenue[2]	(59.4)%	(53.5)%

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(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 comparisons to our past operating performance.

(2) Net loss from continuing operations 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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