Investor Letter
Q1 2023

BuzzFeed Inc.

A Message from Jonah

Jonah Peretti
Founder and CEO

Last quarter, I shared my vision for the future of digital media — namely that content creation would be transformed by **Creators** and **AI**. With a massive, direct audience across our premium brand and IP portfolio, we are poised to benefit from these trends. We have built trusted brands with awareness that is at the level of hundred year-old companies. **US Gen Z and Millennials spend vastly more time consuming our content than that of any other digital media company in our competitive set, according to Comscore.**

These competitive advantages have helped us carve out a strategic position in the ecosystem of audiences, advertisers, platforms, and creators. The biggest beneficiaries of the shift to the creator economy and generative AI will be incumbents with recognizable brands and scaled distribution.

In Q1, our content teams made great progress in launching new content formats to align with these trends.

CREATORS

The next few years will be defined by creators partnering with the best media brands for credibility and community.

- For us, **Tasty** is leading this transformation in how media is made and distributed, through the launch of programs that give creators the tools and skills to drive large audiences. **Creator-led content has generated twice the views per video, and more than one billion views on Instagram alone.** This gives us the conviction to extend this model to more brands.
- The results are amazing for everyone when creators and media companies work together, develop IP together, collaborate on new formats and frames, and jointly brainstorm with analytics from the larger BuzzFeed, Inc. media network.
- To build on this success, we are rapidly expanding our creator program to increase both revenue and content output. Tasty recently welcomed a new class of Creator Residents. And earlier this year, **Complex** launched its inaugural Creator Class.

ARTIFICIAL INTELLIGENCE

Broadly speaking, I believe that generative AI will begin to replace the majority of static content. Audiences will begin to expect all content to be personalized, interactive, and dynamic, with embedded intelligence. Formats that were developed before the AI-revolution, and many of the formats and conventions of the media industry, will need to be updated and adapted, or they will begin to feel stale and outdated.

- This is why **BuzzFeed** has been investing in AI-powered content and launching new formats like Infinity Quizzes and chatbot games.
- In the past two months, we've seen time spent increase over 40% when a quiz is AI-powered, compared to legacy quizzes.
- And our first chatbot game, Under the Influencer, saw an average time spent per user that was 4 times higher than time spent on static quizzes.
- Looking ahead, we are rapidly prototyping new generative AI formats, including quizzes and chatbots, that we will scale in the coming months.

POSITIONING THE BUSINESS FOR LONG-TERM GROWTH

Last month, we completed a **strategic reprioritization** across the company in order to accelerate our progress in the areas of Creators and AI and translate this exciting work into new revenue opportunities that will help us re-accelerate growth.

Specifically, we have:

- significantly **reduced our fixed cost structure** and aligned resources with the formats and platforms that will propel our future growth,
- **re-focused our flagship BuzzFeed brand on entertainment and announced the closure of our platform-dependent news brand, BuzzFeed News,** to focus on growing a significant direct audience at **HuffPost**, and
- anchored our go-forward strategy in the areas that we believe represent our biggest opportunities to drive **long-term growth and monetization.**

These changes, in addition to the momentum we have built in growing audience reach and engagement around new platforms and formats, position us to close the gap in monetization and accelerate our revenue growth. And we are committed to building a business that delivers significant margin expansion and generates strong cash flows over time, so that we can execute successfully against this vision.

I am grateful for the support of our shareholders as we continue to transform our business in this new era of digital media. And I am honored to work alongside our talented teams of creators, journalists, producers, and all our employees, as we continue to lead the industry forward with an unwavering commitment to our mission — to spread truth, joy, and creativity on the internet.

Jonah Peretti | Founder and CEO

Our Competitive Advantages

Leading Destination for Gen Z and Millennials

US Gen Z and Millennials spend vastly more time consuming our content than that of other digital media companies in our competitive set, according to Comscore.

Premium, Brand-Safe Advertising Opportunities

As platforms continue to struggle with the policing of user-generated content and the impact to advertisers on their platforms, BuzzFeed has become a trusted partner in providing high-quality, brand-safe content at scale to serve advertiser demand. Our iconic, category-leading brands have loyal, highly engaged audiences — from food lovers to sneakerheads to parents — and everyone in between.

AI-Enabled Tech Stack Powering Iconic Brands

Our proprietary technology stack is powered by artificial intelligence and machine learning, and trained on BuzzFeed proprietary data to optimize publishing across our owned and operated and third-party platforms. This enables us to attract larger, more engaged audiences and capture deeper, more reliable insights — delivering high-quality content at massive scale and low cost.

Expanding Our First Party Data Solutions with the Help of AI

With a broad and diverse audience and scaled distribution across platforms, we capture rich first party data and third-party platform insights across our audience — offering advertisers the contextual alignment and tools they need to effectively and efficiently reach massive young audiences — particularly as the internet continues to move toward a cookieless future. By leaning further into AI, we see the opportunity to capture and better understand a much bigger data set around our audience and the performance of our content.

Trusted Network of Creators

As an advertiser, it can be difficult to navigate the world of influencers and creators. Our platform brings together contextual alignment with hard-to-reach audience demographics, a trusted network of creator talent, and a comprehensive suite of tools, technology, and resources for creators to power their entire content creation and monetization engine — all of which enable advertisers to tap into lucrative, influencer-led advertising opportunities.

Audience Engagement Trends

CREATOR-LED CONTENT DRIVING ROBUST VIEWERSHIP ACROSS PLATFORMS

OUR CREATIVE TEAM PUBLISHED

more than **7K** short-form videos

ACROSS PLATFORMS, MORE THAN DOUBLING Y/Y

SHORT-FORM VIDEO VIEWS ACROSS PLATFORMS

surpassed **1B** quarterly views

ON EACH OF INSTAGRAM REELS AND YOUTUBE SHORTS

VIEWERSHIP GROWTH ON TIKTOK

grew more than **3X** y/y

ACROSS PLATFORMS

In Q1, our brands continued to build audience momentum with culture-defining entertainment and news content across our owned and operated properties and third-party platforms.

BuzzFeed

BuzzFeed built strong audience momentum around **AI-powered** content formats. Infinity Quizzes generated **40% higher time spent** relative to our traditional quiz format. And the brand's first **chatbot game** saw a **4x increase in audience time spent** relative to static quizzes.

Complex

Complex saw **Q1 viewership grow by 85% year-over-year** on YouTube, led by its tentpole series, **Sneaker Shopping**. The show welcomed celebrity guests **Ben Affleck, Matt Damon, and Chris Tucker** to discuss the history of the iconic Air Jordan sneaker and promote their new film, Air.

Tasty

Tasty continued to lead the way with **Creators**, welcoming new food talent into its Residency program earlier this year. When creators collaborate with Tasty, the results are incredible. Residents' content saw **twice the audience engagement** when posted to Tasty channels. And residents **grew their audiences by an average of 50%** during the program.

Hot Ones

Hot Ones - the popular celebrity interview show on YouTube — celebrated its **20th season** with another impressive slate of guests that included **Pedro Pascal, Kieran Culkin, and Jenna Ortega**. Jenna Ortega's episode alone garnered more than **100 million views** across platforms.

HuffPost

HuffPost continued to engage its audience with **destination news content** — from breaking **entertainment** news to relatable **personal** essays to an informed **wellness** series — with multiple stories surpassing 1 million views each.

Selected Client Wins

DELIVERING PREMIUM, BRAND-SAFE ADVERTISING OPPORTUNITIES FOR OUR CLIENTS

Lionsgate Taps into Massive Entertainment Audience Across BuzzFeed and Complex

Our partnership with Lionsgate to support the release of John Wick: Chapter 4 showcases how we can light up multiple brands in our portfolio by leaning into different aspects of the film.

- With the BuzzFeed brand, we were able to deliver a reliable, entertainment-centric audience for our client. Lionsgate leaned into our creator products as well as BuzzFeed's popular Celebs with Puppies Interview franchise to mirror the protagonist's relationship with his dog and capture social content that could be distributed across our channels to promote the film.
- And, by extending the campaign to include Complex, we engaged Complex's John Wick fans with a takeover featuring a logo transformation from Complex to Wickplex on the day of the film's release.

TurboTax Sponsors Super Bowl Edition of Hot Ones' Truth or Dab

Hot Ones, first premiering in 2015, recently concluded its 20th season. The celebrity interview show has grown into one of the most popular on YouTube, regularly amassing millions of viewers each week.

- Fans are rabid for everything related to the show. As a result, the franchise has successfully extended the Hot Ones IP to spinoffs like Truth or Dab, which consistently attracts premium brand sponsorships.
- This year, NFL pros Darius Slayton and Andrew Thomas played Truth or Dab in a special Super Bowl edition of the show. The episode was sponsored by returning client, TurboTax, to amplify their brand messaging ahead of tax season.

Q1 '23 Financial Highlights

TOTAL REVENUE

Q1 '23 $67M

Q1 '22 $92M

TIME SPENT[1]

109
hours

NET (LOSS) INCOME

Q1 '23 $(36)M

Q1 '22 $(45)M

CASH AND CASH EQUIVALENTS

$50M

ADJUSTED EBITDA[2]

Q1 '23 $(20)M

Q1 '22 $(17)M

[1] Excludes Facebook; refer to page 18 for Time Spent definition.

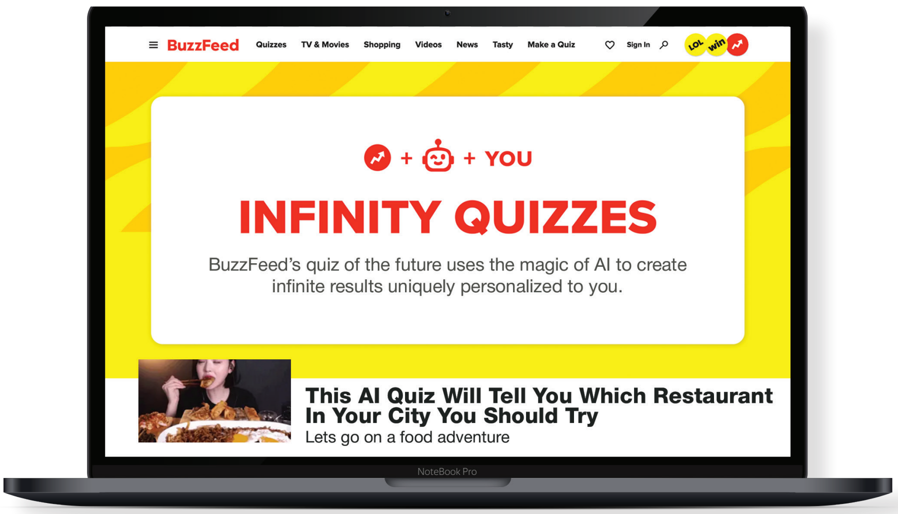
[2] A non-GAAP financial measure. See "Reconciliation of GAAP to Non-GAAP Financial Measures" in the Appendix for a reconciliation to the most directly comparable financial measure in accordance with accounting principles generally accepted in the United States ("GAAP").

Our Brands

BuzzFeed

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

Q1 has been a busy quarter for the BuzzFeed brand. The integration of AI represents an opportunity for us to massively level up our data-driven storytelling skills. And we are rapidly prototyping new AI-powered formats for our audience, moving beyond quizzes into chatbots and games, as we look to drive a more gamified, more interactive, and more personalized experience for our audience.



AUDIENCE TIME SPENT

~40% higher

VS OUR TRADITIONAL QUIZ FORMAT

AUDIENCE TIME SPENT

4X higher

THAN STATIC QUIZZES

BuzzFeed Studios

PRODUCING MORE PREDICTABLE SUCCESS IN LONG-FORM CONTENT DEVELOPMENT

In Q1, BuzzFeed Studios leaned into the broader BuzzFeed, Inc. platform to promote its upcoming **Film and TV** slate, expanded into audio with the launch of a new brand-driven **podcast** in partnership with Acast, and launched new **FAST channels** to bring BuzzFeed, Inc.'s hit shows to new digital audiences.

TV

BuzzFeed Studios and **MotorTrend** kicked off 2023 with the Season 3 release of Car Issues with Tyler Hoover, supported by our marketing engine.

PODCASTS

In March, BuzzFeed Studios and **Tasty** announced the release of Bite Club, the first podcast series under the new strategic partnership with **Acast**.

FILM

On Valentine's Day, BuzzFeed Studios announced the release of One True Loves — in partnership with **Highland Film Group** — based on the hit novel by Taylor Jenkins Reid, starring Simu Liu. **The campaign kicked off with a trailer that went viral and drove more than 2M views** across TikTok and Instagram in under 48 hours.

FAST CHANNELS

BuzzFeed TASTY COMPLEX FIRST WE FEAST

Over the past couple of months, BuzzFeed Studios has launched three new fast channels to bring BuzzFeed, Inc.'s hit shows to new digital audiences: (1) a **Complex** channel, anchored by flagship series like Sneaker Shopping, Full Size Run, and Brackets; (2) a **BuzzFeed** channel, featuring a portfolio of top-performing content from Celeb, Unsolved, and more; and (3) a food-centric channel called Eat Your Feed, combining the best of **First We Feast** and **Tasty**, including Hot Ones. The channels will be available on Roku, Tubi, Sling, and other major FAST providers.

COMPLEX

Our Brands

ATTRACTING PREMIUM BRAND SPONSORSHIPS WITH AUTHORITATIVE, CULTURE-DEFINING PROGRAMMING

COMPLEX TENTPOLE SERIES SNEAKER SHOPPING DRIVES STRONG VIEWERSHIP GROWTH ON YOUTUBE

Complex YouTube Channel sees **85%** growth in Q1 viewership y/y

surpassed **1B** views across platforms

VERTICAL VIDEO MOMENTUM CONTINUES IN Q1, SURPASSING 1B VIEWS ACROSS PLATFORMS

MSCHF Boots

Drake at the Apollo

Rihanna at the Super Bowl

Best Rapper Alive Series at the Grammys

TASTY

INSPIRING THE LARGEST, MOST ENGAGED FOOD COMMUNITY ON THE INTERNET[1]

GROWING AUDIENCE ENGAGEMENT AROUND TASTY CREATOR-LED CONTENT

- In Q1, Tasty launched a new short form series on TikTok — "Potatoes 100 Ways"
- The series is off to an impressive start, earning more than 50M views across its first two episodes

more than 50M views

CREATOR-LED CONTENT CONTINUES TO ATTRACT AD SPENDING FROM GLOBALLY RECOGNIZED BRANDS

Meet Our

TASTY RESIDENTS

Building on the success of the inaugural Resident class, Tasty welcomed four new Residents to its program in Q1. And the results continue to validate that pairing Creators with our beloved brands delivers extraordinary results.

Tasty residents increased their audiences, growing their followers... ...by up to 50%

The same creator content... ...sees a 2X+ ...lift in engagement when posted on Tasty channels

[1] Source: Tubular Intelligence, Q1 2023. Includes YouTube, Twitter, Facebook, & TikTok. Does not include Instagram.

Our Brands

HIT CELEBRITY INTERVIEW SHOW ON YOUTUBE AND MASSIVE IP UNIVERSE WITH AN AUTHORITATIVE VOICE AT THE INTERSECTION OF FOOD AND POP CULTURE

HOT ONES WRAPS SEASON 20 WITH ROBUST VIEWERSHIP ACROSS PLATFORMS

over **100M** views

HOT ONES DRIVES CONSUMER BEHAVIOR ON BEHALF OF LARGE CPG CLIENTS

Hot Ones has become the blueprint — not only for digital media, but also for any entertainment brands looking to break through the noise and create true impact with audiences and consumers. The brand has built a powerful revenue flywheel that extends well beyond the show to drive consumer behavior on behalf of large CPG clients.

Following the successful launch of Hot Ones Boneless Chicken Bites at grocery chains nationwide last year, the brand debuted its Hot Ones Challenge Pack at nearly 600 Sam's Club locations.

#HOTONESCHALLENGE

Play the #HotOnesChallenge at home with our new Hot Ones Boneless Chicken Bites. The next time you bring the heat to game night (or the dinner table), hit record, snap that pic, and share all the spicy reactions with us for a chance to be featured on First We Feast! Just use #HotOnesChallenge to heat things up on social media.

Our Brands

HUFFPOST

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

HUFFPOST

NEWS | POLITICS | ENTERTAINMENT | LIFE | PERSONAL | VOICES | SHOPPING | VIDEO

HuffPost continued to engage its audience with destination news content — from breaking **entertainment** news to relatable **personal** essays to an informed **wellness** series.

And, the brand has demonstrated success in reaching audiences on new platforms by adapting some of its most popular stories into short-form vertical videos on TikTok and Instagram Reels.

Q1 ‘23 Financial Results

We delivered first quarter results in line with our guidance range for both Revenue and Adjusted EBITDA.

On a year-over-year basis, **overall** revenues for Q1 2023 declined 27% to $67.2 million, as expected, driven by the ongoing shift toward short-form, creator-led content, continued softness in the broader digital advertising market, and sales execution challenges. Performance by revenue line is as follows:

- **Advertising revenues** declined 30% year-over-year, to $34.2 million, in line with fourth quarter trends, as expected, primarily driven by both pricing and demand pressures on our owned and operated properties.
- **Content revenues** declined 33% year-over-year to $21.6 million, with branded content performance decelerating versus the fourth quarter, as expected.
    - As a complement to our Content revenues, we are introducing a KPI to represent net branded content advertiser revenue retention — which is a function of both the number of clients we serve and the average spend per client.
    - This metric reflects current period trailing twelve-month revenues as a percentage of prior period trailing twelve-month revenues, for branded content customers that spent a minimum of $250,000 in the prior period.

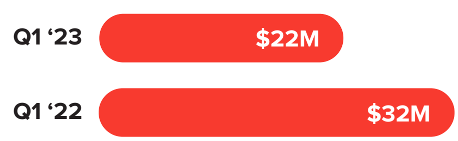
TOTAL REVENUE

-27%
Year over Year

ADVERTISING REVENUE

-30%
Year over Year

CONTENT REVENUE



-33%
Year over Year

COMMERCE & OTHER REVENUES

+6%
Year over Year

- As we outlined last quarter, the steps we took to combine the BuzzFeed and Complex sales teams created operational challenges that negatively impacted our revenue performance in Q1.
- These impacts materialized in the form of lower revenue retention versus the prior year.
- However, average spend per advertiser remained relatively consistent year-over-year.

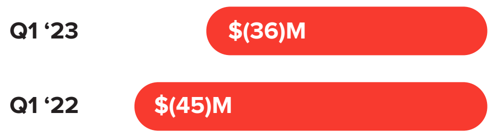
- **Commerce and other revenues** grew 6% to $11.3 million, driven by easing comps in our organic affiliate business.

This revenue performance resulted in Q1 Adjusted EBITDA loss of $20.2 million in the quarter, $3.5M lower year-over-year — with the majority of the lower revenue year-on-year mitigated by the cost actions taken throughout 2022.

We also incurred charges that did not impact Adjusted EBITDA. A full reconciliation of our GAAP to non-GAAP measures can be found in today's press release, available on our Investor Relations website.

We ended the quarter with cash and cash equivalents of approximately **$50 million**.

NET (LOSS) INCOME



ADJUSTED EBITDA[1]

CASH & CASH EQUIVALENTS

[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").

Q2 '23 Outlook

For the second quarter of 2023:

- We expect overall revenues in the range of **$76** to **$81 million**.
- We expect Adjusted EBITDA in the range of **$0** to **$4 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 May 9th, 2023 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 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 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. This metric excludes time spent with our content on platforms for which we have minimal advertising capabilities that contribute to our Advertising revenues, including TikTok, Facebook, 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 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 22 million hours and approximately 72 million hours for the three months ended March 31, 2023 and 2022, respectively, which is not included in Time Spent discussed above.

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, interest expense, net, other income, net, depreciation and amortization, stock-based compensation, change in fair value of warrant liabilities, change in fair value of derivative liability, restructuring costs, transaction-related 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 Q2 and FY 2023) 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 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 including artificial intelligence; (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 and the benefits of our restructuring, including financial projections and business metrics and any underlying assumptions thereunder and future business plans and initiatives and growth opportunities; (10) our future capital requirements and sources and uses of cash, including, but not limited to, our ability to obtain additional capital in the future in a higher interest rate environment and any impacts of bank failures or any

Forward-Looking Statements (continued)

restrictions on our ability to access our cash and cash equivalents; (11) expectations regarding future acquisitions, partnerships or other relationships with third parties; (12) developments in the law and government regulation, including, but not limited to, revised foreign content and ownership regulations; (13) the anticipated impacts of current global supply chain disruptions, further escalation of tensions between Russia and Western countries and the related sanctions and geopolitical tensions, as well as further escalation of trade tensions between the United States and China; the inflationary environment; the tight labor market; the continued impact of the COVID-19 pandemic and evolving strains of COVID-19; and other macroeconomic factors 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 the Nasdaq Stock Market LLC.

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 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, USD in thousands)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	% Change
Advertising	$ 34,248	$ 48,668	(30)%
Content	21,618	32,279	(33)%
Commerce and other	11,287	10,611	6%
Total revenue	$ 67,153	$ 91,558	(27)%
Loss from operations	$ (29,718)	$ (35,298)	16%
Net loss	$ (36,261)	$ (44,566)	19%
Adjusted EBITDA	$ (20,191)	$ (16,764)	(20)%

BuzzFeed, Inc.
Consolidated Balance Sheets

(Unaudited, USD in thousands)

	March 31, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	$ 49,947	$ 55,774
Accounts receivable (net of allowance for doubtful accounts of $2,229 as at March 31, 2023 and $1,879 as at December 31, 2022)	72,363	116,460
Prepaid expenses and other current assets	24,270	26,373
Total current assets	146,580	198,607
Property and equipment, net	16,446	17,774
Right-of-use assets	61,615	66,581
Capitalized software costs, net	20,348	19,259
Intangible assets, net	117,532	121,329
Goodwill	91,632	91,632
Prepaid expenses and other assets	15,138	14,790
Total assets	**$ 469,291**	**$ 529,972**
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 27,198	$ 29,329
Accrued expenses	21,992	26,357
Deferred revenue	6,445	8,836
Accrued compensation	18,294	31,052
Current lease liabilities	22,667	23,398
Other current liabilities	5,176	3,900
Total current liabilities	101,772	122,872
Noncurrent lease liabilities	54,269	59,315
Debt	152,281	152,253
Derivative liability	1,185	180
Warrant liabilities	988	395
Other liabilities	430	403
Total liabilities	**310,925**	**335,418**
Commitments and contingencies		
Stockholders' equity		
Class A Common stock, $0.0001 par value; 700,000 shares authorized; 133,258 and 126,387 shares issued and outstanding at March 31, 2023 and December 31, 2022, respectively	14	13
Class B Common stock, $0.0001 par value; 20,000 shares authorized; 6,676 and 6,678 shares issued and outstanding at March 31, 2023 and December 31, 2022, respectively	1	1
Class C Common stock, $0.0001 par value; 10,000 shares authorized; 0 and 6,478 shares issued and outstanding at March 31, 2023 and December 31, 2022, respectively	—	1
Additional paid-in capital	717,191	716,233
Accumulated deficit	(559,190)	(523,063)
Accumulated other comprehensive loss	(2,669)	(1,968)
Total BuzzFeed, Inc. stockholders' equity	155,347	191,217
Noncontrolling interests	3,019	3,337
Total stockholders' equity	158,366	194,554
Total liabilities and stockholders' equity	**$ 469,291**	**$ 529,972**

BuzzFeed, Inc.
Consolidated Statements of Operations

(Unaudited, USD in thousands, except per share amounts)

	Three Months Ended March 31,	
	2023	2022
Revenue	$ 67,153	$ 91,558
Costs and Expenses		
Cost of revenue, excluding depreciation and amortization	47,344	60,818
Sales and marketing	15,301	17,803
General and administrative	22,002	32,562
Research and development	3,819	7,192
Depreciation and amortization	8,405	8,481
Total costs and expenses	96,871	126,856
Loss from operations	(29,718)	(35,298)
Other income, net	620	862
Interest expense, net	(5,418)	(4,789)
Change in fair value of warrant liabilities	(593)	(3,416)
Change in fair value of derivative liability	(1,005)	(1,575)
Loss before income taxes	(36,114)	(44,216)
Income tax provision	147	350
Net loss	(36,261)	(44,566)
Net income attributable to the redeemable noncontrolling interest	—	164
Net (loss) income attributable to noncontrolling interests	(260)	164
Net loss attributable to BuzzFeed, Inc.	$ (36,001)	$ (44,894)
Net loss per Class A, Class B and Class C common share:		
Basic	$ (0.26)	$ (0.33)
Diluted	$ (0.26)	$ (0.33)
Weighted average common shares outstanding:		
Basic	140,704	136,425
Diluted	140,704	136,425

BuzzFeed, Inc.
Consolidated Statements of Cash Flows

(Unaudited, USD in thousands)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Operating activities:		
Net loss	$ (36,261)	$ (44,566)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	8,405	8,481
Unrealized (gain) loss on foreign currency	(958)	142
Stock based compensation	1,122	3,940
Change in fair value of warrants	593	3,416
Change in fair value of derivative liability	1,005	1,575
Amortization of debt discount and deferred issuance costs	1,345	1,154
Deferred income tax	(21)	507
Provision for doubtful accounts	223	574
Unrealized gain on investment	—	(1,260)
Gain on disposition of assets	(175)	—
Non-cash lease expense	5,034	4,690
Changes in operating assets and liabilities:		
Accounts receivable	43,837	44,227
Prepaid expenses and other current assets and prepaid expenses and other assets	1,979	2,864
Accounts payable	(95)	(5,741)
Accrued compensation	(12,772)	(10,117)
Accrued expenses, other current liabilities and other liabilities	(5,183)	(4,688)
Lease liabilities	(5,862)	(5,517)
Deferred revenue	(2,395)	1,461
Cash (used in) provided by operating activities	(179)	1,142
Investing activities:		
Capital expenditures	(402)	(2,369)
Capitalization of internal-use software	(3,974)	(3,553)
Proceeds from sale of asset	175	—
Cash used in investing activities	(4,201)	(5,922)
Financing activities:		
Proceeds from exercise of stock options	29	358
Payment for shares withheld for employee taxes	(193)	—
Payment on Revolving Credit Facility	(1,317)	—
Deferred reverse recapitalization costs	—	(585)
Cash used in financing activities	(1,481)	(227)
Effect of currency translation on cash and cash equivalents	34	(186)
Net decrease in cash and cash equivalents	(5,827)	(5,193)
Cash and cash equivalents at beginning of period	55,774	79,733
Cash and cash equivalents at end of period	$ 49,947	$ 74,540

BuzzFeed, Inc.
Reconciliation of GAAP to Non-GAAP

(Unaudited, USD in thousands)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Net loss	$ (36,261)	$ (44,566)
Income tax provision	147	350
Interest expense, net	5,418	4,789
Other income, net	(620)	(862)
Depreciation and amortization	8,405	8,481
Stock-based compensation	1,122	3,940
Change in fair value of warrant liabilities	593	3,416
Change in fair value of derivative liability	1,005	1,575
Restructuring[1]	—	1,843
Transaction costs[2]	—	2,955
Public company readiness costs[3]	—	1,315
Adjusted EBITDA	**$ (20,191)**	**$ (16,764)**
Adjusted EBITDA margin	(30.1)%	(18.3)%
Net loss as a percentage of revenue[4]	(54.0)%	(48.7)%

[1] For the three months ended March 31, 2022, reflects costs associated with the organizational changes to align sales and marketing and general and administrative functions as well as changes in content to better serve audience demands. 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] 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.

[3] Reflects one-time initial set-up costs associated with the establishment of our public company structure and processes.

[4] Net loss as a percentage of revenue is included as the most comparable GAAP measure to Adjusted EBITDA margin, which is a Non-GAAP measure.

https://investors.buzzfeed.com/