BuzzFeed Inc.

Q3 2023
Investor Letter

Jonah Peretti
Founder & CEO

We continue to operate in an unprecedented environment for digital media. Last quarter, I outlined some of the challenges facing digital media companies in the current platform ecosystem — namely that audience traffic referrals from the major platforms have diminished as they continue to prioritize their own vertical video formats amid intense competition for audience share. This has a direct impact on our ability to monetize content across our portfolio of brands.

As you've seen by now, this has resulted in significant year-over-year revenue declines in Q3. However, Q3 also reflects the full benefit of the restructuring actions we announced earlier this year. As a result, we were able to deliver a profitable Q3, an improvement over Q2 and last year quarter despite lower revenues.

We have already taken significant steps to combat the ongoing traffic and monetization challenges. Earlier this year, we made the decision to reprioritize editorial and creative resources across the business to focus on the platforms and formats with the highest potential for long-term monetization. We also made changes to our sales organization to align with the weaker demand environment, reducing organizational layers to drive efficiency and improve sales execution.

With these changes in place, **we continue to be laser-focused on driving traffic directly to our owned and operated websites and apps** in order to reduce our dependence on the major tech platforms for audience traffic, improve monetization and pivot our business to adjust to the new realities of an altered digital media landscape.

Specifically, we continue to:

- **introduce new AI-assisted content** formats to increase engagement and offer innovative advertising opportunities to our clients,
- **expand our creator network** and creator-driven advertising opportunities to participate in the rise of vertical video, and,
- **prioritize destination news** content to grow our HuffPost front page audience.

We have strong and differentiated IP across BuzzFeed, Complex, HotOnes, First We Feast, Tasty, and HuffPost - each with a trusted and established brand identity:

- For **BuzzFeed**, it is pop culture, entertainment, and curating the best of the internet — using AI to shift content delivery and distribution

- For **Complex**, it is delivering premium original content that covers the latest trends in sneakers, music, and convergence culture
- For **First We Feast**, it is expanding the **Hot Ones** universe, and building more IP at the intersection of food and pop culture
- For **Tasty**, it is attracting emerging food creators and leveraging the social platforms to build community around cooking
- For **HuffPost**, it is breaking news coverage and audience-centric stories for a massive, direct-to-front page audience

Across this brand portfolio, **we continue to lead the industry in terms of time spent**. In Q3, US Gen Z and Millennials once again spent vastly more time consuming our content than that of any other digital media company in our competitive set, according to Comscore.

And we continue to reach millions of young people every day who visit us directly to enjoy our content. Throughout this investor letter, you will see a few of the specific areas where we are gaining traction with direct audiences and clients alike, in the areas of AI, creators, and destination news content.

Further, with the strategic and organizational changes we executed earlier this year, **we are well-positioned to drive a year-over-year improvement in Adjusted EBITDA in Q4 and for the full year.** And we are continuing to protect our liquidity position as we work toward building a sustainable long-term model for content creation.

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 & 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.

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.

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.

Delivering Cultural Moments At Scale For Advertisers

Moments are defined as having a combination of scarcity and unaided demand. Moments can be homegrown or they can be part of the pop culture calendar. Very few partners can deliver Voice and Scale together in one package. BuzzFeed, Inc. is a one-stop shop for big moments in culture that marketers can plan for and advertise around.

Audience Engagement Trends

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

Across platforms, our creative teams published

more than **10K** short-form videos

the highest quarterly output to date

Our short-form content once again

surpassed **1B** quarterly views

on each of Instagram, YouTube, and TikTok

BuzzFeed's AI chatbot games continued to drive deep audience engagement, with Nepogotchi seeing a more than 40% increase in time spent per view versus Q2, laying the foundation for future monetization opportunities with brand partners looking to reach target consumers through innovative ad campaigns.

Tasty teamed up with Bush's Beans to launch a meal planner exclusively for its app-based audience, including customized meal plans and recipes featuring Bush's flagship products.

Across tentpole shows like Sneakers Shopping, GOAT Talk, and 360 With Speedy, **Complex** drove robust viewership growth on YouTube once again in Q3, up ~40% year-over-year.

Season 22 of **Hot Ones** kicked off with guests *NSYNC. The episode immediately went viral, with multiple major media outlets covering the interview. Throughout the quarter, the show continued to drive millions of weekly viewers and attract premium brand sponsors such as Coors, State Farm, and Disney.

In Q3, **HuffPost** drove record audience traffic to its homepage and web app since joining BuzzFeed more than two years ago, demonstrating the brand's consistency in attracting loyal homepage and app audiences.

Selected Client Wins

Reno Tahoe Tourism Partners With BuzzFeed To Launch AI-Powered Ad Campaign

BuzzFeed and Reno Tahoe Tourism partnered to develop a multi-faceted campaign that leveraged the true power of BuzzFeed's scale, AI technology, and reach to inspire seasonal travel to the region. Reno Tahoe was the first travel partner to leverage BuzzFeed, Inc.'s AI technology. The campaign included personalized travel itineraries AND a gamified quiz experience that drove deep engagement among our audience. The AI quiz in particular drove above-average time spent, when compared to other sponsored quizzes.

Bush's Beans Sponsors The Launch Of Tasty's In-App Meal Planner

Bush's Beans and Tasty partnered to create custom recipe content and surround the first-to-market Tasty Meal Planner launch. By creating this content, we were able to reach their target audience — the Social Family Food Lover — and drive consideration for key brand SKUs. The campaign launched with a bang, as the first edition of the meal planner exceeded benchmarks on key in-app metrics like recipe view rate, checkout rate, and recipe save rate, relative to editorial meal plans.

Warner Bros. Collaborates With First We Feast To Promote The Upcoming Launch Of Mortal Kombat 1

For the highly anticipated launch of Mortal Kombat 1, Warner Bros. Games partnered with First We Feast to develop a strategic campaign anchored around a custom Hot Ones episode with the legendary Mortal Kombat co-creator, Ed Boon, who took on the wings of death while telling stories that hail back to the genesis of this epic franchise. This program also leveraged the scale of the wider BuzzFeed, Inc. network, resulting in a surprise and delight moment for Hot Ones and gaming fans alike.

Q3’23 Financial Highlights

TOTAL REVENUE

Q3’23 $73M

Q3’22 $104M

NET LOSS

Q3’23 $(14)M

Q3’22 $(27)M

ADJUSTED EBITDA[1]

Q3’23 $3M

Q3’22 $(2)M

TIME SPENT[2]

92M
hours

CASH AND CASH EQUIVALENTS

$42M

[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”).

[2] We define Time Spent as the estimated total number of hours spent by users on our owned-and-operated U.S. properties, our content on Apple News, 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.

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

Across quizzes, posts, and chatbot games, BuzzFeed AI content continued to gain audience momentum in Q3.

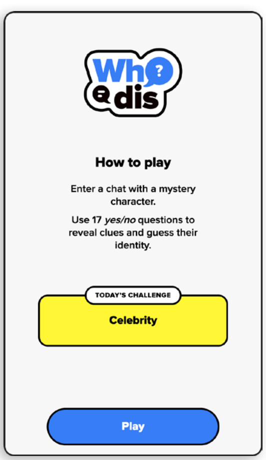
Q3 average traffic per piece of AI content

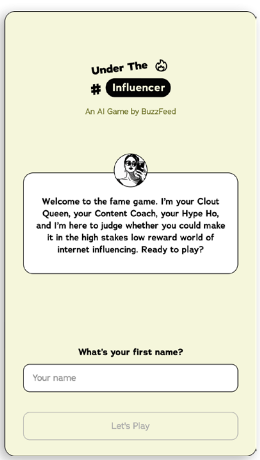
more than **60%** higher

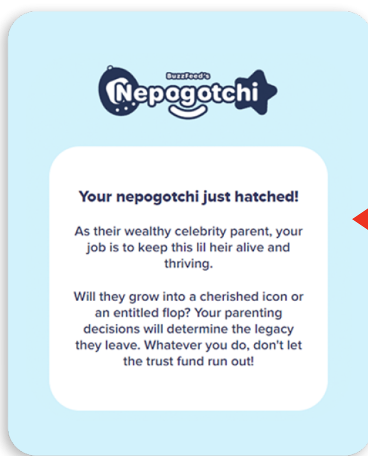
relative to non-AI content

Original AI content continued to see higher average audience traffic relative to non-AI content. And, overall **engagement with AI content grew strongly quarter over quarter** once again in Q3.

BuzzFeed has also launched multiple chatbot games over the past several months — including **Under the Influencer**, **Who Dis**, and **Nepogotchi**. Audience engagement with our AI gaming content continued to deepen in Q3, particularly among our direct audience.







Nepogotchi saw a more than **40%** increase in time spent per view

vs. Q2

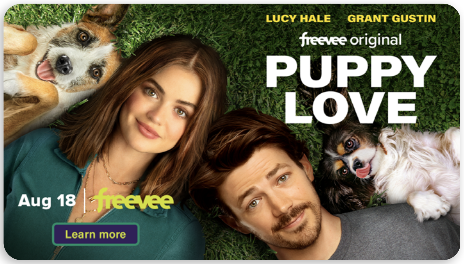
Building on this success, BuzzFeed is focused on introducing **more gaming content** for its loyal, app-based audience, including a new word game and a daily trivia experience.

PRODUCING MORE PREDICTABLE SUCCESS IN LONG-FORM PREMIUM CONTENT

Film & TV

In July, BuzzFeed Studios, in partnership with **Lionsgate**, announced the release of **Dear David**, based on the 2017 viral sensation about a ghost haunting a former BuzzFeeder. The marketing campaign, which included a Great British Bake Off contestant, dynamic OOH placements targeting the area surrounding NY Comic Con, YouTubers who covered the original story, and an AI Dear David bot that responded to commenters, launched this summer in advance of the film's premiere at Screamfest LA and subsequent release **in theaters** and on **Amazon** & **Apple** on Friday, October 13th.

This follows the success of **Puppy Love**, which released August 18th on **Amazon Freevee** and **Prime Video**. Puppy Love landed in the top 10 most streamed movies its opening weekend, and also received a 92% audience score and 4.6 out of 5.0 rating on Amazon.com.



Podcast

Q3 also marked the launch of BuzzFeed Studios' latest podcast from **HuffPost**, in partnership with **Acast**, titled **Am I Doing It Wrong**. The podcast catapulted to the top 1% of all podcasts by listenership in its first day, demonstrating the love for our Studio content and the power of our marketing engine.

Licensing

FilmRise, the film, TV, and streaming network, acquired worldwide digital media rights to a library of content from BuzzFeed Studios. All told, the library deal comprises more than 1,200 hours of content, including past episodes of **Hot Ones**, **BuzzFeed Unsolved: True Crime**, **BuzzFeed Unsolved: Supernatural**, and **Worth It**.

BUILDING THE NEXT GENERATION OF FOOD CREATORS ON THE INTERNET

Tasty Introduces Brand Sponsorship Opportunities With Launch Of Creator-Led Vertical Video Series

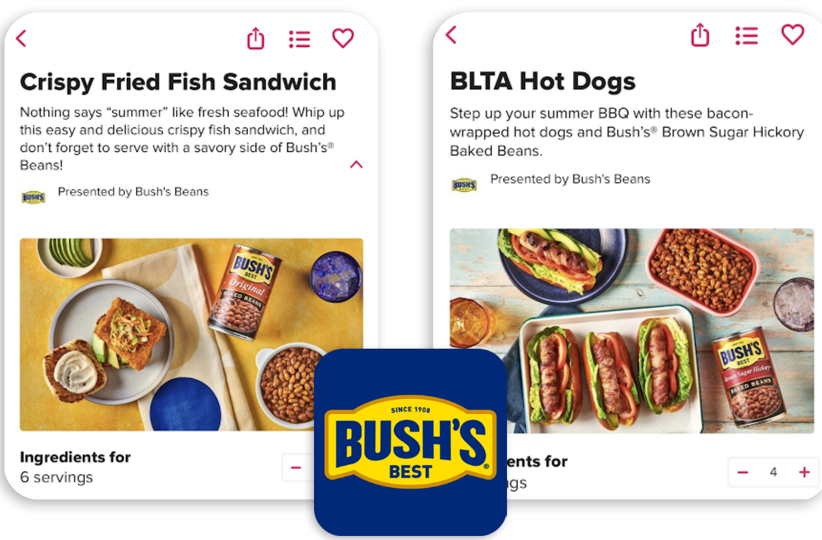
Following the success of Tasty Resident Jeri Mobley's TikTok series, **Potatoes 100 Ways**, Tasty has launched several new vertical video series featuring its latest class of Tasty Residents.

Quiet Kitchen featuring Tucker Reynolds

Resident comedian and food lover, Tucker, is challenged to make an easy dish while making as little noise as possible.

Bush's Beans Sponsors The Launch Of Tasty's In-App Meal Planner

Bush's Beans and Tasty partnered to create custom recipe content and surround the first-to-market **Tasty Meal Planner** launch. By creating this content, we were able to reach Bush's target audience — the Social Family Food Lover — and drive consideration for key brand SKUs.



ATTRACTING PREMIUM BRAND SPONSORSHIPS WITH AUTHORITATIVE, CULTURE-DEFINING PROGRAMMING

In Q3, Complex Continued to Drive Conversation With Editorial Tentpoles, Including Its Q3 Digital Cover And The Fifth Edition Of Complex Volume

The fifth edition of Complex Volume surveyed the current state of streetwear.

Complex's Q3 digital cover featured magnetic streamer and content creator, ***Kai Cenat****.*

Complex Tentpole Shows Continued To Drive Robust Viewership Growth On YouTube, Up ~40% Y/Y

Complex Unveils Returning Title Sponsors For ComplexCon 2023

In September, Complex announced that **eBay**, **Espolòn Tequila**, and **Toyota** would all return as title sponsors for ComplexCon 2023, the expertly curated festival of the future bringing together the world's most influential brands and artists for an immersive and unforgettable weekend of style, sneakers, art, food, music, inspiration, and more. The event, which attracts tens of thousands of in-person fans across two days, will return to the **Long Beach Convention Center** on **November 18th & 19th.**

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

Season 22 Of Hot Ones Kicks Off

Season 22 of Hot Ones kicked off in September with special guests *NSYNC. The episode went viral with sneak peaks and interview highlights across major media outlets including People, Access Hollywood, and Rolling Stone, among others. The popularity of the hit YouTube interview show also continued to attract brand sponsors from Coors to Snickers to Zelle.

Launch Of New Spinoff Series Heat Eaters

Heat Eaters — a spicy and educational culinary adventure that digs deeper into the Hot Ones universe — premiered on YouTube July 10th and has already garnered millions of views. Taking viewers outside of the Hot Ones studio and into the streets with host Esther Choi, Heat Eaters explores the world of spice and embraces the stripped-down, fun, anything-goes nature of documenting real eating adventures.

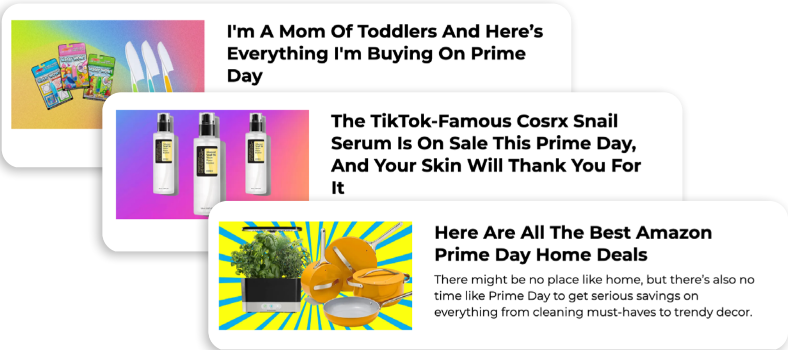
Hot Ones Hot Pockets Debuts At Grocery Chains Nationwide

Hot Ones teamed up with Nestlé Hot Pockets to create four new spicy recipes that pack a deliciously fiery punch: Spicy Garlic & Bacon, Smoky Green Chile Cheesesteak, Hot Habanero Pepperoni & Sausage, and Fiery Hot Pepperoni, and all feature hot sauces from the show. Three of the flavors are now available at retailers nationwide, including Target, Walmart, and Sam’s Club, while the Fiery Hot Pepperoni recipe is sold exclusively via GoPuff.

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

Q3 Was The Best Performing Quarter For Traffic To The HuffPost Front Page Since The Brand Joined BuzzFeed In February 2021

HuffPost had **record-breaking traffic in Q3**, bolstered by breaking political and legal news, as well as popular stories in its Life and Personal sections.



HuffPost shopping content continued to gain momentum in Q3 and into Q4, driving robust **double-digit growth in GMV year-over-year**, during both the July and October Amazon Prime Days.

Q3'23 Financial Results

Although we delivered third quarter results in line with our August outlook for both Revenue and Adjusted EBITDA, the significant year-over-year declines in revenue reflect the ongoing monetization and traffic challenges we are facing.

Overall revenues for Q3 2023 declined 29% year-over-year to $73.3 million, with performance by revenue line as follows:

- **Advertising revenues** declined 35% year-over-year, to $32.6 million, as ongoing competition for both ad dollars and audience time continued to pressure both advertiser demand and pricing.
- **Content revenues** declined 32% year-over-year to $26.2 million, driven primarily by a decline in the number of branded content advertisers, as well as the timing of feature film delivery and release relative to the year ago quarter.
  - Q3 branded content net revenue retention was lower as compared to Q2.
- **Commerce and other revenues** of $14.5 million declined $0.5 million or 3% year-over-year.

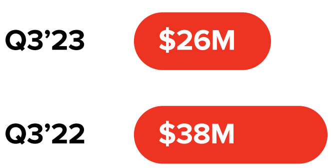
TOTAL REVENUE

-29%
Year over Year

ADVERTISING REVENUE

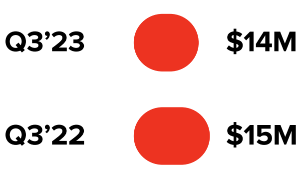
-35%
Year over Year

CONTENT REVENUE



-32%
Year over Year

COMMERCE AND OTHER REVENUES



-3%
Year over Year

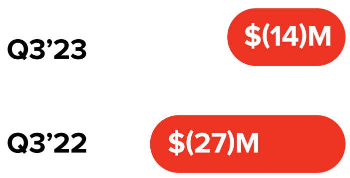
Q3'23 Financial Results (continued)

In terms of Adjusted EBITDA, we were able to mitigate all of the lower revenue year-on-year with successful execution against the cost actions we announced in April — delivering Q3 **Adjusted EBITDA profits of $3 million, a $5 million improvement** versus the year ago period.

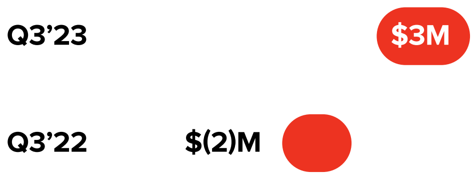
We also incurred charges that did not impact Adjusted EBITDA. A full reconciliation of our GAAP to non-GAAP measures can be found in today's press release, available on our Investor Relations website.

We ended the quarter with **cash and cash equivalents** of approximately $42 million, $1 million higher quarter-over-quarter. Further, on a year-to-date basis, we used $2.4 million in operating cash inclusive of approximately $10 million in one-time restructuring payments.

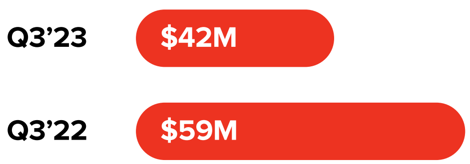
NET LOSS



ADJUSTED EBITDA[1]



CASH AND 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").

Q4’23 Outlook

For the fourth quarter of 2023:

- We expect overall revenues in the range of **$99 to $110 million**.
- We expect Adjusted EBITDA in the range of **$20 to $30 million**.

These statements are forward-looking and actual results may differ materially as a result of many factors. Refer to “Forward-Looking Statements” below for information on factors that could cause our actual results to differ materially from these forward-looking statements.

Please see “Non-GAAP Financial Measures” below for a description of how Adjusted EBITDA is calculated. While Adjusted EBITDA is a non-GAAP financial measure, we have not provided guidance for the most directly comparable GAAP financial measure — net loss — due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary to forecast such measure. Accordingly, a reconciliation of non-GAAP guidance for Adjusted EBITDA to the corresponding GAAP measure is not available.

Earnings Conference Call

BuzzFeed Inc.’s management team will hold a conference call to discuss our third quarter 2023 results today, **November 2, at 5PM ET**. The call will be available via webcast at **investors.buzzfeed.com** under the heading News and Events, and parties interested in participating must register in advance by clicking on this **link**. 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. A replay of the call will be made available at the same URL.

We have used, and intend to continue to use, the Investor Relations section of our website at **investors.buzzfeed.com** as a means of disclosing material nonpublic information and for complying with our disclosure obligations under Regulation FD.

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. 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 Instagram, TikTok, Facebook, Snapchat and Twitter. There are inherent challenges in measuring the total actual number of hours spent with our content across all platforms; however, we consider the data reported by Comscore to represent industry-standard estimates of the time actually spent on our largest distribution platforms with our most significant monetization opportunities. Effective January 1, 2023, we exclude time spent on Facebook from our measure of Time Spent as our monetization strategy is increasingly focused on advertising on our owned and operated properties, and Facebook now contributes an immaterial amount of advertising revenue. Time Spent on Facebook, as reported by Facebook, was approximately 11 million hours and 37 million hours for the three months ended September 30, 2023 and 2022, respectively, and 48 million hours and 157 million hours for the nine months ended September 30, 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 expense, net, depreciation and amortization, stock-based compensation, change in fair value of warrant liabilities, change in fair value of derivative liability, restructuring costs, impairment expense, transaction-related costs, certain litigation costs, public company readiness costs, and other non-cash and non-recurring items that management believes are not indicative of ongoing operations. Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by revenue for the same period.

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

Adjusted EBITDA and Adjusted EBITDA margin should not be considered a substitute for measures prepared in accordance with GAAP. Reconciliations of non-GAAP financial measures to the most directly comparable financial results as determined in accordance with GAAP are included at the end of this press release following the accompanying financial data.

Forward Looking Statements

Certain statements in this press release may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which statements involve substantial risks and uncertainties. Our forward-looking statements include, but are not limited to, statements regarding our management team's expectations, hopes, beliefs, intentions or strategies regarding the future. In addition, any statements that refer to projections, forecasts (including our outlook for Q4 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 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) 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) our success in integrating and supporting the companies we acquire; (7) poor quality broadband infrastructure in certain markets; (8) technological developments, including artificial intelligence; (9) our success in retaining or recruiting, or changes required in, officers, key employees or directors; (10) 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; (11) our future capital requirements and sources and uses of cash, including, but not limited to, our ability to obtain additional capital in the future and the actions we may need to take in order to generate capital to fund our operations, any impacts of bank failures or issues in the broader United States or global financial systems, any restrictions imposed by our debt facilities, and any

Forward Looking Statements (continued)

restrictions on our ability to access our cash and cash equivalents; (12) expectations regarding future acquisitions, partnerships or other relationships with third parties; (13) 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 and governmental investigations to which we are subject; (14) the anticipated impacts of current global supply chain disruptions; the war between Israel and Hamas or 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 (15) 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, dollars in thousands)

	Three Months Ended September 30,					Nine Months Ended September 30,				
		2023		2022	% Change		2023		2022	% Change
Advertising	$	32,589	$	50,404	(35)%	$	102,234	$	152,296	(33)%
Content		26,250		38,416	(32)%		79,347		110,979	(29)%
Commerce and other		14,460		14,913	(3)%		36,772		38,776	(5)%
Total revenue	$	73,299	$	103,733	(29)%	$	218,353	$	302,051	(28)%
Loss from operations	$	(6,800)	$	(18,085)	62%	$	(56,605)	$	(78,271)	28%
Net loss	$	(13,932)	$	(26,993)	48%	$	(78,029)	$	(95,140)	18%
Adjusted EBITDA	$	3,067	$	(2,396)	228%	$	(17,261)	$	(17,067)	(1)%

BuzzFeed, Inc. Consolidated Balance Sheets

(Unaudited, dollars and shares in thousands, except per share amounts)

	September 30, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	$ 42,470	$ 55,774
Accounts receivable (net of allowance for doubtful accounts of $1,996 as at September 30, 2023 and $1,879 as at December 31, 2022)	60,817	116,460
Prepaid expenses and other current assets	24,320	26,373
Total current assets	127,607	198,607
Property and equipment, net	13,415	17,774
Right-of-use assets	51,162	66,581
Capitalized software costs, net	22,110	19,259
Intangible assets, net	109,941	121,329
Goodwill	91,632	91,632
Prepaid expenses and other assets	15,340	14,790
Total assets	**$ 431,207**	**$ 529,972**
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 41,610	$ 29,329
Accrued expenses	17,713	26,357
Deferred revenue	8,273	8,836
Accrued compensation	14,724	31,052
Current lease liabilities	21,312	23,398
Other current liabilities	4,171	3,900
Total current liabilities	107,803	122,872
Noncurrent lease liabilities	43,424	59,315
Debt	157,061	152,253
Derivative liability	30	180
Warrant liabilities	489	395
Other liabilities	445	403
Total liabilities	**309,252**	**335,418**
Commitments and contingencies		
Stockholders' equity		
Class A Common stock, $0.0001 par value; 700,000 shares authorized; 138,201 and 126,387 shares issued and outstanding at September 30, 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 September 30, 2023 and December 31, 2022, respectively	1	1
Class C Common stock, $0.0001 par value; 10,000 shares authorized; 0 and 6,478 shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively	-	1
Additional paid-in capital	721,980	716,233
Accumulated deficit	(600,748)	(523,063)
Accumulated other comprehensive loss	(1,776)	(1,968)
Total BuzzFeed, Inc. stockholders' equity	119,471	191,217
Noncontrolling interests	2,484	3,337
Total stockholders' equity	121,955	194,554
Total liabilities and stockholders' equity	**$ 431,207**	**$ 529,972**

BuzzFeed, Inc. Consolidated Statements of Operations

(Unaudited, dollars and shares in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue	$ 73,299	$ 103,733	$ 218,353	$ 302,051
Costs and Expenses				
Cost of revenue, excluding depreciation and amortization	39,836	60,989	137,687	183,336
Sales and marketing	10,300	16,317	39,736	52,808
General administrative	19,080	27,254	62,438	92,381
Research and development	2,815	5,900	10,594	23,345
Depreciation and amortization	8,068	9,198	24,503	26,292
Impairment expense	-	2,160	-	2,160
Total costs and expenses	80,099	121,818	274,958	380,322
Loss from operations	(6,800)	(18,085)	(56,605)	(78,271)
Other expense, net	(1,307)	(2,752)	(4,362)	(5,330)
Interest expense, net	(5,904)	(5,171)	(16,953)	(14,992)
Change in fair value of warrant liabilities	104	(395)	(94)	2,964
Change in fair value of derivative liability	30	300	150	3,525
Loss before income taxes	(13,877)	(26,103)	(77,864)	(92,104)
Income tax provision	55	890	165	3,036
Net loss	(13,932)	(26,993)	(78,029)	(95,140)
Net income attributable to the redeemable noncontrolling interest	-	-	-	164
Net (loss) income attributable to noncontrolling interests	(210)	(137)	(470)	211
Net loss attributable to BuzzFeed, Inc.	$ (13,722)	$ (26,856)	$ (77,559)	$ (95,515)
Net loss per Class A, Class B, and Class C common share:				
Basic and diluted	$ (0.09)	$ (0.19)	$ (0.54)	$ (0.69)
Weighted average common shares outstanding:				
Basic and diluted	145,053	138,939	142,585	137,591

BuzzFeed, Inc. Consolidated Statements of Cash Flows

(Unaudited, USD in thousands)

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Operating activities:		
Net loss	$ (78,029)	$ (95,140)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	24,503	26,292
Unrealized (gain) loss on foreign currency	30	4,906
Stock based compensation	5,178	18,859
Change in fair value of warrants	94	(2,964)
Change in fair value of derivative liability	(150)	(3,525)
Amortization of debt discount and deferred issuance costs	4,475	3,863
Deferred income tax	404	1,957
Provision for doubtful accounts	(10)	654
Loss (gain) on investment	3,500	(1,260)
Gain on disposition of assets	(175)	(500)
Non-cash lease expense	15,460	14,962
Impairment expense	-	2,160
Changes in operating assets and liabilities:		
Accounts receivable	54,823	50,761
Prepaid expenses and other current assets and prepaid expenses and other assets	(1,540)	(6,469)
Accounts payable	14,421	4,133
Accrued compensation	(16,299)	(9,048)
Accrued expenses, other current liabilities and other liabilities	(10,451)	(3,177)
Lease liabilities	(18,028)	(17,728)
Deferred revenue	(569)	3,367
Cash used in operating activities	(2,363)	(7,897)
Investing activities:		
Capital expenditures	(761)	(4,528)
Capitalizaion of internal-use software	(10,920)	(9,746)
Proceeds from sale of asset	175	500
Cash used in investing activities	(11,506)	(13,774)
Financing activities:		
Proceeds from exercise of stock options	29	360
Payment for shares withheld for employee taxes	(407)	(1,670)
Borrowings on Revolving Credit Facility	2,128	5,000
Payments on Revolving Credit Facility	(1,796)	-
Proceeds from the issuance of common stock in connection with at-the-market offering, net of issuance costs	902	-
Deferred reverse recapitalization costs	-	(585)
Cash provided by financing activities	856	3,105
Effect of currency translation on cash and cash equivalents	(291)	(2,031)
Net decrease in cash and cash equivalents	(13,304)	(20,597)
Cash and cash equivalents at beginning of period	55,774	79,733
Cash and cash equivalents at end of period	$ 42,470	$ 59,136

BuzzFeed, Inc. Reconciliation of GAAP to Non-GAAP

(Unaudited, USD in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net loss	(13,932)	(26,993)	(78,029)	(95,140)
Income tax provision	55	890	165	3,036
Interest expense, net	5,904	5,171	16,953	14,992
Other expense, net	1,307	2,752	4,362	5,330
Depreciation and amortization	8,068	9,198	24,503	26,292
Stock-based compensation	1,799	3,635	5,178	18,859
Change in fair value of warrant liabilities	(104)	395	94	(2,964)
Change in fair value of derivative liability	(30)	(300)	(150)	(3,525)
Restructuring[1]	-	-	9,663	5,319
Impairment expense[2]	-	2,160	-	2,160
Transaction-related costs[3]	-	-	-	5,132
Litigation costs[4]	-	696	-	1,920
Public company readiness costs[5]	-	-	-	1,522
Adjusted EBITDA	$ 3,067	$ (2,396)	$ (17,261)	$ (17,067)
Adjusted EBITDA margin	4.2%	(2.3)%	(7.9)%	(5.7)%
Net loss as a percentage of revenue[6]	(19.0)%	(26.0)%	(35.7)%	(31.5)%

[1] Refer to Item 2. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” within our Quarterly Report on Form 10-Q for the period ended September 30, 2023 for a discussion of the distinct restructuring activities during the nine months ended September 30, 2023 and 2022. 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 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.

[6] 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.

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