



Investor Letter

Q4 2022

BuzzFeed Inc.

BuzzFeed[®]
ENTERTAINMENT

TASTY LIFESTYLE
BRANDS

COMPLEX
NETWORKS™

HUFFPOST
BuzzFeed News

A Message from Jonah



Jonah Peretti
Founder and CEO

THE FUTURE OF DIGITAL MEDIA

Over the next few years, I believe the future of digital media will be defined by the rise of creator-led and AI-powered content. We will help shape these trends to create massive value for our audience, our employees, and our shareholders. Specifically, we are working to:

- **Build the premier platform for creative people to do their most inspired work, reach the widest audience, and live their best lives.** Content will increasingly be produced by talent around the world who value the freedom and flexibility of working for themselves. Broadly defined, I'll refer to these people as "creators," but they include celebrities, actors, athletes, entertainers, freelancers, influencers, contributors, producers, community members, and talent. The creator platforms of the future will bring together widely known and loved brands, distribution channels, creative partnerships, business opportunities, and purpose-built creator tools to help creators succeed in a crowded market.
- **Harness AI to open up new avenues for storytelling, engagement, and monetization.** BuzzFeed has always lived at the intersection of technology and creativity, and recent developments in artificial intelligence represent an opportunity to take this convergence to the next level. As the creative process becomes increasingly AI-enabled, we are continually looking to maximize the creativity of our writers, creators, and producers. We view AI as an exciting new creativity tool, one that humans can harness to open up new avenues for imagination, storytelling, and engagement — and explore new premium product offerings that allow us to innovate and collaborate with our clients and partners on a new frontier in media.

OUR FOCUS ON CREATOR-LED AND AI-POWERED CONTENT

We are already seeing meaningful results from our **creator initiatives**. Some of the biggest careers in media and culture have started at BuzzFeed and Complex. Together, we are able to offer creators and advertisers a trusted network of talent, best-in-class tools, and premium, brand-safe collaboration opportunities across a wider audience. We also launched the **Tasty Residency** program, inviting creators to partner with us to create and share short-form content across Tasty social channels. As a result of these and many other initiatives, we are quickly ramping our production of creator-led content and building meaningful audience engagement across platforms. And we will continue to expand our **suite of tools, technology, and resources for creators to power their entire content creation and monetization engine** as we look to build the premier platform for creative people.



Our work in **AI-powered creativity** is also off to a good start. Last month, BuzzFeed introduced Infinity Quizzes to its community. **BuzzFeed Quizzes have defined internet culture since 2013 and this past year, our quizzes saw over 1 billion views** from around the world. The integration of generative AI and the launch of Infinity Quizzes marks the biggest change to the format in a decade — and the first step in a larger effort to pioneer new forms of AI-powered creativity that delight and empower our writers, creators, and audience, and open up new advertising opportunities for our clients. In 2023, you'll see AI-inspired content move from an R&D stage to part of our core business, enhancing the quiz experience, informing our brainstorming, and personalizing our content for our audience.

I could not be more excited for us to explore these transformative new frontiers in digital media. We hope you will join us at our virtual Investor Day on May 11th where we will have more time to fully communicate what we are working on.

POSITIONING THE BUSINESS FOR LONG-TERM GROWTH

2022 was a challenging year for our business, as we navigated the dual headwinds of a weakening digital ad environment and the ongoing shift to short-form, vertical video, while also integrating Complex Networks into the company. Against this backdrop, we took action in December to adjust our cost structure in order to:

- focus on the platforms and formats with the highest potential for long-term monetization,
- align with the weaker demand environment, and
- accelerate our progress on the integration.

Execution against our cost savings initiatives has allowed us to focus on the areas that I believe will drive long-term growth across our combined portfolio of brands — specifically, creators and artificial intelligence.

BuzzFeed, Inc. is well-positioned to both influence and benefit from these trends. We have a **proprietary technology platform that powers content development for our iconic brands and captures rich first party data and platform insights across a massive audience**. And, as we grow our creator network and integrate AI tools, we expect to deepen our competitive moats and further cement **our leadership position as a one stop shop for advertisers and a premier destination for emerging internet talent**.

I am grateful for the support of our shareholders as we continue to execute against this vision. I am also 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 Millennials and Gen Z

Gen Z and Millennial audiences spend vastly more time consuming our content than that of any other pure play digital media company. This continues to be true quarter after quarter, and by a significant margin, with young audiences spending more than twice the amount of time with our content than that of our closest competitor.

Proprietary tech stack powering iconic brands

Our proprietary technology stack is powered by machine learning and analytics, enabling us to capture rich insights around audience behavior and preferences. We use this audience signal to inform new content development. This, in turn, means we can attract larger, more engaged audiences and capture deeper, more reliable insights - delivering high-quality content at massive scale and low cost.

Reliable first party data and cross-platform insights for advertisers

Amid the rapidly evolving data privacy landscape, it is becoming increasingly difficult for advertisers to drive returns on the large tech platforms. Through the strength of our brands, our comprehensive suite of ad products, and proprietary first party data and platform insights, we offer advertisers the contextual alignment and tools they need to effectively and efficiently reach massive young audiences.

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 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. Across BuzzFeed and Complex, our platform brings together category leading brands, a trusted network of talent, and a comprehensive set of tools for advertisers to tap into lucrative, influencer-led advertising opportunities.

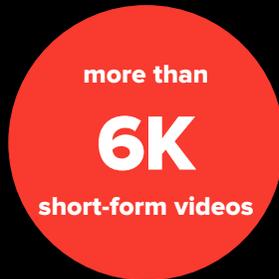


Audience Engagement Trends

CREATOR-LED CONTENT DRIVING ROBUST VIEWERSHIP ACROSS PLATFORMS



OUR CREATIVE TEAM
PUBLISHED



ACROSS PLATFORMS
~TRIPLING Y/Y

OUR SHORT-FORM CONTENT
ONCE AGAIN



ON BOTH INSTAGRAM REELS
AND YOUTUBE SHORTS

Q4
VIEWERSHIP



ACROSS
PLATFORMS

In Q4, each of our brands continued to make great strides in building audience momentum around short-form vertical video.

BuzzFeed

BuzzFeed's fast-growing YouTube Shorts animation channel, Chikn Nuggit, surpassed 1 million YouTube subscribers in Q4. Building on this success, BuzzFeed launched a new Shorts channel for its Asian identify brand, A*Pop, which drove millions of views in its first week.

BuzzFeed
ENTERTAINMENT

Tasty

Creator-led short-form content continued to resonate with Tasty audiences. In Q4, Tasty surpassed 2 billion views on Instagram Reels.

TASTY LIFESTYLE
BRANDS

Complex

Complex began adapting its long-running series, Sneaker Shopping, to vertical video. In Q4, the team published a clipped video of Sneaker Shopping featuring Mike Tyson, which has earned more than 20 million views across platforms to become the brand's most viewed short-form video to date.

COMPLEX
NETWORKS

HuffPost

HuffPost collaborated with its readers to successfully turn submissions from its Personal section into short-form videos for HuffPost's TikTok channel, contributing to strong audience growth on the platform.

HUFFPOST

BuzzFeed News

The Celeb team at BuzzFeed News saw tremendous audience response to its coverage of The Kardashians Season 2, with multiple shorts each earning millions of views on TikTok in Q4.

BuzzFeed News



Selected Client Wins

DELIVERING PREMIUM, BRAND-SAFE ADVERTISING OPPORTUNITIES FOR OUR CLIENTS

Lexus | Complex



Food continues to be an important pillar for luxury auto brand, Lexus, to reach young, diverse audiences. Lexus was excited to partner with Complex's First We Feast food brand to bring their core values — prestige, luxury, innovation, performance, and quality — to life through a series sponsorship of our new, original podcast, The Meals That Made Me. Host Adam Richman spoke with ten groundbreaking chefs on the meals that made them who they are today. **The sponsorship contributed to a double-digit increase in Lexus brand favorability.**

HomeGoods | BuzzFeed



Home shopping retailer, HomeGoods, chose to collaborate with BuzzFeed to create original assets for a marketing campaign rooted in innovation, contextual alignment, and strategic thinking. Our team leveraged OpenHaus's 3D visualization platform to develop compelling, original content showcasing the House of HomeGoods bookable vacation stay. And, we were able to deliver on strong audience engagement by leveraging BuzzFeed's travel brand, Bring Me, for distribution, **with the campaign contributing to increased awareness of their House of HomeGoods stay.**

Snyder's of Hanover | Tasty

America's Pretzel Bakery Since 1909®



To disrupt the holiday status quo and drive usage of core pretzel products for snack brand, Snyder's of Hanover, the Tasty team created a recipe-first digital content campaign that gave traditional holiday recipes an unexpected twist. These unique recipes were distributed across the Tasty universe via TikTok, Facebook, Instagram, and our owned & operated sites through a vertical video recipe series featuring a BuzzFeed creator, recipe posts, and a premium hub that provided Snyder's with an ownable destination to host all of the Tasty content. The combination of content formats spoke directly to Tasty's massive Millennial and Gen Z audiences, **resulting in significant increases in brand awareness, brand preference, message association, and recipe intent.**



FY '22 Financial Highlights

TOTAL REVENUE

FY '22 **\$437M**

FY '21 **\$398M**

TIME SPENT

624M
hours

NET (LOSS) INCOME¹

FY '22 **\$(201)M**

FY '21 **\$26M**

CASH AND CASH EQUIVALENTS

\$56M

ADJUSTED EBITDA²

FY '22 **\$0.5M**

FY '21 **\$42M**

¹ Includes a non-cash goodwill impairment expense of \$102 million. For more information, please see "Reconciliation of GAAP to Non-GAAP Financial Measures" in the Appendix.

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").



Q4 '22 Financial Highlights

TOTAL REVENUE

Q4 '22 **\$135M**

Q4 '21 **\$146M**

TIME SPENT

135M
hours

NET (LOSS) INCOME¹

Q4 '22 **\$(106)M**

Q4 '21 **\$42M**

CASH AND CASH EQUIVALENTS

\$56M

ADJUSTED EBITDA²

Q4 '22 **\$18M**

Q4 '21 **\$34M**

¹ Includes a non-cash goodwill impairment expense of \$102 million. For more information, please see "Reconciliation of GAAP to Non-GAAP Financial Measures" in the Appendix.

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At BuzzFeed, we are harnessing AI’s infinite creative potential to enhance the audience experience. We view AI as a new medium, much like social media was in the early 2010s. BuzzFeed has a proven track record of scaling new technologies and formats and we are excited about the potential to explore how AI can drive a deeper, more personalized, and more shareable experience for our audience.

INTRODUCING AI-POWERED INFINITY QUIZZES

BuzzFeed Quizzes have defined internet culture since 2013. This past year, our quizzes saw over 1 billion views from around the world. The integration of generative AI and the launch of Infinity Quizzes marks the biggest change to the format in a decade.

2022 QUIZ VIEWERSHIP

over 1B views

AI + Robot + YOU

INFINITY QUIZZES

BuzzFeed’s quiz of the future uses the magic of AI to create infinite results uniquely personalized to you.

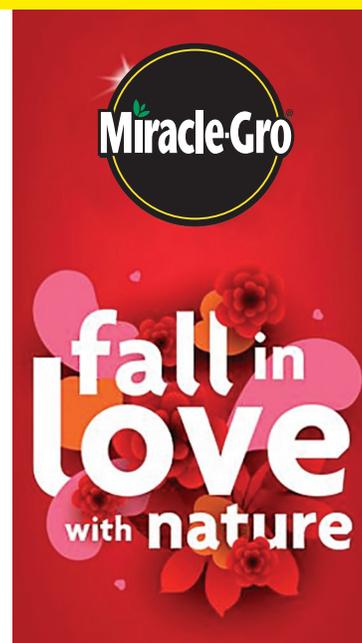
We’ll Design Your Ideal Soulmate With The Magic Of AI

Hint: They’ll grow on you.



The Valentine’s Day launch included an original quiz — We’ll Design Your Ideal Soulmate With The Magic Of AI (Hint: It’s a House Plant) — sponsored by our brand partner, Scotts Miracle-Gro. The quiz was met with a strong response from the community, delivering higher engagement and time spent relative to our traditional quiz format. We look forward to leveraging AI to bring more innovative, brand-safe partnership opportunities like these to our clients.

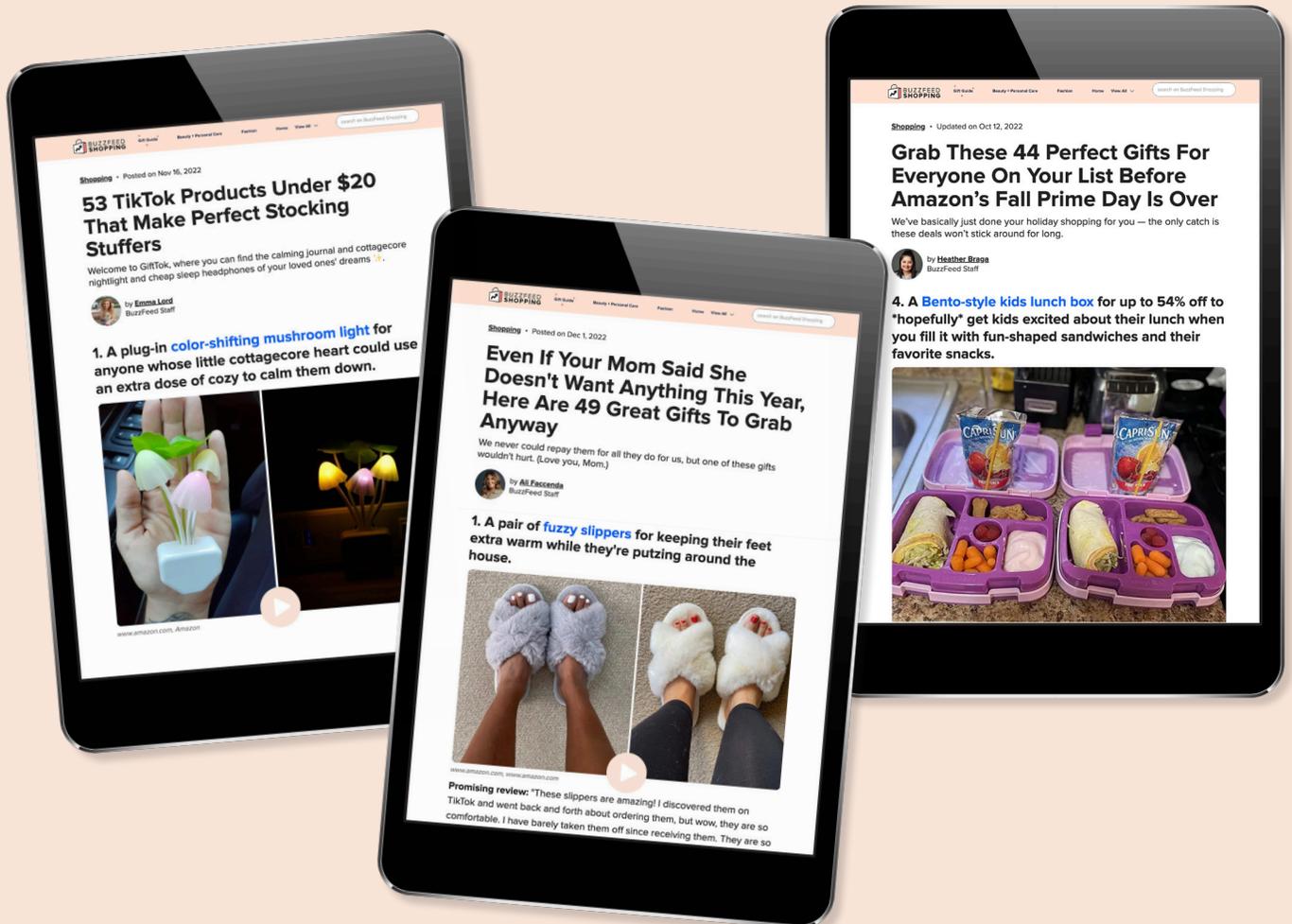
[Generate Your Plant Soulmate](#)



In Q4, our online retail partners continued to face a wide range of challenges — from rising costs affecting consumer budgets, to inventory pileups, to increased competition for consumer traffic. By leveraging our strong audience signal and cross-platform distribution network, we were able to provide brands an incremental channel for reaching budget-conscious consumers during the lucrative holiday shopping season.

Our **TikTok-curated gift guides** were a consistent top performer in the quarter.

Sale shoppers also turned to BuzzFeed for trusted recommendations during **Black Friday, Cyber Monday**, and the **Amazon Prime Early Access Sale**.





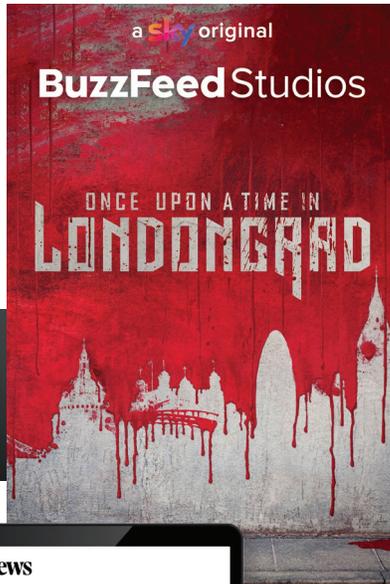
BuzzFeed Studios

BuzzFeed ENTERTAINMENT | BuzzFeed NEWS | TASTE LIFESTYLE BRANDS | IHUFFPOSTI | COMPLEX NETWORK

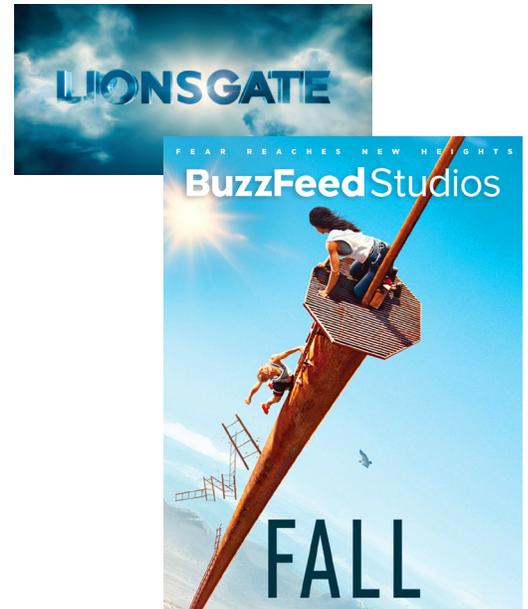
**PRODUCING MORE PREDICTABLE
SUCCESS IN LONG-FORM
CONTENT DEVELOPMENT**

In Q4, BuzzFeed Studios continued to build momentum around its original content, delivering a diverse slate of premium programming for its streaming partners and leveraging the broader BuzzFeed, Inc. network to promote new releases through innovative, cross-platform marketing campaigns.

Inspired by a BuzzFeed News investigation and promoted by BuzzFeed Studios marketing, **Once Upon a Time in Londongrad** debuted on **NBC's Peacock** streaming service in November.



Following a successful theatrical release in August, feature film **Fall** debuted on **TVOD platforms** and was further supported by BuzzFeed Studios marketing efforts. The theatrical and TVOD campaigns effectively drove significant audience awareness and influenced purchasing behavior on behalf of our studio partner, **Lionsgate**.



BuzzFeed Studios and Hulu renewed a partnership to make **Complex's Hot Ones** celebrity interview show available to stream on the platform.





INSPIRING THE LARGEST, MOST ENGAGED FOOD COMMUNITY ON THE INTERNET¹

ATTRACTING AUDIENCES AND ADVERTISERS WITH CREATOR-LED CONTENT

The brand made great strides in expanding its creator footprint in 2022 — introducing new content formats, driving creator-led audience growth, and executing creator-driven campaigns on behalf of advertising clients.

TASTY VIEWERSHIP REACHED NEW HEIGHTS IN 2022


2B
views


100M
views


20M
subscribers

In Q4, Tasty helped clients like **Walmart**, **McCormick**, and **Snyder's of Hanover** tap into the power of our creators to reach young audiences with innovative and resonant cross-platform marketing campaigns.



HOME TO THE NEXT GENERATION OF FOOD TALENT

The **Tasty Creator Residency** program — which introduces emerging creators to the Tasty brand while helping to grow their respective audiences — recently concluded its first year and the results were incredible, illustrating the power of the Tasty brand driving audience engagement for creators.

Residents generated

over
100

vertical videos on TikTok, Instagram Reels & YouTube Shorts

Resident videos

earned
~2X

views when posted to Tasty accounts

Residents grew their audiences

by more than
40%

across TikTok & Instagram

Tasty Creator Residency

Jeri Mobley
@whisperofyum



Gideon General
@gidsgids



Toni Chapman
@themoodyfoody



¹ Source: Tubular Intelligence, Q4 2022. Includes YouTube, Twitter, Facebook, & TikTok. Does not include Instagram.



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

COMPLEX YOUTUBE SERIES SNEAKER SHOPPING SAW BIGGEST Q4 YET

The Complex tentpole series, Sneaker Shopping, wrapped its 17th season in Q4 with robust year-over-year growth in viewership. The series offers advertisers premium sponsorship opportunities alongside some of the biggest names in entertainment — from entrepreneur Mark Cuban to rapper Lil Baby — with original programming that reached millions of viewers.

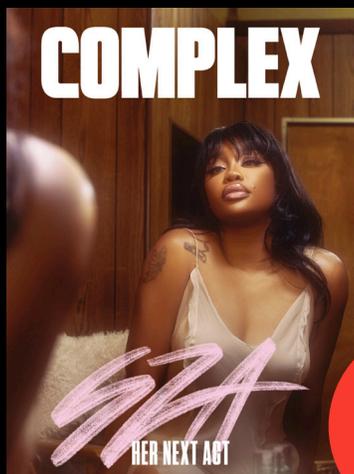


**Viewership grew
more
than
50%
y/y in Q4 '22**

**More than a
dozen content
pieces earned
over
1M
views
each**

GROWING VERTICAL VIDEO PRESENCE FOR PLATFORM-NATIVE AUDIENCES

In Q4, Complex continued to see success in building audience momentum around vertical video.



Short-form vertical videos produced for Complex's digital cover featuring SZA **generated over 3 million views on TikTok.**

**over
3M
views**



Across YouTube Shorts and Instagram Reels, a clipped video from Sneaker Shopping featuring Mike Tyson **generated over 20 million views**, becoming the brand's most successful short-form video to date.

**over
20M
views**





The hit celebrity interview show, Hot Ones — in which **guests eat increasingly spicy hot wings** while being interviewed by host Sean Evans — wrapped its **19th season in December, averaging more than 2.5 million views per episode on YouTube.**

Hot Ones celebrated the holidays with the Disney-sponsored Hot Ones Holiday Extravaganza, featuring Will Ferrell

PRESENTED BY 



First debuting in 2015, Hot Ones has grown into premium intellectual property that sits at the intersection of food and pop culture. The show has become one of the **longest-running original series in Complex history**, building a cult audience following and inspiring its fan favorite line of original hot sauces. As a result, the brand has continued to attract new licensing opportunities. Hot Ones is literally on fire.

- Earlier this year, Hot Ones **licensed its brand** to launch **Hot Ones Boneless Chicken Bites**, available in Walmart stores across the country.
- Building on this success, Hot Ones is expanding into **new product categories at multiple grocery chains** nationwide, and exploring even more ways to bring its fan favorite menu items to consumers.

Now sold at 



COMPLEXCON

ONE OF THE LARGEST LIVE SHOPPING EVENTS IN THE WORLD AND A PREMINENT DESTINATION FOR ADVERTISERS TO CONNECT WITH YOUNG, DIVERSE AUDIENCES

tens
of
thousands
of fans

ACROSS
TWO DAYS IN
LONG BEACH, CA

hundreds
of
influential
brands

ACROSS MORE THAN
A DOZEN
SHOPPING CATEGORIES

highest
number of
paid
sponsors

EVER IN THE
EVENT'S 7-YEAR
HISTORY

BuzzFeed's **Tasty** and Complex's **First We Feast** teamed up to host the ultimate fan food festival — Eat Your Feed Fest — at ComplexCon in November, marking the first collaboration between the two food brands. The event attracted multiple **premium brand sponsors, including Campari Group's Espolòn Tequila**. Fans at Eat Your Feed Fest were able to try the exclusive Hot Ones x Spicy Margarita and meet the show's long-time host, Sean Evans.



ESPOLÒN & HOT ONES

“Espolòn is a brand that must participate in culture rather than skimming above it and we are always hyper-selective about partnerships that allow us to do so. The Espolòn x Hot Ones activation at the Eat Your Feed Fest is a perfect example of two culturally resonant brands creating a win-win situation by coming together to surprise and delight our mutual consumers in a fun and unique way. We're excited to find new ways to deepen our relationship and become more embedded in our consumers' lives through a larger partnership with the BuzzFeed network.”

—Sean Yelle, Senior Director of White Spirits, Campari America



HUFFPOST

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

HuffPost Personal invites the community to share first-person essays, features, and Q&As with fellow readers. These deeply personal accounts consistently find empathy among the HuffPost audience. More recently, **selected stories have been adapted into short-form vertical videos for HuffPost's TikTok channel**, contributing to audience and viewership growth on the platform.

HUFFPOST'S MOST
VIEWED TIKTOK
EVER WITH

more than
4M
views



Originally published as a HuffPost Personal contribution, Dr. Samantha Gray's video discussing how she discovered her husband was cheating quickly went viral.

BuzzFeed News

DRIVING CONVERSATION ON
THE INTERNET

In Q4, BuzzFeed News drove audience growth across each of Facebook, Instagram, and TikTok with coverage at the heart of the internet's biggest entertainment and cultural moments, and shaped public conversation on some of the biggest stories — including Andrew Tate and toxic male influencers, the de-platforming of Kanye West, and the impact of Silicon Valley's layoffs on immigrant tech workers.



Ikran Dahir's ongoing reporting on Andrew Tate continued to garner widespread recognition among national press outlets. Following Tate's arrest in Romania for alleged human trafficking, she joined *NPR's Morning Edition* to discuss her reporting on the misogynist influencer. Ikran provided expert analysis on Tate's popularity among young men, the allegations against him, and his ban from various social media platforms.



Audiences also discovered BuzzFeed News through **Google Search & Discover**, as they contextualized news coverage of **Jennifer Lawrence**, which became the most viewed story across the company in Q4.



The Celeb team found a loyal audience for their short-form recaps of The Kardashians Season 2, which earned millions of views across Instagram and TikTok.



Q4 '22 Financial Results

We delivered fourth quarter results in line with the high end of our guidance range for both Revenue and Adjusted EBITDA, a non-GAAP measure.

On a year-over-year basis, **overall** revenues for Q4 2022 declined 8% to \$134.6 million, as further softening in the digital ad environment more than offset incremental revenues from the Complex acquisition. As a reminder, **December** marked the one year anniversary of the acquisition of Complex Networks. As a result, year-over-year comparisons reflect approximately 1 month of Complex Networks results in Q4 '21. Performance by business is as follows:

- **Advertising revenues** declined 27% year-over-year, to \$50.5 million, which was primarily the result of ongoing price compression on our owned and operated properties – driven by the broader macro environment – as well as sustained declines in time spent on Facebook.
- **Content revenues** declined 9% year-over-year to \$54.8 million, as the incremental revenues from Complex were more than offset by a weak digital advertising market and the operational challenges that Jonah and Marcela discussed earlier.
- **Commerce and other revenues** grew 76% to \$29.3 million, benefiting primarily from our live shopping and experiential event, ComplexCon, in **November**.

TOTAL REVENUE



-8%

Year over Year

ADVERTISING REVENUE



-27%

Year over Year

CONTENT REVENUE



-9%

Year over Year

COMMERCE & OTHER REVENUES



+76%

Year over Year



This revenue performance resulted in Adjusted EBITDA of \$17.6 million in the quarter.

We also incurred charges that did not impact Adjusted EBITDA, including a \$102.3 million non-cash goodwill impairment charge, triggered by the decline in our stock price during the month of December. Please refer to the appendix for a full reconciliation of our GAAP to non-GAAP measures.

We ended the quarter with cash and cash equivalents of approximately **\$56 million**.

NET (LOSS) INCOME¹

Q4 '22	\$(106)M
Q4 '21	\$42M

ADJUSTED EBITDA²

Q4 '22	\$18M
Q4 '21	\$34M

CASH & CASH EQUIVALENTS

Q4 '22	\$56M
Q4 '21	\$80M

¹ Includes a non-cash goodwill impairment expense of \$102 million. For more information, please see "Reconciliation of GAAP to Non-GAAP Financial Measures" in the Appendix.

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").



Q1 '23 Outlook

For the first quarter of 2023:

- We expect overall revenues in the range of **\$61 to \$67 million**
- We expect Adjusted EBITDA losses in the range of **\$18 to \$25 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 March 13th, 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 consist primarily of payments we receive from advertisers for ads distributed against our editorial and news content, including display, pre-roll and mid-roll video products sold directly to brands and also programmatically. We distribute these ad products across our owned and operated sites as well as third-party platforms, primarily Facebook, YouTube, and Apple News.

Content revenues consist primarily of payments received from clients for custom assets, including both long-form and short-form content, from branded quizzes to Instagram takeovers to sponsored content. Revenues for film and TV projects produced by BuzzFeed Studios and Complex Networks are also included here.

Commerce and other revenues consist primarily of affiliate commissions earned on transactions initiated from our editorial shopping content. Revenues from our product licensing businesses are also included here. Additionally, we generate other revenues from the production of live and virtual events such as ComplexCon and ComplexLand.

Time Spent captures the time audiences spend engaging with our content across our owned and operated sites, as well as YouTube and Apple News, as measured by Comscore, and on Facebook, as reported by Facebook. This metric excludes time spent with our content on platforms for which we do not have advertising capabilities that materially contribute to our Advertising revenues, including TikTok, Instagram, Snapchat and Twitter. There are inherent challenges in measuring the total actual number of hours spent with our content across all platforms; however, we consider the data reported by Comscore and Facebook to represent industry-standard estimates of the time actually spent on our largest distribution platforms with our most significant monetization opportunities.



Non-GAAP Financial Measures

Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures and represent key metrics used by management and our board of directors to measure the operational strength and performance of our business, to establish budgets, and to develop operational goals for managing our business. We define Adjusted EBITDA as net (loss) income, excluding the impact of net (loss) income attributable to noncontrolling interests, income tax (benefit) provision, interest expense, net, other (income) expense, net, depreciation and amortization, stock-based compensation, change in fair value of warrant liabilities, change in fair value of derivative liability, restructuring costs, impairment expense, transaction-related costs, certain litigation costs, public company readiness costs, and other non-cash and non-recurring items that management believes are not indicative of ongoing operations. Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by revenue for the same period.

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

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



Forward-Looking Statements

Certain statements in this press release may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which statements involve substantial risks and uncertainties. Our forward-looking statements include, but are not limited to, statements regarding our management team's expectations, hopes, beliefs, intentions or strategies regarding the future. In addition, any statements that refer to projections, forecasts (including our outlook for Q1 2023) or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "affect," "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, 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 restrictions on



Forward-Looking Statements *(continued)*

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 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

<i>USD in thousands</i>	Three Months Ended December 31,			Year Ended December 31,		
	2022	2021	% Change	2022	2021	% Change
Advertising	\$ 50,534	\$ 69,101	(27%)	\$ 202,830	\$ 205,794	(1%)
Content	54,771	59,939	(9%)	165,750	130,200	27%
Commerce and other	29,318	16,676	76%	68,094	61,570	11%
Total revenue	\$ 134,623	\$ 145,716	(8%)	\$ 436,674	\$ 397,564	10%
Loss from operations	\$ (106,036)	\$ (7,337)	NM	\$ (184,307)	\$ (25,154)	NM
Net (loss) income	\$ (106,186)	\$ 41,572	NM	\$ (201,326)	\$ 25,876	NM
Adjusted EBITDA	\$ 17,555	\$ 34,209	(49%)	\$ 488	\$ 41,516	(99%)

NM: Not Meaningful



BuzzFeed, Inc.

Consolidated Balance Sheets

Unaudited

<i>USD in thousands</i>	December 31, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	\$ 55,774	\$ 79,733
Accounts receivable (net of allowance for doubtful accounts of \$1,879, and \$1,094 as at December 31, 2022 and 2021)	116,460	142,909
Prepaid expenses and other current assets	26,373	29,017
Total current assets	198,607	251,659
Property and equipment, net	17,774	23,052
Right-of-use assets	66,581	—
Capitalized software costs, net	19,259	16,554
Intangible assets, net	121,329	136,513
Goodwill	91,632	194,881
Prepaid expenses and other assets	14,790	14,555
Total assets	\$ 529,972	\$ 637,214
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 29,329	\$ 16,025
Accrued expenses	26,357	31,386
Deferred rent	—	4,894
Deferred revenue	8,836	1,676
Accrued compensation	31,052	37,434
Current lease liabilities	23,398	—
Other current liabilities	3,900	2,731
Total current liabilities	122,872	94,146
Deferred rent	—	12,504
Noncurrent lease liabilities	59,315	—
Debt	152,253	141,878
Derivative liability	180	4,875
Warrant liabilities	395	4,938
Other liabilities	403	3,992
Total liabilities	335,418	262,333
Commitments and contingencies	—	—
Redeemable noncontrolling interest	—	2,294
Stockholders' equity		
Class A Common stock, \$0.0001 par value; 700,000 shares authorized; 126,387 and 116,175 shares issued and outstanding at December 31, 2022 and 2021, respectively	13	11
Class B Common stock, \$0.0001 par value; 20,000 shares authorized; 6,678 and 12,397 shares issued and outstanding at December 31, 2022 and 2021, respectively	1	1
Class C Common stock, \$0.0001 par value; 10,000 shares authorized; 6,478 shares issued and outstanding at December 31, 2022 and 2021	1	1
Additional paid-in capital	716,233	695,869
Accumulated deficit	(523,063)	(322,106)
Accumulated other comprehensive loss	(1,968)	(3,233)
Total BuzzFeed, Inc. stockholders' equity	191,217	370,543
Noncontrolling interests	3,337	2,044
Total stockholders' equity	194,554	372,587
Total liabilities and stockholders' equity	\$ 529,972	\$ 637,214



BuzzFeed, Inc.

Consolidated Statements of Operations

Unaudited

<i>USD in thousands</i>	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Revenue	\$ 134,623	\$ 145,716	\$ 436,674	\$ 397,564
Costs and Expenses				
Cost of revenue, excluding depreciation and amortization	78,479	71,494	261,815	207,397
Sales and marketing	18,454	20,811	71,262	54,981
General and administrative	25,353	47,278	117,734	112,552
Research and development	7,252	5,643	30,597	24,928
Depreciation and amortization	8,781	7,827	35,073	22,860
Impairment expense	102,340	—	104,500	—
Total costs and expenses	240,659	153,053	620,981	422,718
(Loss) income from operations	(106,036)	(7,337)	(184,307)	(25,154)
Other income (expense), net	2,254	(2,223)	(3,076)	(3,974)
Interest expense, net	(6,163)	(1,746)	(21,155)	(2,885)
Change in fair value of warrant liabilities	1,579	4,740	4,543	4,740
Change in fair value of derivative liability	1,170	26,745	4,695	26,745
(Loss) income before income taxes	(107,196)	20,179	(199,300)	(528)
Income tax (benefit) provision	(1,010)	(21,393)	2,026	(26,404)
Net (loss) income	(106,186)	41,572	(201,326)	25,876
Net income attributable to the redeemable noncontrolling interest	—	724	164	936
Net (loss) income attributable to noncontrolling interests	(744)	401	(533)	228
Net (loss) income attributable to BuzzFeed, Inc.	\$ (105,442)	\$ 40,447	\$ (200,957)	\$ 24,712
Net (loss) income attributable to holders of Class A, Class B and Class C common stock:				
Basic	\$ (105,442)	\$ 316	\$ (200,957)	\$ —
Diluted	\$ (105,442)	\$ —	\$ (200,957)	\$ (716)
Net (loss) income per Class A, Class B and Class C common share:				
Basic	\$ (0.75)	\$ 0.01	\$ (1.45)	\$ —
Diluted	\$ (0.75)	\$ —	\$ (1.45)	\$ (0.03)
Weighted average common shares outstanding:				
Basic	139,685	55,487	138,148	27,048
Diluted	139,685	59,270	138,148	28,001



BuzzFeed, Inc.

Consolidated Statements of Cash Flows

Unaudited

USD in thousands	For the Year Ended December 31,		
	2022	2021	2020
Operating activities:			
Net (loss) income	\$ (201,326)	\$ 25,876	\$ 11,156
Adjustments to reconcile net (loss) income to net cash used in operating activities:			
Depreciation and amortization	35,073	22,860	17,486
Unrealized loss (gain) on foreign currency	5,389	1,824	(2,623)
Stock based compensation	21,605	23,565	1,189
Change in fair value of warrants	(4,543)	(4,740)	—
Change in fair value of derivative liability	(4,695)	(26,745)	—
Issuance costs allocated to derivative liability	—	1,424	—
Amortization of debt discount and deferred issuance costs	5,375	326	—
Deferred income tax	(1,594)	(28,087)	112
Loss on disposition of subsidiaries	—	1,234	711
(Gain) loss on disposition of assets	(500)	220	254
Loss on extinguishment of debt	—	—	600
Unrealized gain on investment	(1,260)	—	(500)
Provision for doubtful accounts	785	(161)	322
Impairment expense	104,500	—	—
Noncash lease expense	19,870	—	—
Changes in operating assets and liabilities:			
Accounts receivable	23,941	(12,951)	(7,086)
Prepaid expenses and other current assets and prepaid expenses and other assets	2,540	2,361	2,537
Accounts payable	11,582	3,546	(1,521)
Deferred rent	—	(4,456)	397
Accrued compensation	(5,663)	2,307	1,429
Accrued expenses, other current liabilities and other liabilities	(2,841)	(1,847)	2,086
Lease liabilities	(23,249)	—	—
Deferred revenue	7,154	(5,759)	1,004
Cash (used in) provided by operating activities	(7,857)	797	27,553
Investing activities:			
Business acquisitions, net of cash acquired	—	(189,885)	—
Capital expenditures	(5,424)	(4,983)	(4,708)
Capitalization of internal-use software	(12,361)	(11,039)	(9,830)
Proceeds from sale of asset	500	—	—
Cash of disposed subsidiaries, less proceeds on disposition	—	(2,121)	(265)
Cash used in investing activities	(17,285)	(208,028)	(14,803)
Financing activities:			
Proceeds from reverse recapitalization, net of costs	—	(11,652)	—
Proceeds from issuance of common stock	—	35,000	—
Payment for shares withheld for employee taxes	(1,698)	—	—
Deferred reverse recapitalization costs	(585)	—	—
Proceeds from issuance of convertible notes, net of issuance costs	—	143,806	—
Proceeds from exercise of stock options	459	6,975	159
Borrowings from revolving credit facility	5,000	9,000	19,896
Payments on revolving credit facility	—	(1,306)	—
Borrowings from secured borrowing facility	—	—	217,382
Repayments on secured borrowing facility	—	—	(217,982)
Cash provided by financing activities	3,176	181,823	19,455
Effect of currency translation on cash and cash equivalents	(1,993)	(985)	(103)
Net (decrease) increase in cash, cash equivalents and restricted cash	(23,959)	(26,393)	32,102
Cash, cash and cash equivalents and restricted cash at beginning of year	79,733	106,126	74,024
Cash, cash and cash equivalents and restricted cash at end of year	\$ 55,774	\$ 79,733	\$ 106,126



BuzzFeed, Inc.

Reconciliation of GAAP to Non-GAAP

Unaudited

<i>USD in thousands</i>	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Net (loss) income	\$ (106,186)	\$ 41,572	\$ (201,326)	\$ 25,876
Income tax (benefit) provision	(1,010)	(21,393)	2,026	(26,404)
Interest expense, net	6,163	1,746	21,155	2,885
Other (income) expense, net	(2,254)	2,223	3,076	3,974
Depreciation and amortization	8,781	7,827	35,073	22,860
Stock-based compensation	2,745	22,715	21,605	23,565
Change in fair value of warrant liabilities	(1,579)	(4,740)	(4,543)	(4,740)
Change in fair value of derivative liability	(1,170)	(26,745)	(4,695)	(26,745)
Restructuring ¹	9,725	—	15,043	3,645
Impairment expense ²	102,340	—	104,500	—
Transaction costs ³	—	9,699	5,132	15,295
Litigation costs ⁴	—	—	1,920	—
Public company readiness costs ⁵	—	1,305	1,522	1,305
Adjusted EBITDA	\$ 17,555	\$ 34,209	\$ 488	\$ 41,516
Adjusted EBITDA margin	13%	23%	0%	10%
Net (loss) income as a percentage of revenue ⁶	(79%)	29%	(46%)	7%

¹ For the year ended December 31, 2022, represents costs associated with certain organizational changes to align sales and marketing and general and administrative functions as well as changes in content to better service audience demands, and costs incurred as part of a strategic repositioning of BuzzFeed News. Additionally, for the year ended December 31, 2022, represents costs associated with the reduction in workforce plan, which is intended to reduce the Company's costs in response to a combination of factors, including (i) challenging macroeconomic conditions; (ii) completing the integration of Complex Networks and eliminating redundancies; and (iii) an ongoing audience shift to short-form, vertical video, which is still developing from a monetization standpoint. For the year ended December 31, 2021, reflect costs associated with involuntary terminations of employees across various roles and levels as part of the integration of the HuffPost Acquisition. 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. Refer to Note 14 to the consolidated financial statements.

² Reflects aggregate non-cash impairment expenses recorded during the year ended December 31, 2022 associated with goodwill impairment of \$102.3 million and \$2.2 million related to certain long-lived assets of our former corporate headquarters which was fully subleased during the third quarter of 2022.

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

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

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

⁶ Net (loss) income 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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