

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **June 30, 2023**  
OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period from     to  
Commission file number: **001-39877**

**BuzzFeed, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**229 West 43rd Street New York, New York**

(Address of principal executive offices)

**85-3022075**

(I.R.S. Employer Identification No.)

**10036**

(Zip Code)

**(646) 397-2039**

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
<b>Class A Common Stock, \$0.0001 par value per share</b>	<b>BZFD</b>	<b>The Nasdaq Stock Market LLC</b>
<b>Redeemable warrants, each whole warrant exercisable for one share of Class A Common Stock at an exercise price of \$11.50 per share</b>	<b>BZFDW</b>	<b>The Nasdaq Stock Market LLC</b>

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of August 7, 2023, there were 136,875,876 shares of the registrant's Class A common stock outstanding, 6,675,517 shares of the registrant's Class B common stock outstanding and no shares of the registrant's Class C common stock outstanding.

**BUZZFEED, INC.**  
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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Quarterly Report on Form 10-Q may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), 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 or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words “affect,” “anticipate,” “believe,” “can,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “forecast,” “intend,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “seek,” “should,” “target,” “will,” “would,” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward looking statements include all matters that are not historical facts. Forward-looking statements in this Quarterly Report on Form 10-Q may include, for example, statements about:

- anticipated trends, growth rates, and challenges in our business and in the markets in which we operate;
- demand for products and services and changes in traffic;
- changes in the business and competitive environment in which we operate;
- developments and projections relating to our competitors and the digital media industry;
- 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;
- poor quality broadband infrastructure in certain markets;
- technological developments including artificial intelligence;
- our success in retaining or recruiting, or changes required in, officers, key employees or directors;
- 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, future business plans and initiatives, and growth opportunities;
- our future capital requirements and sources and uses of cash, including, but not limited to, our ability to obtain additional capital in the future, any impacts of bank failures or issues in the broader United States (“U.S.”) financial system, any restrictions imposed by our debt facilities, and any restrictions on our ability to access our cash and cash equivalents;
- expectations regarding future acquisitions, partnerships, or other relationships with third parties;
- developments in the law and government regulation, including, but not limited to, revised foreign content and ownership regulations;
- 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 U.S. 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;
- our ability to maintain the listing of our Class A common stock and warrants on The Nasdaq Stock Market LLC; and
- other factors detailed under the section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2022, and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023.

The forward-looking statements contained in this Quarterly Report on Form 10-Q 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 section entitled “Risk Factors” herein, in our Annual Report on Form 10-K for the year ended December 31, 2022, and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023. 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.

This Quarterly Report on Form 10-Q contains estimates and information concerning our industry, our business, and the market for our products and services, including our general expectations of our market position, market growth forecasts, our market opportunity, and size of the markets in which we participate, that are based on industry publications, surveys, and reports that have been prepared by independent third parties. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates. Although we have not independently verified the accuracy or completeness of the data contained in these industry publications, surveys, and reports, we believe the publications, surveys, and reports are generally reliable, although such information is inherently subject to uncertainties and imprecision. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including, but not limited to, those described in the section entitled “Risk Factors” herein, in our Annual Report on Form 10-K for the year ended December 31, 2022, and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023. These and other factors could cause results to differ materially from those expressed in these publications and reports.

Investors and others should note that we may announce material business and financial information to our investors using our investor relations website (<https://investors.buzzfeed.com>), U.S. Securities and Exchange Commission (“SEC”) filings, webcasts, press releases, and conference calls. We use these mediums to communicate with investors and the general public about our company, our products and services, and other issues. It is possible that the information that we make available may be deemed to be material information. We therefore encourage investors, the media, and others interested in our company to review the information that we post on our investor relations website.

**PART I: FINANCIAL INFORMATION**
**ITEM 1: Financial Statements (unaudited)**

**BUZZFEED, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
*(Dollars and shares in thousands, except per share amounts)*

	June 30, 2023 (Unaudited)	December 31, 2022
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 41,295	\$ 55,774
Accounts receivable (net of allowance for doubtful accounts of \$1,747 as at June 30, 2023 and \$1,879 as at December 31, 2022)	70,855	116,460
Prepaid expenses and other current assets	22,244	26,373
<b>Total current assets</b>	<b>134,394</b>	<b>198,607</b>
Property and equipment, net	14,892	17,774
Right-of-use assets	56,537	66,581
Capitalized software costs, net	21,509	19,259
Intangible assets, net	113,737	121,329
Goodwill	91,632	91,632
Prepaid expenses and other assets	13,720	14,790
<b>Total assets</b>	<b>\$ 446,421</b>	<b>\$ 529,972</b>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities		
Accounts payable	\$ 37,294	\$ 29,329
Accrued expenses	16,024	26,357
Deferred revenue	6,355	8,836
Accrued compensation	19,960	31,052
Current lease liabilities	22,016	23,398
Other current liabilities	5,037	3,900
<b>Total current liabilities</b>	<b>106,686</b>	<b>122,872</b>
Noncurrent lease liabilities	49,036	59,315
Debt	155,979	152,253
Derivative liability	60	180
Warrant liabilities	593	395
Other liabilities	440	403
<b>Total liabilities</b>	<b>312,794</b>	<b>335,418</b>
Commitments and contingencies		
<b>Stockholders' equity</b>		
Class A Common stock, \$0.0001 par value; 700,000 shares authorized; 136,615 and 126,387 shares issued and outstanding at June 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 June 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 June 30, 2023 and December 31, 2022, respectively	—	1
Additional paid-in capital	720,231	716,233
Accumulated deficit	(587,026)	(523,063)
Accumulated other comprehensive loss	(2,370)	(1,968)
<b>Total BuzzFeed, Inc. stockholders' equity</b>	<b>130,850</b>	<b>191,217</b>
Noncontrolling interests	2,777	3,337
<b>Total stockholders' equity</b>	<b>133,627</b>	<b>194,554</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 446,421</b>	<b>\$ 529,972</b>

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**BUZZFEED, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited, dollars and shares in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenue	\$ 77,901	\$ 106,760	\$ 145,054	\$ 198,318
Costs and Expenses				
Cost of revenue, excluding depreciation and amortization	50,507	61,529	97,851	122,347
Sales and marketing	14,135	18,688	29,436	36,491
General and administrative	21,356	32,565	43,358	65,127
Research and development	3,960	10,253	7,779	17,445
Depreciation and amortization	8,030	8,613	16,435	17,094
Total costs and expenses	97,988	131,648	194,859	258,504
Loss from operations	(20,087)	(24,888)	(49,805)	(60,186)
Other expense, net	(3,675)	(3,440)	(3,055)	(2,578)
Interest expense, net	(5,631)	(5,032)	(11,049)	(9,821)
Change in fair value of warrant liabilities	395	6,775	(198)	3,359
Change in fair value of derivative liability	1,125	4,800	120	3,225
Loss before income taxes	(27,873)	(21,785)	(63,987)	(66,001)
Income tax (benefit) provision	(37)	1,796	110	2,146
Net loss	(27,836)	(23,581)	(64,097)	(68,147)
Net income attributable to the redeemable noncontrolling interest	—	—	—	164
Net income (loss) attributable to noncontrolling interests	—	184	(260)	348
Net loss attributable to BuzzFeed, Inc.	\$ (27,836)	\$ (23,765)	\$ (63,837)	\$ (68,659)
Net loss per Class A, Class B and Class C common share:				
Basic and diluted	\$ (0.20)	\$ (0.17)	\$ (0.45)	\$ (0.50)
Weighted average common shares outstanding:				
Basic and diluted	141,950	137,381	141,330	136,906

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**BUZZFEED, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
*(Unaudited, in thousands)*

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net loss	\$ (27,836)	\$ (23,581)	\$ (64,097)	\$ (68,147)
Other comprehensive income (loss)				
Foreign currency translation adjustment	57	505	(702)	402
Other comprehensive income (loss)	57	505	(702)	402
Comprehensive loss	(27,779)	(23,076)	(64,799)	(67,745)
Comprehensive income attributable to the redeemable noncontrolling interest	—	—	—	164
Comprehensive income (loss) attributable to noncontrolling interests	—	184	(260)	348
Foreign currency translation adjustment attributable to noncontrolling interests	(242)	(453)	(300)	(453)
Comprehensive loss attributable to BuzzFeed, Inc.	\$ (27,537)	\$ (22,807)	\$ (64,239)	\$ (67,804)

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**BUZZFEED, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
*(Unaudited, in thousands)*

For the Three and Six Months Ended June 30, 2023

	Common Stock – Class A		Common Stock – Class B		Common Stock – Class C		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total BuzzFeed, Inc. stockholders' equity	Noncontrolling interests	Total stockholders' equity
	Shares	Amount	Shares	Amount	Shares	Amount						
<b>Balance at January 1, 2023</b>	126,387	\$ 13	6,678	\$ 1	6,478	\$ 1	\$ 716,233	\$ (523,063)	\$ (1,968)	\$ 191,217	\$ 3,337	\$ 194,554
Cumulative effect of accounting change (see Note 2)	—	—	—	—	—	—	—	(126)	—	(126)	—	(126)
Net loss	—	—	—	—	—	—	—	(36,001)	—	(36,001)	(260)	(36,261)
Stock-based compensation	—	—	—	—	—	—	1,122	—	—	1,122	—	1,122
Issuance of common stock in connection with share-based plans	512	—	—	—	—	—	29	—	—	29	—	29
Shares withheld for employee taxes	(121)	—	—	—	—	—	(193)	—	—	(193)	—	(193)
Other comprehensive loss	—	—	—	—	—	—	—	—	(701)	(701)	(58)	(759)
Conversion of Class B common stock to Class A common stock	2	—	(2)	—	—	—	—	—	—	—	—	—
Conversion of Class C common stock to Class A common stock	6,478	1	—	—	(6,478)	(1)	—	—	—	—	—	—
<b>Balance at March 31, 2023</b>	133,258	\$ 14	6,676	\$ 1	—	\$ —	\$ 717,191	\$ (559,190)	\$ (2,669)	\$ 155,347	\$ 3,019	\$ 158,366
Net loss	—	—	—	—	—	—	—	(27,836)	—	(27,836)	—	(27,836)
Stock-based compensation	—	—	—	—	—	—	2,257	—	—	2,257	—	2,257
Issuance of common stock in connection with share-based plans	1,692	—	—	—	—	—	—	—	—	—	—	—
Shares withheld for employee taxes	(51)	—	—	—	—	—	(27)	—	—	(27)	—	(27)
Issuance of common stock in connection with at-the-market offering, net of issuance costs	1,716	—	—	—	—	—	810	—	—	810	—	810
Other comprehensive income (loss)	—	—	—	—	—	—	—	—	299	299	(242)	57
<b>Balance at June 30, 2023</b>	136,615	\$ 14	6,676	\$ 1	—	\$ —	\$ 720,231	\$ (587,026)	\$ (2,370)	\$ 130,850	\$ 2,777	\$ 133,627



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## For the Three and Six Months Ended June 30, 2022

	Common Stock – Class A		Common Stock – Class B		Common Stock – Class C		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total BuzzFeed, Inc. stockholders' equity	Noncontrolling interests	Total stockholders' equity
	Shares	Amount	Shares	Amount	Shares	Amount						
<b>Balance at January 1, 2022</b>	116,175	\$ 11	12,397	\$ 1	6,478	\$ 1	\$ 695,869	\$ (322,106)	\$ (3,233)	\$ 370,543	\$ 2,044	\$ 372,587
Net (loss) income	—	—	—	—	—	—	—	(44,894)	—	(44,894)	164	(44,730)
Stock-based compensation	—	—	—	—	—	—	3,940	—	—	3,940	—	3,940
Issuance of common stock upon exercise of stock options	411	1	—	—	—	—	358	—	—	359	—	359
Other comprehensive loss	—	—	—	—	—	—	—	—	(103)	(103)	—	(103)
Conversion of Class B common stock to Class A common stock	103	—	(103)	—	—	—	—	—	—	—	—	—
<b>Balance at March 31, 2022</b>	116,689	\$ 12	12,294	\$ 1	6,478	\$ 1	\$ 700,167	\$ (367,000)	\$ (3,336)	\$ 329,845	\$ 2,208	\$ 332,053
Net loss	—	—	—	—	—	—	—	(23,765)	—	(23,765)	184	(23,581)
Stock-based compensation	—	—	—	—	—	—	11,284	—	—	11,284	—	11,284
Issuance of common stock upon exercise of stock options	3,561	—	—	—	—	—	2	—	—	2	—	2
Shares withheld for employee taxes	(434)	—	—	—	—	—	(1,635)	—	—	(1,635)	—	(1,635)
Other comprehensive income (loss)	—	—	—	—	—	—	—	—	958	958	(453)	505
Reclassification of noncontrolling interest (see Note 12)	—	—	—	—	—	—	—	—	—	—	2,458	2,458
Conversion of Class B common stock to Class A common stock	5,608	—	(5,608)	—	—	—	—	—	—	—	—	—
<b>Balance at June 30, 2022</b>	125,424	\$ 12	6,686	\$ 1	6,478	\$ 1	\$ 709,818	\$ (390,765)	\$ (2,378)	\$ 316,689	\$ 4,397	\$ 321,086

The accompanying notes are an integral part of these condensed consolidated financial statements.

**BUZZFEED, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited, in thousands)

	Six Months Ended June 30,	
	2023	2022
<b>Operating activities:</b>		
Net loss	\$ (64,097)	\$ (68,147)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	16,435	17,094
Unrealized (gain) loss on foreign currency	(809)	2,811
Stock based compensation	3,379	15,224
Change in fair value of warrants	198	(3,359)
Change in fair value of derivative liability	(120)	(3,225)
Amortization of debt discount and deferred issuance costs	2,915	2,527
Deferred income tax	341	2,088
Provision for doubtful accounts	(259)	554
Loss (gain) on investment	3,590	(1,260)
Gain on disposition of assets	(175)	—
Non-cash lease expense	10,173	9,727
Changes in operating assets and liabilities:		
Accounts receivable	45,871	51,831
Prepaid expenses and other current assets and prepaid expenses and other assets	1,653	(3,216)
Accounts payable	9,889	(1,167)
Accrued compensation	(11,102)	(7,242)
Accrued expenses, other current liabilities and other liabilities	(11,302)	(7,733)
Lease liabilities	(11,822)	(11,592)
Deferred revenue	(2,488)	1,284
Cash used in operating activities	(7,730)	(3,801)
<b>Investing activities:</b>		
Capital expenditures	(471)	(2,828)
Capitalization of internal-use software	(7,676)	(6,646)
Proceeds from sale of asset	175	—
Cash used in investing activities	(7,972)	(9,474)
<b>Financing activities:</b>		
Proceeds from exercise of stock options	29	360
Payment for shares withheld for employee taxes	(220)	(1,635)
Borrowings on Revolving Credit Facility	2,128	5,000
Payments on Revolving Credit Facility	(1,317)	—
Proceeds from the issuance of common stock in connection with at-the-market offering, net of issuance costs	765	—
Deferred reverse recapitalization costs	—	(585)
Cash provided by financing activities	1,385	3,140
Effect of currency translation on cash and cash equivalents	(162)	(1,409)
Net decrease in cash and cash equivalents	(14,479)	(11,544)
Cash and cash equivalents at beginning of period	55,774	79,733
Cash and cash equivalents at end of period	\$ 41,295	\$ 68,189

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**BUZZFEED, INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
*(Unaudited, tabular amounts and shares in thousands, except per share amounts)*

**1. Description of the Business**

BuzzFeed, Inc. (referred to herein, collectively with its subsidiaries, as “BuzzFeed” or the “Company”) is a premier digital media company for the most diverse, most online, and most socially connected generations the world has ever seen. Across food, news, pop culture and commerce, our brands drive conversation and inspire what audiences watch, read, and buy now — and into the future. The Company’s portfolio of iconic, globally-loved brands includes BuzzFeed, HuffPost, Tasty, Complex Networks, and First We Feast. BuzzFeed derives its revenue primarily from advertising, content, and commerce and other sold to leading brands. The Company has one reportable segment.

On December 3, 2021, we consummated a business combination (the “Business Combination”) with 890 5th Avenue Partners, Inc. (“890”), certain wholly-owned subsidiaries of 890, and BuzzFeed, Inc., a Delaware corporation (“Legacy BuzzFeed”). In connection with the Business Combination, we acquired 100% of the membership interests of CM Partners, LLC. CM Partners, LLC, together with Complex Media, Inc., is referred to herein as “Complex Networks.” Following the closing of the Business Combination, 890 was renamed “BuzzFeed, Inc.”

Additionally, pursuant to subscription agreements entered into in connection with the entry into the merger agreement pursuant to which the Business Combination was consummated, the Company issued, and certain investors purchased, \$150.0 million aggregate principal amount of unsecured convertible notes due 2026 concurrently with the closing of the Business Combination (the “Notes”).

**Liquidity**

As a digital media company, the Company is subject to certain inherent risks and uncertainties associated with the development of its business. To date, substantially all of the Company’s efforts have been devoted to the growth of its owned and operated properties and portfolio of brands. This includes the Company’s proprietary technology infrastructure, advertising solutions, content creation tools, and more. The Company has invested in the recruitment of key management and technical staff and has acquired certain businesses. These investments have historically been funded by raising outside capital, and as a result of these efforts, the Company has generally incurred significant losses and used net cash outflows from operations since inception — and it may continue to incur such losses and use net cash outflows for the foreseeable future until such time it reaches scale of profitability without needing to rely on funding from outside capital to sustain its operations.

In order to execute its growth strategy, the Company has historically relied on outside capital through the issuance of equity, debt, and borrowings under financing arrangements (collectively “outside capital”). The Company may continue to rely on outside capital for the foreseeable future. While the Company believes it will eventually reach a scale of profitability to sustain its operations, there can be no assurance it will be able to achieve such profitability or do so in a manner that does not necessitate its continued reliance on outside capital.

As of the date the condensed consolidated financial statements were issued (the “issuance date”), the presence of the following risks and uncertainties associated with the Company’s financial condition may adversely affect our ability to sustain its operations over the next 12 months beyond the issuance date.

- Since its inception, the Company has generally incurred significant losses and used net cash flows from operations to grow its owned and operated properties and portfolio of brands. During the six months ended June 30, 2023, the Company incurred a net loss of \$64.1 million and used net cash flows from its operations of \$7.7 million. Additionally, as of June 30, 2023, the Company had unrestricted cash and cash equivalents of \$41.3 million available to fund its operations, \$0.2 million available under the Company’s \$50.0 million revolving loan and standby letter of credit facility agreement (the “Revolving Credit Facility”) (see Note 9 herein for additional details), and an accumulated deficit of \$587.0 million.
- The Company expects to continue to be impacted by the challenging U.S. and global macroeconomic environment, which could adversely impact its ability to grow revenue over the next 12 months beyond the issuance date.

- The Company continues to be affected by its ongoing efforts to integrate Complex Networks and sales execution against the combined brand portfolio, which may result in the incurrence of unexpected expenses or the inability to realize anticipated benefits and synergies over the next 12 months beyond the issuance date.
- The Company is required to remain in compliance with certain covenants required by the Revolving Credit Facility, which, among others, require it to maintain a minimum of \$25.0 million of unrestricted cash at all times and limit, under prescribed circumstances, its ability to incur additional indebtedness, pay dividends, hold unpermitted investments or make material changes to the business. While the Company was in compliance with the financial covenants under the Revolving Credit Facility as of June 30, 2023, and it expects to remain in compliance throughout 12 months beyond the issuance date, the Company may be unable to remain in compliance with one or more of these covenants if it is unable to generate net cash inflows from operations or, if necessary, secure additional outside capital (including through our at-the-market-offering; see Note 11 herein for additional details). In the event the Company is unable to remain in compliance with one or more of the aforementioned covenants, and it is unable to secure a waiver or forbearance, the lender may, at its discretion, exercise any and all of its existing rights and remedies, which may include, among others, accelerating repayment of the outstanding borrowings and/or asserting its rights in the assets securing the loan.

Due to the risks and uncertainties described above, the Company continues to carefully evaluate its liquidity position. The Company recognizes the significant challenge of maintaining sufficient liquidity to sustain its operations or remain in compliance with one or more of the covenants required by the Revolving Credit Facility for the next 12 months beyond the issuance date. However, notwithstanding its liquidity position as of the issuance date, and while it is difficult to predict its future liquidity requirements with certainty, the Company currently expects it will be able to generate sufficient liquidity to fund its operations over the next 12 months beyond the issuance date.

In response to the risks and uncertainties described above, the Company may plan to secure additional outside capital over the next 12 months beyond the issuance date. While the Company has historically been successful in its ability to secure outside capital, as of the issuance date, the Company had no firm commitments of additional outside capital other than the Company's at-the-market-offering, which is subject to the conditions contained in the At-The-Market Offering agreement dated June 20, 2023 with Craig-Hallum Capital Group LLC (see Note 11 herein for additional details). The Company can provide no assurance it will be able to continue to secure outside capital in the future or do so on terms that are acceptable to it, which could be due to future market conditions which are outside of its control. Furthermore, the Company also plans to continue to closely monitor its cash flow forecast and, if necessary, it will implement certain incremental cost savings to preserve its liquidity beyond those that were implemented through the restructuring activities that occurred during fiscal year 2022 and 2023 (see Note 14 herein for additional details) or through the reduction of its real estate footprint. While the Company currently expects it will be able to generate sufficient liquidity to fund its operations for the next 12 months beyond the issuance date, it can provide no assurance it will successfully generate such liquidity, or if necessary, secure additional outside capital (including through our at-the-market-offering; see Note 11 herein for additional details) or implement incremental cost savings.

## **COVID-19**

In March 2020, the World Health Organization declared the viral strain of COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The spread of COVID-19 and the resulting economic contraction resulted in increased business uncertainty and significantly impacted the Company's business and results of operations. While the extent of the impact has generally decreased, the Company continues to monitor the status, and respond to the effects of, the COVID-19 pandemic and its impact on the Company's business. Future developments regarding COVID-19 continue to be uncertain and difficult to predict. There can be no assurances that future impacts related to COVID-19, including new variants, or other global pandemics will not adversely impact our business, results of operations, financial condition and cash flows in future periods.

## **2. Summary of Significant Accounting Policies**

### **Basis of Financial Statements and Principles of Consolidation**

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and applicable rules and regulations of

the Securities and Exchange Commission (the “SEC”) regarding interim financial reporting. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been omitted pursuant to such rules and regulations. As such, the accompanying condensed consolidated financial statements and these related notes should be read in conjunction with the Company’s consolidated financial statements and related notes as of and for the year ended December 31, 2022, as disclosed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022.

The condensed consolidated financial statements include all normal recurring adjustments that, in the opinion of management, are necessary to present fairly the results for the interim periods presented. Interim results are not necessarily indicative of the results for the full year ended December 31, 2023.

The condensed consolidated financial statements include the accounts of BuzzFeed, Inc., and its wholly-owned and majority-owned subsidiaries, and any variable interest entities for which the Company is the primary beneficiary. All intercompany balances and transactions have been eliminated in consolidation.

#### **Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported results of operations during the reporting period. Due to the use of estimates inherent in the financial reporting process actual results could differ from those estimates.

Key estimates and assumptions relate primarily to revenue recognition, fair values of intangible assets acquired in business combinations, valuation allowances for deferred income tax assets, allowance for doubtful accounts, fair value of the derivative liability, fair values used for stock-based compensation in periods prior to the Business Combination, useful lives of fixed assets, and capitalized software costs.

#### **Recently Adopted Accounting Pronouncements**

The Company, an emerging growth company (“EGC”), has elected to take advantage of the benefits of the extended transition period provided for in Section 7(a)(2)(B) of the Securities Act, as amended, for complying with new or revised accounting standards which allows the Company to defer adoption of certain accounting standards until those standards would otherwise apply to private companies.

In June 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-13, *Financial Instruments — Credit Losses (Topic 326)*, which changes the impairment model for most financial assets, including accounts receivable, and replaces the existing incurred loss impairment model with an expected loss methodology, which will result in more timely recognition of credit losses. The guidance is effective for the Company for interim and annual periods beginning after December 15, 2022, with early adoption permitted. Effective January 1, 2023, the Company adopted this standard using a modified retrospective transition approach, which required a cumulative effect adjustment to the balance sheet as of January 1, 2023. The adoption of this standard did not have a material impact to our condensed consolidated financial statements.

#### **Accounting Pronouncements Not Yet Adopted**

None.

### **3. Acquisitions and Dispositions**

#### **Complex Networks Acquisition**

On December 3, 2021, in conjunction with the Business Combination, the Company completed the acquisition of 100% of the members’ interests of Complex Networks, a publisher of online media content targeting Millennial and Gen Z consumers (the “Complex Networks Acquisition”).

The following table summarizes the fair value of consideration exchanged as a result of the Complex Networks Acquisition:

Cash consideration <sup>(1)</sup>	\$ 197,966
Share consideration <sup>(2)</sup>	96,200
<b>Total consideration</b>	<b>\$ 294,166</b>

- (1) Includes the cash purchase price of \$200.0 million adjusted for certain closing specified liabilities as specified in the Complex Networks Acquisition purchase agreement.
- (2) Represents 10,000,000 shares of our Class A common stock at a price of \$9.62 per share, which is based on the closing stock price of our Class A common stock on the date on which the Business Combination was consummated.

The following table summarizes the determination of the fair value of identifiable assets acquired and liabilities assumed in connection with the Complex Networks Acquisition. During the year ended December 31, 2022, the Company finalized the fair value of assets acquired and liabilities assumed. Measurement period adjustments were reflected during the year ended December 31, 2022, which is the period in which the adjustments occurred. The adjustments resulted from new information obtained about facts and circumstances that existed as of the acquisition date.

	Preliminary	Measurement Period Adjustments	Final
Cash	\$ 2,881	—	\$ 2,881
Accounts receivable	22,581	11	22,592
Prepaid and other current assets	17,827	281	18,108
Property and equipment	332	(15)	317
Intangible assets	119,100	—	119,100
Goodwill	189,391	(909)	188,482
Accounts payable	(2,661)	—	(2,661)
Accrued expenses	(12,319)	(803)	(13,122)
Accrued compensation	(12,867)	349	(12,518)
Deferred revenue	(5,855)	(48)	(5,903)
Deferred tax liabilities	(22,776)	1,134	(21,642)
Other liabilities	(1,468)	—	(1,468)
<b>Total consideration for Complex Networks</b>	<b>\$ 294,166</b>	<b>\$ —</b>	<b>\$ 294,166</b>

The table below indicates the estimated fair value of each of the identifiable intangible assets:

	Asset Fair Value	Weighted Average Useful Life (Years)
Trademarks & tradenames	97,000	15
Customer relationships	17,000	4
Developed technology	5,100	3

The fair values of the intangible assets were estimated using Level 3 inputs. The fair value of trademarks and trade names was determined using the relief from royalty method, the fair value of customer relationships was determined using the multi-period excess earnings approach, and the fair value of acquired technology was determined using the replacement cost approach. The excess of purchase consideration over the fair value of net tangible and identifiable intangible assets acquired resulted in \$188.5 million of goodwill, which is primarily attributed to workforce and synergies, and is not deductible for tax purposes.

### Goodwill Impairment

The Company reviews goodwill for impairment annually as of October 1 and more frequently if events or changes in circumstances indicate an impairment may exist (a “triggering event”). As of June 30, 2023, the Company had \$91.6 million of goodwill recorded on its condensed consolidated balance sheet. During the year ended December 31, 2022, the Company recorded a \$102.3 million non-cash goodwill impairment charge driven by a sustained decline in share price that pushed our market capitalization below the carrying value of our stockholders’ equity. The Company concluded there were no new impairment triggering events as of and for the three and six months ended June 30, 2023.

## 4. Revenue Recognition

### Disaggregated Revenue

The table below presents the Company’s revenue disaggregated based on the nature of its arrangements. Management uses these categories of revenue to evaluate the performance of its businesses and to assess its financial results and forecasts.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Advertising	\$ 35,397	\$ 53,224	\$ 69,645	\$ 101,892
Content	31,479	40,284	53,097	72,563
Commerce and other	11,025	13,252	22,312	23,863
Total	\$ 77,901	\$ 106,760	\$ 145,054	\$ 198,318

The following table presents the Company’s revenue disaggregated by geography:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenue:				
United States	\$ 73,292	\$ 94,152	\$ 135,893	\$ 177,252
International	4,609	12,608	9,161	21,066
Total	\$ 77,901	\$ 106,760	\$ 145,054	\$ 198,318

### Contract Balances

The timing of revenue recognition, billings and cash collections can result in billed accounts receivable, unbilled receivables (contract assets), and deferred revenues (contract liabilities). The payment terms and conditions within the Company’s contracts vary by type, but the substantial majority require that customers pay for their services on a monthly or quarterly basis, as the services are being provided. When the timing of revenue recognition differs from the timing of payments made by customers, the Company recognizes either unbilled revenue (performance precedes the billing date) or deferred revenue (customer payment is received in advance of performance). The Company has determined its contracts generally do not include a significant financing component.

The Company’s contract assets are presented in Prepaid and other current assets on the accompanying condensed consolidated balance sheets and totaled \$7.9 million and \$12.1 million at June 30, 2023 and December 31, 2022, respectively. These amounts relate to revenue recognized during the respective period that is expected to be invoiced and collected in future periods.

The Company’s contract liabilities, which are recorded in Deferred revenue on the accompanying condensed consolidated balance sheets, are expected to be recognized as revenues during the succeeding 12-month period. Deferred revenue totaled \$6.4 million and \$8.8 million at June 30, 2023 and December 31, 2022, respectively.

The amount of revenue recognized during the six months ended June 30, 2023 that was included in the deferred revenue balance as of December 31, 2022 was \$5.1 million.

### Transaction Price Allocated to Remaining Performance Obligations

The Company has certain licensing contracts with minimum guarantees and terms extending beyond one year. Revenue to be recognized related to the remaining performance obligations was \$2.8 million at June 30, 2023 and is generally expected to be recognized over the next one to four years. This amount does not include: (i) contracts with an original expected duration of one year or less, such as advertising contracts; (ii) variable consideration in the form of sales-based royalties; or (iii) variable consideration allocated entirely to wholly unperformed performance obligations.

For each contract, the Company estimates whether it will be subject to variable consideration under the terms of the contract and includes its estimate of variable consideration, subject to constraint, in the transaction price based on the expected value method when it is deemed probable of being realized based on historical experience and trends. The Company updates its estimate of the transaction price each reporting period and the effect of variable consideration on the transaction price is recognized as an adjustment to revenue on a cumulative catch-up basis.

### 5. Fair Value Measurements

The Company's financial assets and liabilities that are measured at fair value on a recurring basis are summarized below:

	June 30, 2023			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash equivalents:				
Money market funds	\$ 25,108	\$ —	\$ —	\$ 25,108
Total	\$ 25,108	\$ —	\$ —	\$ 25,108
<b>Liabilities:</b>				
Derivative liability	\$ —	\$ —	\$ 60	\$ 60
Other non-current liabilities:				
Public Warrants	587	—	—	587
Private Warrants	—	6	—	6
Total	\$ 587	\$ 6	\$ 60	\$ 653

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash equivalents:				
Money market funds	\$ 1,154	\$ —	\$ —	\$ 1,154
Total	\$ 1,154	\$ —	\$ —	\$ 1,154
<b>Liabilities:</b>				
Derivative liability	\$ —	\$ —	\$ 180	\$ 180
Other non-current liabilities:				
Public Warrants	384	—	—	384
Private Warrants	—	11	—	11
Total	\$ 384	\$ 11	\$ 180	\$ 575

The Company's investments in money market funds are measured at amortized cost, which approximates fair value.

The Company's warrant liability as of June 30, 2023 and December 31, 2022 includes public and private warrants that were originally issued by 890, but which were assumed by the Company as part of the closing of the Business Combination (the "Public Warrants" and "Private Warrants," respectively), which are recorded on the balance sheet at fair value. The carrying amount is subject to remeasurement at each balance sheet date. With each remeasurement, the carrying



amount is adjusted to fair value, with the change in fair value recognized in the Company's condensed consolidated statements of operations and comprehensive loss.

The Public Warrants are publicly traded under the symbol "BZFDW", and the fair value of the Public Warrants at a specific date is determined by the closing price of the Public Warrants as of that date. As such, the Public Warrants are classified within Level 1 of the fair value hierarchy. The closing price of the Public Warrants was \$0.06 and \$0.04 as of June 30, 2023 and December 31, 2022, respectively.

As of June 30, 2023 and December 31, 2022, Level 3 instruments consisted of the Company's derivative liability related to the Notes. Fair value measurements categorized within Level 3 are sensitive to changes in the assumptions or methodologies used to determine fair value, and such changes could result in a significant increase or decrease in the fair value. To measure the fair value of the derivative liability, the Company compared the calculated value of the Notes with the indicated value of the host instrument, defined as the straight-debt component of the Notes. The difference between the value of the straight-debt host instrument and the fair value of the Notes resulted in the value of the derivative liability. The value of the straight-debt host instrument was estimated based on a binomial lattice model, excluding the conversion option and the make-whole payment upon conversion.

The following table provides quantitative information regarding the significant unobservable inputs used by the Company related to the derivative liability:

	June 30, 2023	December 31, 2022
Term (in years)	3.4	3.9
Risk-free rate	4.41 %	4.11 %
Volatility	90.0 %	76.6 %

The following table represents the activity of the Level 3 instruments:

	Derivative Liability
Balance as of December 31, 2022	\$ 180
Change in fair value of derivative liability	(120)
Balance as of June 30, 2023	\$ 60

There were no transfers between fair value measurement levels during the three and six months ended June 30, 2023.

## Equity Investment

For equity investments in entities that the Company does not exercise significant influence over, if the fair value of the investment is not readily determinable, the investment is accounted for at cost, and adjusted for subsequent observable price changes. If the fair value of the investment is readily determinable, the investment is accounted for at fair value. The Company reviews equity investments without readily determinable fair values at each period end to determine whether they have been impaired.

As of June 30, 2023 and December 31, 2022, the Company had an investment in equity securities of a privately-held company without a readily determinable fair value. During the second quarter of 2023, the aforementioned private company underwent a recapitalization, and the Company received approximately 6,000 shares of common stock in a non-monetary transaction, valued at \$nil. Prior to the recapitalization, the carrying value of the investment was \$3.6 million, so the difference between the carrying value and fair value was recorded as loss on investment within Other expense, net within our condensed consolidated statement of operations. The total carrying value of the investment, included in Prepaid and other assets on the condensed consolidated balance sheets, was \$nil and \$3.6 million as of June 30, 2023 and December 31, 2022, respectively.

## 6. Property and Equipment, net

Property and equipment, net consisted of the following:

	June 30, 2023	December 31, 2022
Leasehold improvements	\$ 50,714	\$ 50,688
Furniture and fixtures	6,322	6,069
Computer equipment	3,054	5,629
Video equipment	792	792
<b>Total</b>	<b>60,882</b>	<b>63,178</b>
Less: Accumulated depreciation	(45,990)	(45,404)
<b>Net Carrying Value</b>	<b>\$ 14,892</b>	<b>\$ 17,774</b>

Depreciation totaled \$1.7 million and \$2.6 million for the three months ended June 30, 2023 and 2022, respectively, and \$3.4 million and \$5.0 million for the six months ended June 30, 2023 and 2022, respectively, included in Depreciation and amortization expense.

## 7. Capitalized Software Costs, net

Capitalized software costs, net consisted of the following:

	June 30, 2023	December 31, 2022
Website and internal-use software	\$ 83,546	\$ 75,871
Less: Accumulated amortization	(62,037)	(56,612)
<b>Net Carrying Value</b>	<b>\$ 21,509</b>	<b>\$ 19,259</b>

The Company capitalized \$3.7 million and \$3.1 million for the three months ended June 30, 2023 and 2022, respectively, and \$7.7 million and \$6.6 million for the six months ended June 30, 2023 and 2022, respectively, included in Capitalized software costs. The Company amortized \$2.5 million and \$2.3 million for the three months ended June 30, 2023 and 2022, respectively, and \$5.4 million and \$4.5 million for the six months ended June 30, 2023 and 2022, respectively, included in Depreciation and amortization expense.

## 8. Intangible Assets, net

The following table presents the detail of intangible assets for the periods presented and the weighted average remaining useful lives:

	June 30, 2023				December 31, 2022			
	Weighted-Average Remaining Useful Lives (in years)	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Weighted-Average Remaining Useful Lives (in years)	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Acquired Technology	1	\$ 10,600	\$ 7,046	\$ 3,554	2	\$ 10,600	\$ 5,279	\$ 5,321
Trademarks and Trade Names	13	111,000	12,456	98,544	14	111,000	8,756	102,244
Trademarks and Trade Names	Indefinite	1,368	—	1,368	Indefinite	1,368	—	1,368
Customer Relationships	2	17,000	6,729	10,271	3	17,000	4,604	12,396
<b>Total</b>		<b>\$ 139,968</b>	<b>\$ 26,231</b>	<b>\$ 113,737</b>		<b>\$ 139,968</b>	<b>\$ 18,639</b>	<b>\$ 121,329</b>

With respect to intangible assets, the Company amortized \$3.8 million for the three months ended June 30, 2023 and 2022, and \$7.6 million and for the six months ended June 30, 2023 and 2022, included in Depreciation and amortization expense.

Estimated future amortization expense as of June 30, 2023 is as follows (in thousands):

Remainder of 2023	\$	7,592
2024		13,438
2025		11,296
2026		7,400
2027		7,400
Thereafter		65,243
Total	\$	<u>112,369</u>

## 9. Debt

### Revolving Credit Facility

On December 30, 2020, the Company entered into a three-year, \$50.0 million, revolving loan and standby letter of credit facility agreement (i.e., the Revolving Credit Facility). The Revolving Credit Facility provides for the issuance of up to \$15.5 million of standby letters of credit and aggregate borrowings under the Revolving Credit Facility are generally limited to 95% of qualifying investment grade accounts receivable and 90% of qualifying non-investment grade accounts receivable, subject to adjustment at the discretion of the lenders. The \$15.5 million of standby letters of credit were issued during the three months ended March 31, 2021 in favor of certain of the Company's landlords. The Revolving Credit Facility was amended and restated in connection with the closing of the Business Combination to, among other things, add the Company and certain other entities as guarantors. The Revolving Credit Facility was further amended and restated on December 15, 2022 to, among other things, extend the maturity date until December 30, 2025, replace the London Inter-Bank Offered Rate (LIBOR) rate with the Secured Overnight Financing Rate ("SOFR") rate, and provide for an early termination fee of between 0.5% and 2% of the maximum facility loan amount. The Company incurred \$0.2 million of debt issuance fees associated with the December 15, 2022 amendment. On May 10, 2023, the parties to the Revolving Credit Facility entered into a joinder agreement adding one of the Company's Canadian subsidiaries as a borrower under the Revolving Credit Facility, granting the lenders under the Revolving Credit Facility a lien on that subsidiary's collateral, and including that subsidiary's receivables in the calculation of the borrowing base under the Revolving Credit Facility. On June 29, 2023, the Revolving Credit Facility was amended to provide for, among other things: (i) permitted overadvances during the period June 29, 2023 through August 31, 2023; (ii) permitted overadvances of up to \$7.4 million; (iii) an increase in the applicable margin only during the overadvance period (ranging from 4.5% to 5% depending on the utilization of the facility, with the range reverting to 3.75% to 4.25% starting September 1, 2023); and (iv) a change in the definition of the term "SOFR Index." The Company incurred \$0.2 million of debt issuance fees associated with the June 29, 2023 amendment.

The Revolving Credit Facility includes covenants that, among other things, require the Company to maintain at least \$25.0 million of unrestricted cash at all times and limit, under prescribed circumstances, the ability of the Company to incur additional indebtedness, pay dividends, hold unpermitted investments, or make material changes to the business. The Company was in compliance with the financial covenants under such facility as of June 30, 2023.

Borrowings under the Revolving Credit Facility bear interest at the greater of a floor rate of 0.75% or the sum of the rate per annum for the forward-looking term rate for SOFR for a term of one (1) month, plus a margin, which, during the overadvance period ending August 31, 2023, ranges from 4.5% to 5% depending on the utilization of the facility, with the range reverting to 3.75% to 4.25% on September 1, 2023, depending on the level of the Company's utilization of the facility (the interest rate was approximately 9% at June 30, 2023), and subject to a monthly minimum utilization of \$15.0 million. The facility also includes an unused commitment fee of 0.375%.

The Company had outstanding borrowings of \$34.3 million and \$33.5 million at June 30, 2023 and December 31, 2022, respectively. The Company had outstanding letters of credit of \$15.5 million under the Revolving Credit Facility at June 30, 2023 and December 31, 2022, and the total unused borrowing capacity was \$0.2 million and \$1.0 million as of June 30, 2023 and December 31, 2022, respectively.

The Revolving Credit Facility is secured by a first priority security interest on the Company's and the other borrowers' and guarantors' cash, accounts receivable, books and records, and related assets.

As of June 30, 2023 and December 31, 2022, the Company had \$0.5 million and \$0.4 million, of costs in connection with the issuance of debt included in Prepaid and other assets in the condensed consolidated balance sheet, respectively.

### **Convertible Notes**

In June 2021, in connection with the entry into the merger agreement pursuant to which Business Combination was consummated, the Company entered into subscription agreements with certain investors to sell \$150.0 million aggregate principal amount of unsecured convertible notes due 2026 (i.e., the Notes). In connection with closing of the the Business Combination, the Company issued, and those investors purchased, the Notes. The Notes bear interest at a rate of 8.50% per annum, payable semi-annually, are convertible into approximately 12,000,000 shares of our Class A common stock (or, at the Company's election, a combination of cash and our Class A common stock), at an initial conversion price of \$12.50, and mature on December 3, 2026.

The Company may, at its election, force conversion of the Notes after December 3, 2024 (i.e., after the third anniversary of the issuance of the Notes), subject to a holder's prior right to convert and the satisfaction of certain other conditions, if the volume-weighted average trading price of our Class A common stock is greater than or equal to 130% of the conversion price for more than 20 trading days during a period of 30 consecutive trading days, which has yet to occur. In the event that a holder of the Notes elects to convert its Notes after the one year anniversary, and prior to the three-year anniversary, of the issuance of the Notes (i.e., between December 3, 2022 and December 3, 2024), the Company will be obligated to pay an amount in cash equal to: (i) from the one year anniversary of the issuance of the Notes to the two year anniversary of the issuance of the Notes, an amount equal to 18 month's interest declining ratably on a monthly basis to 12 month's interest on the aggregate principal amount of the Notes so converted and (ii) from the two year anniversary of the issuance of the Notes to the three year anniversary of the issuance of the Notes, an amount equal to 12 month's interest declining ratably on a monthly basis to zero month's interest, in each case, on the aggregate principal amount of the Notes so converted. Without limiting a holder's right to convert the Notes at its option, interest will cease to accrue on the Notes during any period in which the Company would otherwise be entitled to force conversion of the Notes, but is not permitted to do so solely due to the failure of a trading volume condition specified in the indenture governing the Notes.

Each holder of a Note will have the right to cause the Company to repurchase for cash all or a portion of the Notes held by such holder (i) at any time after the third anniversary of the date on which the Business Combination was consummated, at a price equal to par plus accrued and unpaid interest; or (ii) at any time upon the occurrence of a fundamental change (as defined in the indenture governing the Notes), at a price equal to 101% of par plus accrued and unpaid interest.

The indenture governing the Notes includes restrictive covenants that, among other things, limit the Company's ability to incur additional debt or liens, make restricted payments or investments, dispose of significant assets, transfer intellectual property, or enter into transactions with affiliates.

In accounting for the Notes, the Company bifurcated a derivative liability representing the conversion option, with a fair value at issuance of \$31.6 million. To measure the fair value of the derivative liability, the Company compared the calculated value of the Notes with the indicated value of the host instrument, defined as the straight-debt component of the Notes. The difference between the value of the straight-debt host instrument and the fair value of the Notes resulted in the value of the derivative liability. The value of the straight-debt host instrument was estimated based on a binomial lattice model, excluding the conversion option and the make-whole payment upon conversion. The derivative liability is remeasured at each reporting date with the resulting gain or loss recorded in Change in fair value of derivative liability within the condensed consolidated statements of operations.

Interest expense on the Notes is recognized at an effective interest rate of 15% and totaled \$4.8 million and \$4.6 million for the three months ended June 30, 2023 and 2022, respectively, and \$9.3 million and \$8.9 million for the six months ended June 30, 2023 and 2022, respectively, of which amortization of the debt discount and issuance costs comprised \$1.6 million and \$1.4 million for the three months ended June 30, 2023 and 2022, respectively, and \$3.0 million and \$2.5 million for the six months ended June 30, 2023 and 2022, respectively.

The net carrying amount of the Notes as of June 30, 2023 and December 31, 2022 was:

	June 30, 2023	December 31, 2022
Principal outstanding	\$ 150,000	\$ 150,000
Unamortized debt discount and issuance costs	(28,337)	(31,252)
Net carrying value	<u>\$ 121,663</u>	<u>\$ 118,748</u>

The fair value of the Notes was approximately \$104.4 million and \$99.8 million as of June 30, 2023 and December 31, 2022, respectively. The fair value of the Notes was estimated using Level 3 inputs.

#### 10. Redeemable Noncontrolling Interest

The redeemable noncontrolling interest represented BuzzFeed Japan, which was held by Yahoo Japan. On May 17, 2022, Yahoo Japan transferred its interests in BuzzFeed Japan to other third parties. The agreements with the third parties do not contain any put rights. As such, on May 17, 2022, the Company reclassified the former redeemable noncontrolling interest to nonredeemable noncontrolling interest that is presented within Stockholders' equity permanent equity on the Company's condensed consolidated balance sheet, with no adjustment to the prior periods presented.

The table below presents the reconciliation of changes in redeemable noncontrolling interest:

	2023	2022
Balance as of January 1,	\$ —	\$ 2,294
Allocation of net income	—	164
Balance as of March 31,	<u>\$ —</u>	<u>\$ 2,458</u>
Allocation of net (income) loss	—	—
Reclassification to permanent equity	—	(2,458)
Balance as of June 30,	<u>\$ —</u>	<u>\$ —</u>

#### 11. Stockholders' Equity

##### Common Stock

In connection with the closing of the Business Combination, the Company authorized the issuance of 700,000,000 shares of Class A common stock, par value \$0.0001 per share, 20,000,000 shares of Class B common stock, par value \$0.0001 per share, and 10,000,000 shares of Class C common stock, par value \$0.0001 per share. Each share of Class A common stock is entitled to one vote and each share of Class B common stock is entitled to fifty votes. Class C common stock is non-voting.

##### Preferred Stock

In connection with the closing of the Business Combination, the Company authorized the issuance of 50,000,000 shares of preferred stock, par value \$0.0001 per share. The Board of Directors is authorized, without further stockholder approval, to issue such preferred stock in one or more series, to fix the voting rights, if any, designations, powers, preferences, the relative, participating, optional or other special rights and any qualifications, limitations and restrictions thereof, applicable to the shares of each series. There were no issued and outstanding shares of preferred stock as of June 30, 2023 or December 31, 2022.

## Stock-Based Compensation

### Stock Options

A summary of the stock option activity under the Company’s equity incentive plans is presented below:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Term	Aggregate Intrinsic Value
Balance as of December 31, 2022	3,976	\$ 6.20	3.80	\$ —
Granted	51	0.61	—	—
Exercised	(34)	0.86	—	—
Forfeited	(132)	5.18	—	—
Expired	(143)	5.05	—	—
Balance as of June 30, 2023	3,718	\$ 6.25	3.11	\$ —
Expected to vest at June 30, 2023	3,718	\$ 6.25	3.11	\$ —
Exercisable at June 30, 2023	3,235	\$ 6.46	2.28	\$ —

As of June 30, 2023, the total share-based compensation costs not yet recognized related to unvested stock options was \$1.0 million, which is expected to be recognized over the weighted-average remaining requisite service period of 1.2 years.

### Restricted Stock Units

A summary of Restricted Stock Unit (“RSU”) activity is presented below:

	Shares	Weighted Average Grant-Date Fair Value
Outstanding as of December 31, 2022	7,495	\$ 3.59
Granted	8,819	0.63
Vested	(2,052)	4.03
Forfeited	(1,264)	4.60
Outstanding as of June 30, 2023	12,998	\$ 1.41

As of June 30, 2023, there were approximately \$12.6 million of unrecognized compensation costs related to RSUs.

**Stock-Based Compensation Expense**

The following table summarizes stock-based compensation cost included in the condensed consolidated statements of operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Cost of revenue, excluding depreciation and amortization	\$ 255	\$ 2,695	\$ 611	\$ 3,155
Sales and marketing	318	1,391	887	2,113
General and administrative	1,612	3,782	2,154	6,380
Research and development <sup>1</sup>	72	3,416	(273)	3,576
<b>Total</b>	<b>\$ 2,257</b>	<b>\$ 11,284</b>	<b>\$ 3,379</b>	<b>\$ 15,224</b>

(1) The negative stock-based compensation expense for the six months ended June 30, 2023 for Research and development was due to forfeitures.

RSUs settle into shares of common stock upon vesting. Upon the vesting of the RSUs, for certain employees, the Company net-settles the RSUs and withholds a portion of the shares to satisfy minimum statutory employee withholding tax requirements. Total payment of the employees' tax obligations to the tax authorities is reflected as a financing activity within the condensed consolidated statements of cash flows.

**At-The-Market Offering**

On March 21, 2023, the Company filed a shelf registration statement on Form S-3 (the "Shelf Registration Statement") under which the Company may, from time to time, sell securities in one or more offerings having an aggregate offering price of up to \$150.0 million. The Shelf Registration Statement was declared effective as of April 5, 2023. On June 20, 2023, the Company entered into an At-The-Market Offering agreement with Craig-Hallum Capital Group LLC pursuant to which the Company may, from time to time, sell up to 13,266,011 shares of its Class A common stock. As of June 30, 2023, the Company sold 1,715,617 shares of its Class A common stock, at an average price of \$0.52 per share, for aggregate net proceeds of \$0.8 million after deducting commissions and offering expenses. The Company used the aggregate net proceeds for general corporate purposes, and the Company has 11,550,394 remaining shares available under the At-The-Market-Offering agreement.

**12. Net Loss Per Share**

Net loss per share is computed using the two-class method. Basic net loss per share is computed using the weighted average number of shares of common stock outstanding for the period. Diluted net loss per share reflects the effect of the assumed exercise of any stock options, the vesting of any restricted stock units, the exercise of any warrants (including the Public Warrants and the Private Warrants), the conversion of any convertible debt (including the Notes), and the conversion of any convertible preferred stock, in each case only in the periods in which such effect would have been dilutive.

For the three and six months ended June 30, 2023, net loss per share amounts were the same for Class A and Class B common stock because the holders of each class are entitled to equal per share dividends. For the three and six months ended June 30, 2022, net loss per share amounts were the same for Class A, Class B, and Class C common stock because the holders of each class are entitled to equal per share dividends.

The table below presents the computation of basic and diluted net loss per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
<b>Numerator:</b>				
Net loss	\$ (27,836)	\$ (23,581)	\$ (64,097)	\$ (68,147)
Net income attributable to the redeemable noncontrolling interest	—	—	—	164
Net income (loss) attributable to noncontrolling interests	—	184	(260)	348
Net loss attributable to holders of Class A, Class B, and Class C common stock	\$ (27,836)	\$ (23,765)	(63,837)	(68,659)
<b>Denominator:</b>				
Weighted average common shares outstanding, basic and diluted	141,950	137,381	141,330	136,906
Net loss per common share, basic and diluted	\$ (0.20)	\$ (0.17)	\$ (0.45)	\$ (0.50)

The table below presents the details of securities that were excluded from the calculation of diluted net income (loss) per share as the effect would have been anti-dilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Stock options	3,718	4,235	3,718	4,235
Restricted stock units	12,998	5,958	12,998	3,546
Warrants	9,876	9,876	9,876	9,876
Convertible notes	12,000	12,000	12,000	12,000

Additionally, the calculation of diluted loss per share excluded 2.4 million RSUs for the six months ended June 30, 2022, for which the related liquidity condition had not been met.

### 13. Income Taxes

The Company's tax provision or benefit from income taxes for interim periods is determined using an estimate of its annual effective tax rate, adjusted for discrete items, if any. Each quarter the Company updates its estimate of the annual effective tax rate and makes a year-to-date adjustment to the provision.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Income tax (benefit) provision	\$ (37)	\$ 1,796	\$ 110	\$ 2,146
Effective tax rate	0.1 %	(8.2)%	(0.2)%	(3.3)%

For the three and six months ended June 30, 2023 and 2022, the Company's effective tax rate differed from the U.S. federal statutory income tax rate of 21% primarily due to limited tax benefits provided for against its current year pre-tax operating loss as the Company maintains a full valuation allowance against its U.S. deferred tax assets that are not realizable on a more-likely-than-not basis.

The Company, or one of its subsidiaries, files its tax returns in the U.S. and certain state and foreign income tax jurisdictions with varying statute of limitations. The major jurisdictions in which the Company is subject to potential examination by tax authorities are the U.S., the United Kingdom, Japan, and Canada.



#### 14. Restructuring Costs

On April 20, 2023, the Company announced plans to reduce expenses by implementing an approximately 15% reduction in the current workforce. The reduction in workforce plan is part of a broader strategic reprioritization across the Company in order to accelerate revenue growth and improve upon profitability and cash flow. The Company incurred approximately \$9.7 million of restructuring costs for the three months ended June 30, 2023, comprised mainly of severance and related benefit costs, of which \$5.5 million were included in Cost of revenue, excluding depreciation and amortization, \$2.8 million were included in Sales and marketing, \$0.6 million were included in General and administrative, and \$0.8 million were included in Research and development. As of June 30, 2023, \$3.4 million of restructuring costs remain unpaid and are included in Accrued compensation on the condensed consolidated balance sheet. These costs are expected to be paid primarily in the third quarter of 2023.

In March 2022, in connection with the acquisition of Complex Networks, the Company approved certain organizational changes to align sales and marketing and general and administrative functions as well as changes in content to better serve audience demands. Additionally, in June 2022, as part of a strategic repositioning of BuzzFeed News, the Company entered into a voluntary buyout proposal covering certain desks which was negotiated as part of collective bargaining between the Company and the BuzzFeed News Union. The Company incurred approximately \$3.5 million and \$5.3 million of restructuring costs for the three and six months ended June 30, 2022, respectively, comprised mainly of severance and related benefit costs. For the three months ended June 30, 2022, \$3.1 million were included in Cost of revenue, excluding depreciation and amortization, \$0.1 million were included in Sales and marketing, \$0.2 million were included in General and administrative, and \$0.1 million were included in Research and development. For the six months ended June 30, 2022, approximately \$4.4 million were included in Cost of revenue, excluding depreciation and amortization, \$0.3 million were included in Sales and marketing, \$0.5 million were included in General and administrative, and \$0.1 million were included in Research and development.

#### 15. Leases

The Company leases office space under non-cancelable operating leases with various expiration dates through 2029. The Company accounts for leases under Accounting Standards Update 2016-02, *Leases* (Topic 842) (“ASC 842”) by recording right-of-use assets and liabilities. The right-of-use asset represents the Company’s right to use underlying assets for the lease term and the lease liability represents the Company’s obligation to make lease payments under the lease. The Company determines if an arrangement is, or contains, a lease at contract inception and exercises judgment and applies certain assumptions when determining the discount rate, lease term, and lease payments. ASC 842 requires a lessee to record a lease liability based on the discounted unpaid lease payments using the interest rate implicit in the lease or, if the rate cannot be readily determined, the incremental borrowing rate. Generally, the Company does not have knowledge of the rate implicit in the lease and, therefore, uses its incremental borrowing rate for a lease. The lease term includes the non-cancelable period of the lease plus any additional periods covered by an option to extend that the Company is reasonably certain to exercise. The Company’s lease agreements generally do not contain any material residual value guarantees or material restrictive covenants. Certain of the Company’s lease agreements include escalating lease payments. Additionally, certain lease agreements contain renewal provisions and other provisions which require the Company to pay taxes, insurance, or maintenance costs.

The Company subleases certain leased office space to third parties when it determines there is excess leased capacity. On July 8, 2022, the Company entered into a sublease with Monday.com with respect to substantially all of the Company’s then-existing corporate headquarters. The sublease commenced on August 26, 2022 and expires on May 30, 2026, unless terminated sooner in accordance with the provisions of the sublease. Pursuant to the terms of the sublease, Monday.com will pay a fixed monthly rent of \$0.8 million, subject to periodic increases. In-lieu of a cash security deposit, the Company received a letter of credit from Citibank for approximately \$4.5 million.

Sublease rent income is recognized as an offset to rent expense on a straight-line basis over the lease term. In addition to sublease rent, other costs such as common-area maintenance, utilities, and real estate taxes are charged to subtenants over the duration of the lease for their proportionate share of these costs.

The following illustrates the lease costs for the three and six months ended June 30, 2023 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Operating lease cost	\$ 7,615	\$ 7,571	\$ 15,062	\$ 15,168
Sublease income	(3,894)	(1,835)	(7,852)	(3,670)
Total lease cost	<u>\$ 3,721</u>	<u>\$ 5,736</u>	<u>\$ 7,210</u>	<u>\$ 11,498</u>

All components of total lease cost are recorded within General and administrative expenses within the condensed consolidated statement of operations. The Company does not have material short-term or variable lease costs.

The following amounts were recorded in the Company's condensed consolidated balance sheet related to operating leases:

	June 30, 2023	December 31, 2022
<b>Assets</b>		
Right-of-use assets	\$ 56,537	\$ 66,581
<b>Liabilities</b>		
Current lease liabilities	22,016	23,398
Noncurrent lease liabilities	49,036	59,315
Total lease liabilities	<u>\$ 71,052</u>	<u>\$ 82,713</u>

Other information related to leases was as follows:

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
<b>Supplemental cash flow information:</b>		
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows for operating lease liabilities	16,905	16,926

	June 30, 2023	December 31, 2022
Weighted average remaining lease term (years)	3.1	3.4
Weighted average discount rate	13.81 %	13.76 %

Maturities of lease liabilities as of June 30, 2023 were as follows:

Year	Operating Leases
Remainder of 2023	\$ 15,954
2024	28,238
2025	25,633
2026	13,062
2027	2,724
Thereafter	1,361
Total lease payments	86,972
Less: imputed interest	(15,920)
Total	<u>\$ 71,052</u>

Sublease receipts to be received in the future under noncancelable subleases as of June 30, 2023 were as follows:

Year	Amount
Remainder of 2023	\$ 7,842
2024	15,538
2025	15,538
2026	4,886
2027	178
Thereafter	—
Total	\$ 43,982

## 16. Commitments and Contingencies

### Guarantees

In September 2018, at the time of its equity investment in a private company, the Company agreed to guarantee the lease of such company's premises in New York. In October 2020, the investee renewed its lease agreement, and the Company's prior guarantee was replaced with a new guarantee of up to \$5.4 million. The amount of the guarantee is reduced as the investee makes payments under the lease. As of June 30, 2023, the maximum amount of the guarantee was \$0.3 million, and no liability was recognized with respect to the guarantee.

In the course of its business, the Company both provides and receives indemnities which are intended to allocate certain risks associated with business transactions. Similarly, the Company may remain contingently liable for various obligations of a business that has been divested in the event that a third party does not fulfill its obligations under an indemnification obligation. The Company records a liability for indemnification obligations and other contingent liabilities when probable and reasonably estimable.

### Legal Matters

The Company is party to various lawsuits and claims in the ordinary course of business.

Two mass arbitrations (the "Arbitrations") were initiated before the American Arbitration Association on March 15, 2022 against the Company and certain of its executive officers and directors (together, the "BuzzFeed Defendants") and Continental Stock Transfer Corporation by 91 individuals previously employed by Legacy BuzzFeed (the "Claimants"). The Claimants alleged that they were harmed when they were allegedly unable to convert their shares of Class B common stock to Class A common stock and sell those shares on December 6, 2021, the first day of trading following the Business Combination, and asserted claims for negligence, misrepresentation, breach of fiduciary duty, and violation of Section 11 of the Securities Act. The Claimants sought to recover unspecified compensatory damages, an award of costs, and any further appropriate relief.

On April 21, 2022, the BuzzFeed Defendants filed a complaint in the Delaware Court of Chancery seeking to enjoin the Arbitrations on the grounds that, inter alia, the Claimants' purported causes of action arise from their rights as shareholders of the Company, are governed by the Company's charter, including its forum selection provision, and are therefore not arbitrable (the "Delaware Action"). The complaint sought declaratory and injunctive relief. A hearing on the merits of the Delaware Action was held on July 26, 2022. On October 28, 2022, the Court of Chancery granted the Company's motion to permanently enjoin the Claimants' arbitration claims.

On January 17, 2023, the Claimants filed amended statements of claim in the Arbitrations against BuzzFeed Media Enterprises, Inc., a wholly-owned subsidiary of the Company, and Continental Stock Transfer & Trust Corporation, the transfer agent for 890 and later the Company. The amended statements of claim likewise allege that the Claimants were harmed when they were allegedly unable to convert their shares of Class B common stock to Class A common stock and sell those shares on the first day of trading following the Business Combination. The Claimants allege claims for breach of contract and the covenant of good faith and fair dealing, misrepresentation, and negligence, and seek to recover unspecified

compensatory damages, an award of costs, and any further appropriate relief. The parties have cross-moved for summary judgment and a hearing on those motions is pending.

On March 29, 2023, BuzzFeed Media Enterprises, Inc., filed a complaint in the Delaware Court of Chancery seeking to enjoin the Arbitrations on the grounds that, inter alia, the Claimants' purported causes of action arise from their rights as shareholders of the Company, are governed by the Company's charter, including its forum selection provision, and are therefore not arbitrable. The complaint seeks declaratory and injunctive relief.

Although the outcome of such matters cannot be predicted with certainty and the impact that the final resolution of such matters will ultimately have on the Company's condensed consolidated financial statements is not known, the Company does not believe that the resolution of these matters will have a material adverse effect on the Company's future results of operations or cash flows.

The Company settled or resolved certain legal matters during the three and six months ended June 30, 2023 and 2022 that did not individually or in the aggregate have a material impact on the Company's business or its condensed consolidated balance sheets, results of operations or cash flows.

### **Other Matters**

On May 31, 2023, the Company received a letter (the "Notice") from the Listing Qualifications Department (the "Staff") of The Nasdaq Stock Market LLC ("Nasdaq") notifying the Company that, for the previous 30 consecutive business days, the bid price for the Company's common stock had closed below the minimum \$1.00 per share requirement for continued listing on the Nasdaq Global Market under Nasdaq Listing Rule 5550(a)(2) (the "Bid Price Requirement"). The Notice has no effect at this time on the Company's common stock or warrants, which continue to trade on the Nasdaq Global Market under the symbols "BZFD" and "BZFDW," respectively.

In accordance with Nasdaq Listing Rule 5810(c)(3)(A), the Company has been provided an initial period of 180 calendar days, or until November 27, 2023 (the "Compliance Date"), to regain compliance with the Bid Price Requirement. If, at any time before the Compliance Date, the bid price for the Company's common stock closes at \$1.00 or more for at least 10 consecutive business days, unless the Staff exercises its discretion to extend this 10-day period pursuant to Nasdaq Listing Rule 5810(c)(3)(H), the Staff will provide written notification to the Company that it has regained compliance with the Bid Price Requirement.

If the Company is not in compliance with the Bid Price Requirement by the Compliance Date, the Company may qualify for a second 180-calendar day compliance period. To qualify, the Company would be required, among other things, to transfer from the Nasdaq Global Market to the Nasdaq Capital Market, to meet the continued listing requirement for the market value of publicly held shares, as well as the standards for initial listing on the Nasdaq Capital Market with the exception of the Bid Price Requirement, and would need to provide written notice of its intention to cure the bid price deficiency during the second compliance period. If the Company does not qualify for, or fails to regain compliance during, a second compliance period, then the Staff will provide written notification to the Company that its common stock will be subject to delisting. At that time, the Company may appeal the Staff's delisting determination to the Nasdaq Listing Qualifications Panel. However, there can be no assurance that, if the Company receives a delisting notice and appeals the delisting determination, such an appeal would be successful.

The Company intends to monitor the closing bid price of its common stock and may, if appropriate, consider available options to regain compliance with the Bid Price Requirement.

### **17. Segment Information**

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker ("CODM"), in deciding how to allocate resources and in assessing performance.

The Company has determined that its chief executive officer is its CODM who makes resource allocation decisions and assesses performance based upon financial information at the consolidated level. The Company manages its operations as a single segment for the purpose of assessing and making operating decisions. Since the Company operates in one operating segment, all required financial segment information can be found in the condensed consolidated financial statements.

## 18. Related Party Transactions

The Company recognized revenue from NBCUniversal Media, LLC (“NBCU”) of \$0.2 million and \$1.7 million for the three months ended June 30, 2023 and 2022, respectively, and \$0.7 million and \$2.2 million for the six months ended June 30, 2023 and 2022, respectively. The Company recognized expenses under contractual obligations from NBCU of \$nil and \$0.2 million for the three months ended June 30, 2023 and 2022, respectively, and \$nil and \$0.4 million for the six months ended June 30, 2023 and 2022, respectively. The Company had outstanding receivable balances of \$0.2 million and \$2.2 million from NBCU as of June 30, 2023 and December 31, 2022, respectively. The Company had an outstanding payable balance of \$0.2 million to NBCU as of June 30, 2023 (none as of December 31, 2022).

On March 15, 2023, Verizon Ventures LLC (“Verizon”) converted all 6,478,031 shares of Class C common stock into Class A common stock, resulting in Verizon and its affiliates holding more than 5% of our Class A common stock. Verizon is the landlord for the Company’s corporate headquarters (assumed from the acquisition of Complex Networks), and we transact with Verizon in the normal course of business, such as with agency advertising deals and for certain utilities. The Company recognized revenue from Verizon of \$nil for the three and six months ended June 30, 2023 and 2022. The Company recognized expenses under contractual obligations from Verizon of \$1.5 million for both the three months ended June 30, 2023 and 2022, and \$3.0 million for both the six months ended June 30, 2023 and 2022. The Company had no outstanding receivables or payables from or to Verizon as of June 30, 2023 or December 31, 2022.

## 19. Supplemental Disclosures

### Film Costs

Film costs, which were included in Prepaid and other assets on the condensed consolidated balance sheets, were as follows:

	June 30, 2023	December 31, 2022
<b>Individual Monetization:</b>		
Feature films in production	\$ 2,099	\$ —
Total	<u>\$ 2,099</u>	<u>\$ —</u>

The Company had no material amortization of film costs for the three and six months ended June 30, 2023 or 2022.

### Governmental Assistance

Production tax incentives reduced capitalized film costs by \$1.5 million as of December 31, 2022 (none as of June 30, 2023). The Company had receivables related to our production tax credits of \$3.0 million as of June 30, 2023 and December 31, 2022, included in Prepaid and other current assets in our condensed consolidated balance sheet.

### Supplemental Cash Flow Disclosures

	Six Months Ended June 30,	
	2023	2022
Cash paid for income taxes, net	\$ 984	\$ 2,059
Cash paid for interest	8,753	7,818
Non-cash investing and financing activities:		
Accounts payable and accrued expenses related to property and equipment	123	187
Accrued deferred offering costs	425	—

**20. Other Expense, Net**

Other expense, net consisted of the following for the three and six months ended June 30, 2023 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Exchange gain (loss)	147	(3,278)	910	(3,501)
(Loss) gain on investment	(3,590)	—	(3,590)	1,260
Other expense	(234)	(182)	(587)	(393)
Other income	2	20	212	56
Total	<u>\$ (3,675)</u>	<u>\$ (3,440)</u>	<u>\$ (3,055)</u>	<u>\$ (2,578)</u>

## ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the condensed consolidated financial statements of BuzzFeed and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in the sections entitled “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” included elsewhere in this Quarterly Report on Form 10-Q and in our other SEC filings. Additionally, our historical results are not necessarily indicative of the results that may be expected for any period in the future.*

### Company Overview

BuzzFeed is a premier digital media company for the most diverse, most online, and most socially connected generations the world has ever seen. Across food, news, pop culture and commerce, our brands drive conversation and inspire what audiences watch, read, and buy now — and into the future. With a portfolio of iconic, globally-loved brands that includes BuzzFeed, HuffPost, Tasty, Complex Networks, and First We Feast, we are the number one destination for Gen Z and Millennials amongst our competitive set, in terms of time spent, according to Comscore.

BuzzFeed’s mission is to spread truth, joy, and creativity. We are committed to making the Internet better: providing trusted, quality, brand-safe entertainment and news; making content on the Internet more inclusive, empathetic and creative; and inspiring our audience to live better lives.

BuzzFeed curates the Internet, and acts as an “inspiration engine,” driving both online and real-world action and transactions. Our strong audience signal and powerful content flywheel enable us to create category-leading brands and a deep, two-way connection with our audiences, as well as high-quality content at massive scale and low cost. Working across platforms allows us to adapt content from one platform and innovate around new formats to drive engagement on other platforms. This means we can reach our audiences wherever they are — across our owned and operated properties and the major social media platforms, including Facebook, YouTube, Instagram, TikTok, Snapchat, Twitter, and Apple News. In 2022, our audiences consumed more than 620<sup>(1)</sup> million hours of content and drove over \$500 million in attributable transactions.

Our strength has always been to adapt our business model to the evolution of the digital landscape. Founded by Jonah Peretti in 2006, BuzzFeed started as a lab in New York City’s Chinatown, experimenting with how the Internet could change how content is consumed, distributed, interacted with, and shared. This pioneering work was followed by a period of significant growth, during which BuzzFeed became a household name. Over the last few years, we have prioritized investments to focus on revenue diversification and profitability. Our data-driven approach to content creation and our cross-platform distribution network have enabled us to monetize our content by delivering a comprehensive suite of digital advertising products and services and introducing new, complementary revenue streams.

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(1) Includes Facebook. Effective January 1, 2023, we exclude Facebook from our measure of Time Spent. Refer to the “Executive Overview” section below for additional details. Time spent on Facebook, as reported by Facebook, was approximately 184 million hours in 2022.

### The Business Combination

On December 3, 2021, we consummated a business combination (the “Business Combination”) by and among 890 5th Avenue Partners, Inc. (“890”), certain wholly-owned subsidiaries of 890, and BuzzFeed, Inc., a Delaware corporation (“Legacy BuzzFeed”). In connection with the Business Combination, we acquired 100% of the membership interests of CM Partners, LLC. CM Partners, LLC, together with Complex Media, Inc., is referred to herein as “Complex Networks.” Following the closing of the Business Combination, 890 was renamed “BuzzFeed, Inc.”

Additionally, pursuant to subscription agreements entered into in connection with the entry into the merger agreement pursuant to which the Business Combination was consummated, we issued, and certain investors purchased, \$150.0 million aggregate principal amount of unsecured convertible notes due 2026 in connection with the closing of the Business Combination (the “Notes”). Refer to Note 9 to the condensed consolidated financial statements in Item 1 of this Form 10-Q for additional details.

On May 12, 2022, the board of directors waived the liquidity condition associated with 2.4 million restricted stock units that the Business Combination did not satisfy, permitting them to vest (based on service). We recognized approximately \$8.2 million of stock-based compensation expense in the second quarter of 2022. There was no such one-time expense in the current period.

### **Restructuring**

On April 20, 2023, the Company announced plans to reduce expenses by implementing an approximately 15% reduction in the current workforce. The reduction in workforce plan is part of a broader strategic reprioritization across the Company in order to accelerate revenue growth and improve upon profitability and cash flow. The Company incurred approximately \$9.7 million of restructuring costs for the three months ended June 30, 2023, comprised mainly of severance and related benefit costs, of which \$5.5 million were included in Cost of revenue, excluding depreciation and amortization, \$2.8 million were included in Sales and marketing, \$0.6 million were included in General and administrative, and \$0.8 million were included in Research and development.

In March 2022, in connection with the acquisition of Complex Networks, the Company approved certain organizational changes to align sales and marketing and general and administrative functions as well as changes in content to better serve audience demands. Additionally, in June 2022, as part of a strategic repositioning of BuzzFeed News, the Company entered into a voluntary buyout proposal covering certain desks which was negotiated as part of collective bargaining between the Company and the BuzzFeed News Union. The Company incurred approximately \$3.5 million and \$5.3 million of restructuring costs for the three and six months ended June 30, 2022, respectively, comprised mainly of severance and related benefit costs. For the three months ended June 30, 2022, \$3.1 million were included in Cost of revenue, excluding depreciation and amortization, \$0.1 million were included in Sales and marketing, \$0.2 million were included in General and administrative, and \$0.1 million were included in Research and development. For the six months ended June 30, 2022, approximately \$4.4 million were included in Cost of revenue, excluding depreciation and amortization, \$0.3 million were included in Sales and marketing, \$0.5 million were included in General and administrative, and \$0.1 million were included in Research and development.

### **Impact of the COVID-19 Pandemic**

In March 2020, the World Health Organization declared the viral strain of COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The spread of COVID-19 and the resulting economic contraction resulted in increased business uncertainty and significantly impacted our business and results of operations. While the extent of the impact has generally decreased, we continue to monitor the status, and respond to the effects of, the COVID-19 pandemic and its impact on our business. Future developments regarding COVID-19 continue to be uncertain and difficult to predict. There can be no assurances that future impacts related to COVID-19, including new variants, or other global pandemics will not adversely impact our business, results of operations, financial condition and cash flows in future periods.

### **Effects of Inflation and Current Economic Conditions**

Uncertainty surrounding macroeconomic factors in the United States (the “U.S.”) and globally characterized by inflationary pressure, rising interest rates, geopolitical issues or otherwise may result in a recession, which could have a material adverse effect on our business. Further, we believe advertising and content budgets have been, and may continue to be, affected by macroeconomic factors, such as market uncertainty and rising interest rates, which has led to reduced spending from advertising and content customers. These macroeconomic factors have adversely impacted our advertising and content revenue in the first and second quarters of 2023 and we expect these factors will continue to adversely affect our advertising and content revenue in fiscal year 2023. Please see Part I, Item 1A “Risk Factors” within our Annual Report on Form 10-K for the fiscal year ended December 31, 2022.



## Executive Overview

The following table sets forth our operational highlights for the periods presented (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
<b>GAAP</b>				
Total revenue	\$ 77,901	\$ 106,760	\$ 145,054	\$ 198,318
Loss from operations	\$ (20,087)	\$ (24,888)	\$ (49,805)	\$ (60,186)
Net loss	\$ (27,836)	\$ (23,581)	\$ (64,097)	\$ (68,147)
<b>Non-GAAP</b>				
Adjusted EBITDA <sup>(1)</sup>	\$ (137)	\$ 2,093	\$ (20,328)	\$ (14,671)
<b>Non-Financial</b>				
Time Spent <sup>(2)</sup>	96,180	106,227	205,344	218,225

(1) See “Reconciliation from Net loss to Adjusted EBITDA” for a reconciliation of Adjusted EBITDA to the most directly comparable financial measure in accordance with accounting principles generally accepted in the U.S (“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. Time Spent does not reflect time spent with our content across all platforms, including some on which we generated a portion of our advertising revenue, and excludes time spent with our content on platforms for which we have minimal advertising capabilities that contribute to our advertising revenue, 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. We use Time Spent to evaluate the level of engagement of our audience. Trends in Time Spent affect our revenue and financial results by influencing the number of ads we are able to show. However, increases or decreases in Time Spent may not directly correspond to increases or decreases in our revenue. For example, the number of programmatic impressions served by third-party platforms can vary based on the advertising revenue optimization strategies of these platforms and, as a result, an increase or decrease in Time Spent does not necessarily correlate with a corresponding increase or decrease in the number of programmatic impressions served, but Time Spent can be a key indicator for our programmatic advertising revenue when the third-party platforms optimize revenue over programmatic impressions. Our definition of Time Spent is not based on any standardized industry methodology and is not necessarily defined in the same manner, or comparable to, similarly titled measures presented by other companies. Time Spent for the three and six months ended June 30, 2023 decreased by 9% and 6%, respectively, consistent with broader industry trends, amongst our competitive set. 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 15 million hours and 48 million hours for the three months ended June 30, 2023 and 2022, respectively, and 37 million hours and 120 million hours for the six months ended June 30, 2023 and 2022, respectively, which is not included in Time Spent presented in the table above.

## Content Performance Metrics

We use certain metrics to assess the operational and financial performance of our business. Effective January 1, 2023, we have introduced new metrics with respect to our branded content revenue, which represents the majority of our reported content revenue (branded content is further defined within “Components of Results of Operations” below). Specifically, we monitor the performance of our branded content advertisers through retention and average trailing 12-month revenue per branded content advertiser. Net branded content advertiser revenue retention is an indicator of our ability to retain the spend of our existing customers year-over-year, which we view as a reflection of the effectiveness of our services. In addition, we monitor the number of branded content advertisers and the net average branded content advertiser revenue, as defined below, as these metrics provide further details with respect to the majority of our reported content revenue and influence our business planning decisions. Our use of net branded content advertiser revenue retention, branded content advertisers, and net average branded content advertiser revenue have limitations as analytical tools, and

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investors should not consider them in isolation. Additionally, the aforementioned metrics do not have any standardized meaning and are therefore unlikely to be comparable to similarly titled measures presented by other companies. Pro forma amounts for acquisitions are calculated as if the acquisitions occurred on the first day of the applicable period.

The following table sets forth certain operating metrics for our branded content revenue for the three months ended June 30, 2023 and 2022 (on a trailing 12-month basis):

	June 30,	
	2023	2022
Net branded content advertiser revenue retention <sup>(1)</sup>	61 %	89 %
Branded content advertisers <sup>(2)</sup>	>90	>120
Net average branded content advertiser revenue <sup>(3)</sup>	\$ 1.0	\$ 1.0

(1) Net branded content advertiser revenue retention is calculated by dividing the branded content revenue for the trailing 12 month from the close of the current reporting period, from advertisers who were also advertisers at the close of the same period in the prior year (the “base period”), by the branded content revenue for the trailing 12 month from the close of the base period. This analysis only considers branded content advertisers who spent greater than \$250,000 in the trailing 12 months from the close of the base period, and is pro forma for acquisitions. This metric also excludes revenues derived from joint ventures and from deals not included in the branded content definition below. In both periods presented, this represents the significant majority of branded content advertiser revenue.

(2) Represents the actual number of branded content advertisers, excluding branded content advertisers that spent less than \$250,000 during the trailing 12 months at the close of the current reporting period, and is pro forma for acquisitions. This does not mean an included advertiser spent \$250,000 in any given quarter.

(3) Represents the net branded content revenue (dollars in millions) generated by branded content customers (as defined in footnote (2) above) during the trailing 12 months at the close of the current reporting period divided by the number of branded content advertisers during that period, and is pro forma for acquisitions. This does not mean an included advertiser spent \$250,000 in any given quarter.

## Components of Results of Operations

**Revenue:** The majority of our revenue is generated through the following types of arrangements:

- **Advertising:** Consists of display, programmatic, and video advertising on our owned and operated sites and applications and social media platforms. The majority of our advertising revenue is monetized on a per-impression basis; however, we also generate revenue from advertising products that are not monetized on a per-impression basis (for example, page takeovers that are monetized on a per-day basis). Advertising revenue is recognized in the period that the related impression or non-impression based metric is delivered. Programmatic impressions on third-party platforms, such as YouTube, are controlled by the individual platforms, and the respective advertising revenue optimization strategies of these platforms have an impact on the number of programmatic impressions that these platforms serve. These optimization strategies change from time to time and have varying impacts on the numbers of programmatic impressions served. Additionally, there is a component of our advertising revenue derived from sources where we are unable to obtain impression data. We generate an immaterial portion of our advertising revenue on platforms excluded from our measurement of Time Spent.
- **Content:** Includes revenue generated from creating content, including promotional content, and customer advertising (herein referred to as “branded content”). Additionally, includes revenue from feature films and content licensing. Content revenue is recognized when the content, or the related action (click or view), is delivered.
- **Commerce and other:** Includes affiliate marketplace revenue and licensing of intellectual property. We participate in multiple marketplace arrangements with third parties whereby we provide affiliate links which redirect the audience to purchase products and/or services from the third parties. When the participant purchases a product and/or service, we receive a commission fee for that sale from the third party. Affiliate marketplace revenue is recognized when a successful sale is made and the commission is earned. Additionally, we generate other revenues from the production of live and virtual events such as ComplexCon and ComplexLand. We recognize revenue related to such events in the period in which the event occurred, as and when the services are delivered.

**Cost of revenue:** Consists primarily of compensation-related expenses and costs incurred for the creation of editorial, promotional, and news content across all platforms, as well as amounts due to third-party websites and platforms to fulfill customers’ advertising campaigns. Web hosting and advertising serving platform costs are also included in cost of revenue.

**Sales and marketing:** Consists primarily of compensation-related expenses for sales employees. In addition, sales and marketing expenses include advertising costs and market research.

**General and administrative:** Consists of compensation-related expenses for corporate employees. Also, it consists of expenses for facilities, professional services fees, insurance costs, and other general overhead costs.

**Research and development:** Consists primarily of compensation-related expenses incurred for the development of, enhancements to, and maintenance of our website, technology platforms, data collection and infrastructure. Research and development expenses that do not meet the criteria for capitalization are expensed as incurred.

**Depreciation and amortization:** Represents depreciation of property and equipment and amortization of intangible assets and capitalized software costs.

**Other expense, net:** Consists of foreign exchange gains and losses, gains and losses on investments, gains and losses on dispositions of subsidiaries, gains and losses on disposition of assets, and other miscellaneous income and expenses.

**Interest expense, net:** Consists of interest expense incurred on our borrowings, net of interest income on interest bearing checking accounts.

**Change in fair value of warrant liabilities:** Reflects the changes in warrant liabilities which is primarily based on the market price of our Public Warrants listed on Nasdaq under the symbol “BZFDW.” Refer to Note 5 to the condensed consolidated financial statements for additional details.

**Change in fair value of derivative liability:** In December 2021, we issued \$150.0 million aggregate principal amount of unsecured convertible notes due 2026 (i.e., the Notes) that contain redemption features which we determined were embedded derivatives to be recognized as liabilities and measured at fair value. At the end of each reporting period, changes in the estimated fair value during the period are recorded as a change in the fair value of derivative liability.

**Income tax (benefit) provision:** Represents federal, state, and local taxes based on income in multiple domestic and international jurisdictions.

## Results of Operations:

### Comparison of results for the three and six months ended June 30, 2023 and 2022

The following tables set forth our condensed consolidated statement of operations data for each of the periods presented (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenue	\$ 77,901	\$ 106,760	\$ 145,054	\$ 198,318
Costs and Expenses				
Cost of revenue, excluding depreciation and amortization	50,507	61,529	97,851	122,347
Sales and marketing	14,135	18,688	29,436	36,491
General and administrative	21,356	32,565	43,358	65,127
Research and development	3,960	10,253	7,779	17,445
Depreciation and amortization	8,030	8,613	16,435	17,094
Total costs and expenses	97,988	131,648	194,859	258,504
Loss from operations	(20,087)	(24,888)	(49,805)	(60,186)
Other expense, net	(3,675)	(3,440)	(3,055)	(2,578)
Interest expense, net	(5,631)	(5,032)	(11,049)	(9,821)
Change in fair value of warrant liabilities	395	6,775	(198)	3,359
Change in fair value of derivative liability	1,125	4,800	120	3,225
Loss before income taxes	(27,873)	(21,785)	(63,987)	(66,001)
Income tax (benefit) provision	(37)	1,796	110	2,146
Net loss	(27,836)	(23,581)	(64,097)	(68,147)
Net income attributable to the redeemable noncontrolling interest	—	—	—	164
Net income (loss) attributable to noncontrolling interests	—	184	(260)	348
Net loss attributable to BuzzFeed, Inc.	\$ (27,836)	\$ (23,765)	\$ (63,837)	\$ (68,659)

Costs and expenses included in stock-based compensation expense are included in the condensed consolidated statements of operations as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Cost of revenue, excluding depreciation and amortization	\$ 255	\$ 2,695	\$ 611	\$ 3,155
Sales and marketing	318	1,391	887	2,113
General and administrative	1,612	3,782	2,154	6,380
Research and development <sup>(1)</sup>	72	3,416	(273)	3,576
Total	\$ 2,257	\$ 11,284	\$ 3,379	\$ 15,224

(1) The negative stock-based compensation expense for the six months ended June 30, 2023 for Research and development was due to forfeitures.

The following table sets forth our condensed consolidated statement of operations data for each of the periods presented as a percentage of revenue<sup>(1)</sup>:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenue	100 %	100 %	100 %	100 %
Costs and Expenses				
Cost of revenue, excluding depreciation and amortization	65 %	58 %	67 %	62 %
Sales and marketing	18 %	18 %	20 %	18 %
General and administrative	27 %	31 %	30 %	33 %
Research and development	5 %	10 %	5 %	9 %
Depreciation and amortization	10 %	8 %	11 %	9 %
Total costs and expenses	126 %	123 %	134 %	130 %
Loss from operations	(26)%	(23)%	(34)%	(30)%
Other expense, net	(5)%	(3)%	(2)%	(1)%
Interest expense, net	(7)%	(5)%	(8)%	(5)%
Change in fair value of warrant liabilities	1 %	6	— %	2 %
Change in fair value of derivative liability	1 %	4	— %	2 %
Loss before income taxes	(36)%	(20)%	(44)%	(33)%
Income tax (benefit) provision	— %	2 %	— %	1 %
Net loss	(36)%	(22)%	(44)%	(34)%
Net income attributable to the redeemable noncontrolling interest	— %	—	— %	— %
Net income (loss) attributable to noncontrolling interests	— %	—	— %	— %
Net loss attributable to BuzzFeed, Inc.	(36)%	(22)%	(44)%	(34)%

(1) Percentages have been rounded for presentation purposes and may differ from unrounded results.

## Revenue

Total revenue was as follows (in thousands):

	Three Months Ended June 30,		% Change	Six Months Ended June 30,		% Change
	2023	2022		2023	2022	
Advertising	\$ 35,397	\$ 53,224	(33)%	69,645	101,892	(32)%
Content	31,479	40,284	(22)%	53,097	72,563	(27)%
Commerce and other	11,025	13,252	(17)%	22,312	23,863	(6)%
Total revenue	\$ 77,901	\$ 106,760	(27)%	\$ 145,054	\$ 198,318	(27)%

Advertising revenue decreased by \$17.8 million, or 33%, for the three months ended June 30, 2023 driven by a \$9.5 million, or 25%, decline in advertising revenue from products monetized on a per-impression basis, which reflects a 17% decline in the number of programmatic impressions delivered and an 8% decline in overall pricing. The remaining decline was primarily driven by a decline in advertising revenues derived from products that are not monetized on a per-impression basis.

Advertising revenue decreased by \$32.2 million, or 32%, for the six months ended June 30, 2023 driven by a \$15.6 million, or 22%, decline in advertising revenue from products monetized on a per-impression basis, which reflects a 11% decrease in overall pricing and a 11% decline in the number of programmatic impressions delivered. We expect these declines in pricing and impressions to continue in the near-term. The remaining decline was primarily driven by a decline in advertising revenues derived from products that are not monetized on a per-impression basis.

Content revenue decreased by \$8.8 million, or 22%, for the three months ended June 30, 2023, primarily due to \$6.3 million of revenue recognized from feature films during the three months ended June 30, 2022, with no comparable revenue in the current three-month period. Additionally, the decrease in the number of branded content advertisers contributed to the year-over-year decline.

Content revenue decreased by \$19.5 million, or 27%, for the six months ended June 30, 2023 driven by a decrease in consumer spending in certain client verticals, particularly those in the technology and telecommunications and retail industries due to the broader macroeconomic environment. Additionally, a decrease in the number of branded content advertisers contributed to the year-over-year decline, as well as the comparison against \$6.3 million of revenue recognized from feature films during the six months ended June 30, 2022, with no comparable revenue in the current six-month period.

Commerce and other decreased by \$2.2 million, or 17%, and \$1.6 million, or 6%, for the three and six months ended June 30, 2023, respectively, principally reflecting the comparative period including a virtual event that took place in the second quarter of 2022 which did not take place in 2023.

#### **Cost of revenue:**

	Three Months Ended June 30,		% Change	Six Months Ended June 30,		% Change
	2023	2022		2023	2022	
Cost of revenue	50,507	61,529	(18)%	97,851	122,347	(20)%
As a percentage of revenue	65 %	58 %		67 %	62 %	

Cost of revenue decreased by \$11.0 million, or 18%, for the three months ended June 30, 2023 driven by a \$7.6 million decrease in compensation expense reflecting our previous cost savings actions, a \$2.4 million decrease in stock-based compensation expense, a \$1.4 million decrease in variable costs of revenue due to changes in the revenue mix, and a \$1.1 million decrease in consulting expenses, partially offset by a \$2.5 million increase in restructuring expenses.

Cost of revenue decreased by \$24.5 million, or 20%, for the six months ended June 30, 2023 driven by a \$13.2 million decrease in compensation expense reflecting our previous cost savings actions, a \$7.4 million decrease in variable costs of revenue driven by the decline in revenue year-over-year and changes in the revenue mix, a \$2.5 million decrease in stock-based compensation expense, and a \$1.6 million decrease in consulting and content expenses, partially offset by a \$1.2 million increase in restructuring expenses.

#### **Sales and marketing:**

	Three Months Ended June 30,		% Change	Six Months Ended June 30,		% Change
	2023	2022		2023	2022	
Sales and marketing	14,135	18,688	(24)%	29,436	36,491	(19)%
As a percentage of revenue	18 %	18 %		20 %	18 %	

Sales and marketing expenses decreased by \$4.6 million, or 24%, for the three months ended June 30, 2023 driven by a \$4.2 million decrease in compensation and related expenses reflecting our previous cost savings actions, a \$1.3 million decrease in consulting, research, and marketing and other expenses, and a \$1.1 million decrease in stock-based compensation expense, partially offset by a \$2.6 million increase in restructuring expenses.

Sales and marketing expenses decreased by \$7.1 million, or 19%, for the six months ended June 30, 2023 driven by a \$6.8 million decrease in compensation and related expenses reflecting our previous cost savings actions, a \$1.2 million decrease in stock-based compensation expense, and a \$0.9 million decrease in consulting and research expenses, partially offset by a \$2.4 million increase in restructuring expenses.

**General and administrative:**

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	% Change	2023	2022	% Change
General and administrative	21,356	32,565	(34)%	43,358	65,127	(33)%
As a percentage of revenue	27 %	31 %		30 %	33 %	

General and administrative expenses decreased by \$11.2 million, or 34%, for the three months ended June 30, 2023 driven by a \$3.2 million decrease in transaction-related, certain litigation costs, and public company readiness costs that were incurred in the prior year related to the Business Combination, a \$2.2 million decrease in stock-based compensation expense, a \$2.1 million increase in sublease income largely associated with the sublease of our former corporate headquarters in the third quarter of 2022, a \$1.1 million decrease in professional fees, and a \$0.9 million decrease in compensation expenses reflecting our previous cost savings actions.

General and administrative expenses decreased by \$21.8 million, or 33%, for the six months ended June 30, 2023 driven by a \$7.5 million decrease in transaction-related, certain litigation costs, and public company readiness costs that were incurred in the prior year related to the Business Combination, a \$4.2 million decrease in stock-based compensation expense, a \$4.2 million increase in sublease income largely associated with the sublease of our former corporate headquarters in the third quarter of 2022, a \$1.5 million decrease in professional fees, and a \$0.8 million decrease in compensation expenses reflecting our previous cost savings actions.

**Research and development:**

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	% Change	2023	2022	% Change
Research and development	3,960	10,253	(61)%	7,779	17,445	(55)%
As a percentage of revenue	5 %	10 %		5 %	9 %	

Research and development expenses decreased by \$6.3 million, or 61%, for the three months ended June 30, 2023 driven by a \$3.3 million decrease in stock-based compensation expense and a \$3.0 million decrease in compensation expense reflecting our previous cost savings actions.

Research and development expenses decreased by \$9.7 million, or 55%, for the six months ended June 30, 2023 driven by a \$5.8 million decrease in compensation expense reflecting our previous cost savings actions and a \$3.8 million decrease in stock-based compensation expense.

**Depreciation and amortization:**

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	% Change	2023	2022	% Change
Depreciation and amortization	8,030	8,613	(7)%	16,435	17,094	(4)%
As a percentage of revenue	10 %	8 %		11 %	9 %	

For the three and six months ended June 30, 2023, depreciation and amortization expenses decreased by \$0.6 million, or 7%, and a \$0.7 million, or 4%, respectively.

**Other expense, net:**

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	% Change	2023	2022	% Change
Other expense, net	(3,675)	(3,440)	7 %	(3,055)	(2,578)	19 %
As a percentage of revenue	(5)%	(3)%		(2)%	(1)%	

Other expense, net increased by \$0.2 million, or 7%, for the three months ended June 30, 2023 driven by a \$3.6 million loss on investment during the three months ended June 30, 2023 (with no comparable loss in the prior-year period), partially offset by net foreign currency losses of \$3.3 million (primarily unrealized) recognized during the three months ended June 30, 2022 (with no comparable loss in the current-year period).

Other expense, net increased by \$0.5 million, or 19%, for the six months ended June 30, 2023 driven by a \$4.9 million change in investment (consisting of a \$3.6 million loss on investment during the six months ended June 30, 2023 and a \$1.3 million unrealized gain during the six months ended June 30, 2022), partially offset by net foreign currency losses of \$3.5 million (primarily unrealized) recognized during the six months ended June 30, 2022 (with no comparable loss in the current-year period).

See Note 5 to the condensed consolidated financial statements for additional information surrounding the loss on investment recorded in the second quarter of 2023.



**Interest expense, net:**

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	% Change	2023	2022	% Change
Interest expense, net	(5,631)	(5,032)	12 %	(11,049)	(9,821)	13 %
As a percentage of revenue	(7)%	(5)%		(8)%	(5)%	

Interest expense, net increased by \$0.6 million, or 12%, for the three months ended June 30, 2023 driven by increased interest rates year-over-year.

Interest expense, net increased by \$1.2 million, or 13%, for the six months ended June 30, 2023 driven by increased interest rates year-over-year, coupled with a larger amount outstanding under the Revolving Credit Facility.

**Change in fair value of warrant liabilities:**

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	% Change	2023	2022	% Change
Change in fair value of warrant liabilities	395	6,775	(94)%	(198)	3,359	(106)%
As a percentage of revenue	1 %	6 %		— %	2 %	

For the three and six months ended June 30, 2023, we recorded a gain of \$0.4 million and a loss of \$0.2 million, respectively, on the change in fair value of warrant liabilities.

**Change in fair value of derivative liability:**

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	% Change	2023	2022	% Change
Change in fair value of derivative liability	1,125	4,800	(77)%	120	3,225	(96)%
As a percentage of revenue	1 %	4 %		— %	2 %	

For the three and six months ended June 30, 2023, we recorded a gain of \$1.1 million and \$0.1 million, respectively, on the change in fair value of the derivative liability.

**Income tax (benefit) provision:**

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	% Change	2023	2022	% Change
Income tax (benefit) provision	(37)	1,796	(102)%	110	2,146	(95)%
As a percentage of revenue	— %	2 %		— %	1 %	

For the three and six months ended June 30, 2023 and 2022, the Company recorded an income tax (benefit) / provision of \$(nil) and \$0.1 million, respectively, related to federal, state, and foreign taxes. The Company's effective tax rate differed from the U.S. federal statutory income tax rate of 21% primarily due to limited tax benefits provided for against its current year pre-tax operating loss as the Company maintains a full valuation allowance against its U.S. deferred tax assets that are not realizable on a more-likely-than-not basis.

For the three and six months ended June 30, 2022, the Company recorded an income tax provision of \$1.8 and \$2.1 million, respectively, related to federal, state, and foreign taxes. The Company's effective tax rate differed from the U.S. federal statutory income tax rate of 21% primarily due to limited tax benefits provided for against its current year pre-tax operating loss as the Company maintains a full valuation allowance against its U.S. deferred tax assets that are not realizable on a more-likely-than-not basis.

As of June 30, 2023, the Company continued to maintain a valuation allowance against its U.S. and certain foreign deferred tax assets as the Company could not conclude that such assets will be realized on a more-likely-than-not basis. Any decline in the valuation allowance could have a favorable impact on the Company's income tax provision and net income in the period in which such determination is made.

### **Non-GAAP Financial Measure**

#### **Adjusted EBITDA**

Adjusted EBITDA is a non-GAAP financial measure and represents a key metric used by management and the 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 income (loss) attributable to noncontrolling interests, income tax (benefit) 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, 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.

We believe Adjusted EBITDA is relevant and useful information for investors because it allows investors to view performance in a manner similar to the method used by our management. However, there are limitations to the use of Adjusted EBITDA and our definition of Adjusted EBITDA 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 should not be considered a substitute for loss from operations, net loss, or net loss attributable to BuzzFeed, Inc. that we have reported in accordance with GAAP.

#### **Reconciliation from Net loss to Adjusted EBITDA**

The following table reconciles consolidated net loss to Adjusted EBITDA for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net loss	(27,836)	(23,581)	\$ (64,097)	\$ (68,147)
Income tax (benefit) provision	(37)	1,796	110	2,146
Interest expense, net	5,631	5,032	11,049	9,821
Other expense, net	3,675	3,440	3,055	2,578
Depreciation and amortization	8,030	8,613	16,435	17,094
Stock-based compensation	2,257	11,284	3,379	15,224
Change in fair value of warrant liabilities	(395)	(6,775)	198	(3,359)
Change in fair value of derivative liability	(1,125)	(4,800)	(120)	(3,225)
Restructuring <sup>(1)</sup>	9,663	3,476	9,663	5,319
Transaction-related costs <sup>(2)</sup>	—	2,177	—	5,132
Litigation costs <sup>(3)</sup>	—	1,224	—	1,224
Public company readiness costs <sup>(4)</sup>	—	207	—	1,522
<b>Adjusted EBITDA</b>	<b>\$ (137)</b>	<b>\$ 2,093</b>	<b>\$ (20,328)</b>	<b>\$ (14,671)</b>

(1) Refer to elsewhere above in Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" herein for a discussion of the distinct restructuring activities during the three and six months ended June 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 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 information technology systems.
- (3) 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.
- (4) Reflects one-time initial set-up costs associated with the establishment of our public company structure and processes.

### **Liquidity and Capital Resources**

As a digital media company, we are subject to certain inherent risks and uncertainties associated with the development of our business. To date, substantially all of our efforts have been devoted to the growth of our owned and operated properties and portfolio of brands. This includes our proprietary technology infrastructure, advertising solutions, content creation tools, and more. We have invested in the recruitment of key management and technical staff and have acquired certain businesses. These investments have historically been funded by raising outside capital, and as a result of these efforts, we have generally incurred significant losses and used net cash outflows from operations since our inception— and we may continue to incur such losses and use net cash outflows for the foreseeable future until such time we reach a scale of profitability without needing to rely on funding from outside capital to sustain our operations.

In order to execute our growth strategy, we have historically relied on outside capital through the issuance of equity, debt, and borrowings under financing arrangements (“outside capital”). We may continue to rely on outside capital for the foreseeable future. While we believe we will eventually reach a scale of profitability to sustain our operations, there can be no assurance we will be able to achieve such profitability or do so in a manner that does not necessitate our continued reliance on outside capital.

As of the date the accompanying consolidated financial statements were issued (“issuance date”), the presence of the following risks and uncertainties associated with our financial condition may adversely affect our ability to sustain our operations over the next 12 months beyond the issuance date.

- Since our inception, we have generally incurred significant losses and used net cash flows from operations to grow our owned and operated properties and portfolio of brands. During the six months ended June 30, 2023, we incurred a net loss of \$64.1 million and used cash flow from operations of \$7.7 million. Additionally, as of June 30, 2023, we had unrestricted cash and cash equivalents of \$41.3 million available to fund our operations, \$0.2 million available under our \$50.0 million revolving loan and standby letter of credit facility agreement (i.e., the Revolving Credit Facility) (see Note 9 to the condensed consolidated financial statements for additional details), and an accumulated deficit of \$587.0 million.
- We expect to continue to be impacted by the challenging U.S. and global macroeconomic environment, which could adversely impact our ability to grow revenue over the next 12 months beyond the issuance date.
- We continue to be affected by our ongoing efforts to integrate Complex Networks and sales execution against the combined brand portfolio, which may result in the incurrence of unexpected expenses or the inability to realize anticipated benefits and synergies over the next 12 months beyond the issuance date.
- We are required to remain in compliance with certain covenants required by the Revolving Credit Facility which, among others, require us to maintain a minimum of \$25.0 million of unrestricted cash at all times and limit, under prescribed circumstances, our ability to incur additional indebtedness, pay dividends, hold unpermitted investments, or make material changes to the business. While we were in compliance with the financial covenants under the Revolving Credit Facility as of June 30, 2023, and we expect to remain in compliance throughout 12 months beyond the issuance date, we may be unable to remain in compliance with one or more of these covenants if we are unable to generate net cash inflows from operations or, if necessary, secure additional outside capital (including through our at-the-market-offering described in Note 11 to the condensed consolidated financial statements for additional details). In the event we are unable to remain in compliance with one or more of the aforementioned covenants, and we are unable to secure a waiver or forbearance, the lender may, at its discretion,

exercise any and all of its existing rights and remedies, which may include, among others, accelerating repayment of the outstanding borrowings and/or asserting its rights in the assets securing the loan.

Due to the risks and uncertainties described above, we continue to carefully evaluate our liquidity position. We recognize the significant challenge of maintaining sufficient liquidity to sustain our operations or remain in compliance with one or more of the covenants required by the Revolving Credit Facility for the next 12 months beyond the issuance date. However, notwithstanding our liquidity position as of the issuance date, and while it is difficult to predict our future liquidity requirements with certainty, we currently expect we will be able to generate sufficient liquidity to fund our operations over the next 12 months beyond the issuance date.

In response to the risks and uncertainties described above, we may plan to secure additional outside capital over the next 12 months beyond the issuance date. While we have historically been successful in our ability to secure outside capital, as of the issuance date, we had no firm commitments of outside capital other than our at-the-market-offering, which is subject to the conditions contained in the At-The-Market Offering agreement dated June 20, 2023 with Craig-Hallum Capital Group LLC. (see below for additional details). We can provide no assurance we will be able to continue to secure outside capital in the future or do so on terms that are acceptable to us, which could be due to future market conditions which are outside of our control. Furthermore, we also plan to continue to closely monitor our cash flow forecast and, if necessary, we will implement certain incremental cost savings to preserve our liquidity beyond those that were implemented through the restructuring activities that occurred during fiscal year 2022 and 2023 (see Note 14 to the condensed consolidated financial statements for additional details) or through the reduction of our real estate footprint. While we currently expect we will be able to generate sufficient liquidity to fund our operations for the next 12 months beyond the issuance date, we can provide no assurance we will successfully generate such liquidity, or if necessary, secure additional outside capital (including through our at-the-market-offering described below) or implement incremental cost savings.

### ***Revolving Credit Facility***

On December 30, 2020, we entered into a three-year \$50.0 million revolving loan and letter of credit facility (i.e., the Revolving Credit Facility). The Revolving Credit Facility provides for the issuance of up to \$15.5 million of standby letters of credit and aggregate borrowings under the Revolving Credit Facility are generally limited to 95% of qualifying investment grade accounts receivable and 90% of qualifying non-investment grade accounts receivable, subject to adjustment at the discretion of the lenders. The \$15.5 million of standby letters of credit were issued during the three months ended March 31, 2021 in favor of certain of the Company's landlords. The Revolving Credit Facility was amended and restated in connection with the closing of the Business Combination to, among other things, add the Company and certain other entities as guarantors. The Revolving Credit Facility was further amended and restated on December 15, 2022 to, among other things, extend the maturity date until December 30, 2025, replace the London Inter-Bank Offered Rate (LIBOR) rate with the Secured Overnight Financing Rate ("SOFR") rate, and provide for an early termination fee of between 0.5% and 2% of the maximum facility loan amount. We incurred \$0.2 million of debt issuance fees associated with the December 15, 2022 amendment. On May 10, 2023, the parties to the Revolving Credit Facility entered into a joinder agreement adding one of our Canadian subsidiaries as a borrower under the Revolving Credit Facility, granting the lenders under the Revolving Credit Facility a lien on that subsidiary's collateral, and including that subsidiary's receivables in the calculation of the borrowing base under the Revolving Credit Facility. On June 29, 2023, the Revolving Credit Facility was amended to provide for, among other things: (i) permitted overadvances during the period June 29, 2023 through August 31, 2023; (ii) permitted overadvances of up to \$7.4 million; (iii) an increase in the applicable margin only during the overadvance period (ranging from 4.5% to 5% depending on the utilization of the facility, with the range reverting to 3.75% to 4.25% starting September 1, 2023); and (iv) a change in the definition of the term "SOFR Index." We incurred \$0.2 million of debt issuance fees associated with the June 29, 2023 amendment.

The Revolving Credit Facility includes covenants that, among other things, require us to maintain at least \$25.0 million of unrestricted cash at all times and limit, under prescribed circumstances, our ability to incur additional indebtedness, pay dividends, hold unpermitted investments, or make material changes to the business. We were in compliance with the financial covenants under such facility as of June 30, 2023.

Borrowings under the Revolving Credit Facility bear interest at the greater of a floor rate of 0.75% or the sum of the rate per annum for the forward-looking term rate for SOFR for a term of one (1) month, plus a margin, which, during the overadvance period ending August 31, 2023, ranges from 4.5% to 5% depending on the utilization of the facility, with the range reverting to 3.75% to 4.25% on September 1, 2023, depending on the level of the Company's utilization of the facility (the interest rate was approximately 9% at June 30, 2023), and subject to a monthly minimum utilization of \$15.0 million. The facility also includes an unused commitment fee of 0.375%.

The Revolving Credit Facility is secured by a first priority security interest on the Company's and the other borrowers' and guarantors' cash, accounts receivable, books and records, and related assets.

As of June 30, 2023, we had outstanding borrowings of \$34.3 million, outstanding letters of credit of \$15.5 million, and remaining borrowing capacity of \$0.2 million.

### **Convertible Notes**

In June 2021, in connection with the entry into the merger agreement pursuant to which Business Combination was consummated, we entered into subscription agreements with certain investors to sell \$150.0 million aggregate principal amount of unsecured convertible notes due 2026 (i.e., the Notes). In connection with the closing of the Business Combination, we issued, and those investors purchased, the Notes. The Notes bear interest at a rate of 8.50% per annum, payable semi-annually, are convertible into approximately 12,000,000 shares of our Class A common stock (or, our election, a combination of cash and our Class A common stock), at an initial conversion price of \$12.50, and mature on December 3, 2026.

We may, at our election, force conversion of the Notes after December 3, 2024 (i.e., after the third anniversary of the issuance of the Notes), subject to a holder's prior right to convert and the satisfaction of certain other conditions, if the volume-weighted average trading price of our Class A common stock is greater than or equal to 130% of the conversion price for more than 20 trading days during a period of 30 consecutive trading days, which has yet to occur. In the event that a holder of the Notes elects to convert its Notes after the one year anniversary, and prior to the three-year anniversary, of the issuance of the Notes (i.e., between December 3, 2022 and December 3, 2024), we will be obligated to pay an amount in cash equal to: (i) from the one year anniversary of the issuance of the Notes to the two year anniversary of the issuance of the Notes, an amount equal to 18 month's interest declining ratably on a monthly basis to 12 month's interest on the aggregate principal amount of the Notes so converted and (ii) from the two year anniversary of the issuance of the Notes to the three year anniversary of the issuance of the Notes, an amount equal to 12 month's interest declining ratably on a monthly basis to zero month's interest, in each case, on the aggregate principal amount of the Notes so converted. Without limiting a holder's right to convert the Notes at its option, interest will cease to accrue on the Notes during any period in which we would otherwise be entitled to force conversion of the Notes, but are not permitted to do so solely due to the failure of a trading volume condition specified in the indenture governing the Notes.

Each holder of a Note will have the right to cause us to repurchase for cash all or a portion of the Notes held by such holder (i) at any time after the third anniversary of the date on which the Business Combination was consummated, at a price equal to par plus accrued and unpaid interest; or (ii) at any time upon the occurrence of a fundamental change (as defined in the indenture governing the Notes), at a price equal to 101% of par plus accrued and unpaid interest.

The indenture governing the Notes includes restrictive covenants that, among other things, limit our ability to incur additional debt or liens, make restricted payments or investments, dispose of significant assets, transfer intellectual property, or enter into transactions with affiliates.

### **Cash flows provided by (used in) operating, investing and financing activities were as follows for the periods presented:**

	Six Months Ended June 30,	
	2023	2022
Net cash used in operating activities	\$ (7,730)	\$ (3,801)
Net cash used in investing activities	(7,972)	(9,474)
Net cash provided by financing activities	1,385	3,140

### **At-The-Market-Offering**

On March 21, 2023, we filed a shelf registration statement on Form S-3 (the "Shelf Registration Statement") under which we may, from time to time, sell securities in one or more offerings having an aggregate offering price of up to \$150.0 million. The Shelf Registration Statement was declared effective as of April 5, 2023. On June 20, 2023, we entered into an At-The-Market Offering agreement with Craig-Hallum Capital Group LLC pursuant to which we may, from time to time, sell up to 13,266,011 shares of our Class A common stock. As of June 30, 2023, we sold 1,715,617 shares of our Class A common stock, at an average price of \$0.52 per share, for aggregate net proceeds of \$0.8 million after deducting

commissions and offering expenses. We used the aggregate net proceeds for general corporate purposes, and we have 11,550,394 remaining shares available under the At-The-Market-Offering agreement.

### ***Operating Activities***

For the six months ended June 30, 2023, net cash used in operating activities was \$7.7 million compared to net cash used in operating activities of \$3.8 million for the six months ended June 30, 2022. The change was primarily driven by a \$2.5 million increase in net loss, adjusted for non-cash items, a \$11.1 million increase in the change in accounts payable, and a \$4.9 million increase in the change in prepaid expenses and other current assets and prepaid expenses and other assets. These were partially offset by a \$6.0 million decrease in the change in accounts receivable, a \$3.9 million decrease in the change in accrued compensation, a \$3.8 million decrease in the change in deferred revenue, and a \$3.6 million decrease in the change in accrued expenses, other current liabilities and other liabilities.

### ***Investing Activities***

For the six months ended June 30, 2023, cash used in investing activities was \$8.0 million, which consisted of \$7.7 million of capital expenditures on internal-use software and \$0.5 million of other capital expenditures, partially offset by a \$0.2 million gain on the sale of an asset.

For the six months ended June 30, 2022, cash used in investing activities was \$9.5 million, which consisted of \$6.7 million of expenditures on internal-use software and \$2.8 million of other capital expenditures.

### ***Financing Activities***

For the six months ended June 30, 2023, cash provided by financing activities was \$1.4 million, which consisted of \$2.1 million of borrowings on the Revolving Credit Facility and \$0.8 million of net proceeds from the sale of common stock pursuant to our at-the-market offering after deducting commissions and fees. These were partially offset by a \$1.3 million repayment on the Revolving Credit Facility and a \$0.2 million payment for withholding taxes on the vesting of certain RSUs.

For the six months ended June 30, 2022, cash provided by financing activities was \$3.1 million, which principally consisted of \$5.0 million of borrowings under our Revolving Credit Facility and \$0.4 million of proceeds from the exercise of stock options, partially offset by the payment of \$1.6 million for withholding taxes on the vesting of certain RSUs and \$0.6 million of deferred reverse recapitalization costs.

### ***Contractual Obligations***

Our principal commitments consist of obligations for office space under non-cancelable operating leases with various expiration dates through 2029 and repayment of borrowings under the Revolving Credit Facility and the Notes. Refer to Note 16 to the condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional details.

In September 2018, concurrent with an investment in a private company, we agreed to guarantee the lease of the investee's premises in New York. In October 2020, the investee renewed its lease agreement, and our prior guarantee was replaced with a new guarantee of up to \$5.4 million. The amount of the guarantee is reduced as the investee makes payments under the lease. As of June 30, 2023, the maximum amount under the guarantee was \$0.3 million, and no liability was recognized with respect to the guarantee.

Refer to Note 9, Note 15, and Note 16 of our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

### ***Critical Accounting Policies and Estimates***

We prepare our condensed consolidated financial statements and related notes in accordance with GAAP. In doing so, we have to make estimates and assumptions that affect our reported amounts of assets, liabilities, revenues, expenses, and related disclosures. We evaluate our estimates and assumptions on an ongoing basis. Our estimates are based on historical experience and other assumptions that we believe are reasonable under the circumstances. To the extent that there

are material differences between these estimates and actual results, our financial condition or operating results would be affected.

We consider an accounting judgment, estimate, or assumption to be critical when (1) the estimate or judgment is complex in nature or requires a high degree of judgment and (2) the use of different judgments, estimates, or assumptions could have a material impact on our condensed consolidated financial statements. Please refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contained in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 for a more complete discussion of our critical accounting policies and estimates.

### **Recently Adopted and Issued Accounting Pronouncements**

Refer to Note 2 of our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

### **Emerging Growth Company Accounting Election**

Section 102 of the Jumpstart Our Business Startups Act (the “JOBS Act”) provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended (the “Securities Act”), for complying with new or revised accounting standards. We are an emerging growth company and have elected to take advantage of the extended transition period. As a result, the condensed consolidated financial statements of BuzzFeed, Inc. may not be comparable to companies that comply with new or revised accounting standards as of public company effective dates.

In addition, we intend to rely on the other exemptions and reduced reporting requirements provided by the JOBS Act. Specifically, subject to the satisfaction of certain conditions set forth in the JOBS Act, we are not required to, and do not intend to, among other things: (i) provide an auditor’s attestation report on our system of internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002; (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act; (iii) comply with the requirement of the Public Company Accounting Oversight Board regarding the communication of critical audit matters in the auditor’s report on the financial statements; and (iv) disclose certain executive compensation-related items, such as the correlation between executive compensation, and performance and comparisons of the Chief Executive Officer’s compensation to median employee compensation.

We will remain an emerging growth company under the JOBS Act until the earliest of: (i) the last day of our first fiscal year following the fifth anniversary of 890’s initial public offering (i.e., December 31, 2026); (ii) the last date of our fiscal year in which we have total annual gross revenue of at least \$1.235 billion; (iii) the date on we are deemed to be a “large accelerated filer” under the rules of the U.S. Securities and Exchange Commission with at least \$700.0 million of outstanding securities held by non-affiliates; and (iv) the date on which we have issued more than \$1.0 billion in non-convertible debt securities during the previous three years.

## **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We have operations both within the U.S. and internationally, and we are exposed to market risks in the ordinary course of our business. These risks include primarily foreign currency exchange, interest rate fluctuation and equity investment risks.

### ***Foreign Currency Exchange Risk***

We transact business in various foreign currencies and obtain international revenue, as well as incur costs denominated in foreign currencies, primarily the British pound, Japanese yen, and Canadian dollar. This exposes us to the risk of fluctuations in foreign currency exchange rates. Accordingly, changes in exchange rates, and in particular the recent strengthening of the U.S. dollar against the British pound, Japanese yen, and most other major international currencies, could negatively affect our revenue and results of operations as expressed in U.S. dollars. Fluctuations in foreign currency rates, including the strengthening of the U.S. dollar against the British pound and Japanese yen, adversely affects our revenue growth in terms of the amounts that we report in U.S. dollars after converting our foreign currency results into U.S. dollars. In addition, currency variations can adversely affect margins on sales of our products and services in countries outside of the U.S. Generally our reported revenues and operating results are adversely affected when the U.S. dollar

strengthens relative to other currencies. The Company does not enter into foreign currency forward exchange contracts or other derivative financial instruments to hedge the effects of adverse fluctuations in foreign currency exchange rates.

#### ***Interest Rate Fluctuation Risk***

Our exposure to interest rates relates primarily to the variable interest component on the Revolving Credit Facility as well as interest earned and market value on money market funds included in our cash and cash equivalents. The effect of a hypothetical 10% change in interest rates applicable to our business would not have a material impact on our condensed consolidated financial statements for the three and six months ended June 30, 2023 or 2022.

#### ***Equity Investment Risk***

We hold an investment in equity securities of a privately-held company without a readily determinable fair value. We elected to account for this investment using the measurement alternative, which is cost, less any impairment, adjusted for changes in fair value resulting from observable transactions for identical or similar investments of the same issuer. We perform a qualitative assessment at each reporting date to determine whether there are triggering events for impairment. The qualitative assessment considers factors such as, but not limited to, the investee's financial performance and business prospects; industry performance; economic environment; and other relevant events and factors affecting the investee. Valuations of our equity investment are complex due to the lack of readily available market data and observable transactions. The carrying value of our investment was \$nil and \$3.6 million at June 30, 2023 and December 31, 2022. Refer to Note 5 to the condensed consolidated financial statements for additional details.

### **ITEM 4. CONTROLS AND PROCEDURES**

#### **Evaluation of Disclosure Controls and Procedures**

Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in our reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the U.S. Securities and Exchange Commission, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

In connection with the audit of our consolidated financial statements as of December 31, 2022, we identified material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. BuzzFeed has identified material weaknesses in its internal control over financial reporting that we are currently working to remediate, which relate to: (a) a lack of formalized internal control and segregation of duties in the financial statement close process; (b) ineffective upstream processes for gathering critical data to support formalized assessment and review of certain technical accounting matters; and (c) the selection and development of control activities, including information technology ("IT") general controls.

During 2022, management implemented remediation plans and enhanced controls within the financial statement close process. However, certain business process controls did not operate at the appropriate level of precision to prevent or detect a material misstatement. Management is in progress of implementing remediation plans to refine control procedures and enhance documentation to ensure controls operate sufficiently. Although management designed remediation plans in 2022 across its IT general control environment, due to resource constraints and lack of sufficient staff with technical expertise, the necessary IT general controls were partially implemented or not executed consistently.

With the oversight of senior management, we have hired additional accounting personnel with technical accounting, financial reporting and public company experience throughout 2022. However, the process for gathering critical information to support certain technical accounting conclusions is manual and time-intensive. Additionally, management did not maintain sufficient evidence of certain technical accounting assessments and reviews.

Management is in progress of implementing remediation plans in 2023 which include: (i) refining control procedures and enhancing documentation to ensure controls operate sufficiently and consistently across the financial statement close process; (ii) enhancing upstream processes to streamline data gathering from key business stakeholders,



and formalizing documentation of certain technical accounting assessments and conclusions; and (iii) designing and implementing formalized controls within our IT general control environment.

The material weaknesses will not be considered remediated until the applicable controls operate for a sufficient period of time, and we have concluded, through testing, that the newly implemented and enhanced controls are operating effectively. Our management will continue to monitor the effectiveness of our remediation plans in 2023 and will make the changes we determine to be appropriate.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this report. In making this evaluation, management considered the material weakness in our internal control over financial reporting described above. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2023, the period covered in this report, our disclosure controls and procedures were not effective.

Notwithstanding the assessment that our disclosure controls and procedures are not effective, we believe that we have performed sufficient supplementary procedures to ensure that the condensed consolidated financial statements contained in this filing fairly present our financial position, results of operations and cash flows for the reporting periods covered herein in all material respects.

### **Changes in Internal Control over Financial Reporting**

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the quarter ended June 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **Part II. Other Information**

### **ITEM 1. LEGAL PROCEEDINGS**

From time to time, we may become involved in legal proceedings and claims arising in the ordinary course of business, including, but not limited to, disputes in the areas of contracts, securities, privacy, data protection, content regulation, intellectual property, consumer protection, e-commerce, marketing, advertising, messaging, rights of publicity, libel and defamation, health and safety, employment and labor, product liability, accessibility, competition, and taxation. We record a liability when we believe that it is probable that a loss will be incurred by us and the amount of that loss can be reasonably estimated. Based on our current knowledge, we do not believe that there is a reasonable possibility that the final adjudication of any such pending or threatened legal proceedings to which we are a party, will, either individually or in the aggregate, have a material adverse effect on our financial position, results of operations, or cash flows. Although the outcome of litigation and other legal matters is inherently subject to uncertainties, we feel comfortable with the adequacy of our insurance coverage.

Two mass arbitrations (the “Arbitrations”) were initiated before the American Arbitration Association on March 15, 2022 against the Company and certain of its executive officers and directors (together, the “BuzzFeed Defendants”) and Continental Stock Transfer Corporation by 91 individuals previously employed by certain wholly-owned subsidiaries of 890, and BuzzFeed, Inc., a Delaware corporation (“Legacy BuzzFeed” and the “Claimants”). The Claimants alleged that they were harmed when they were allegedly unable to convert their shares of Class B common stock to Class A common stock and sell those shares on December 6, 2021, the first day of trading following the Business Combination, and asserted claims for negligence, misrepresentation, breach of fiduciary duty, and violation of Section 11 of the Securities Act of 1933, as amended (the “Securities Act”). The Claimants sought to recover unspecified compensatory damages, an award of costs, and any further appropriate relief.

On April 21, 2022, the BuzzFeed Defendants filed a complaint in the Delaware Court of Chancery seeking to enjoin the Arbitrations on the grounds that, inter alia, the Claimants’ purported causes of action arise from their rights as shareholders of the Company, are governed by the Company’s charter, including its forum selection provision, and are therefore not arbitrable (the “Delaware Action”). The complaint sought declaratory and injunctive relief. A hearing on the merits of the Delaware Action was held on July 26, 2022. On October 28, 2022, the Court of Chancery granted the Company’s motion to permanently enjoin the Claimants’ arbitration claims.

On January 17, 2023, the Claimants filed amended statements of claim in the Arbitrations against BuzzFeed Media Enterprises, Inc., a wholly-owned subsidiary of the Company, and Continental Stock Transfer & Trust Corporation, the transfer agent for 890 and later the Company. The amended statements of claim likewise allege that the Claimants were harmed when they were allegedly unable to convert their shares of Class B common stock to Class A common stock and sell those shares on the first day of trading following the Business Combination. The Claimants allege claims for breach of contract and the covenant of good faith and fair dealing, misrepresentation, and negligence, and seek to recover unspecified compensatory damages, an award of costs, and any further appropriate relief.

On March 29, 2023, BuzzFeed Media Enterprises, Inc., filed a complaint in the Delaware Court of Chancery seeking to enjoin the Arbitrations on the grounds that, inter alia, the Claimants' purported causes of action arise from their rights as shareholders of the Company, are governed by the Company's charter, including its forum selection provision, and are therefore not arbitrable. The complaint seeks declaratory and injunctive relief. The parties have cross-moved for summary judgment and a hearing on those motions is pending.

The Company does not believe at this time that the final outcome of this matter will have a material adverse effect on its financial position, results of operations, or cash flows.

For information regarding other legal proceedings in which we are involved, see Note 16 of our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

#### **ITEM 1A. RISK FACTORS**

Disclosure about our existing risk factors is set forth in Item 1A, "Risk Factors," in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023. Our risk factors have not changed materially since March 31, 2023.

#### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

None.

#### **ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

Not applicable.

#### **ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

#### **ITEM 5. OTHER INFORMATION**

Not applicable.

#### **ITEM 6. EXHIBITS**

<b>Exhibit Number</b>	<b>Description</b>
1.1	<a href="#">At The Market Offering Agreement, dated as of June 20, 2023, by and between BuzzFeed, Inc. and Craig-Hallum Capital Group LLC (incorporated by reference to Exhibit 1.1 to the Company's Current Report on Form 8-K (File No. 001-39877) filed on June 20, 2023).</a>
2.1	<a href="#">Agreement and Plan of Merger, dated as of June 24, 2021, by and among 890 5th Avenue Partners, Inc., Bolt Merger Sub I, Inc., Bolt Merger Sub II, Inc., and BuzzFeed, Inc. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K (File No. 001-39877) filed on June 24, 2021).</a>
2.2	<a href="#">Amendment No. 1 to Agreement and Plan of Merger, dated as of October 28, 2021, by and among 890 5th Avenue Partners, Inc., Bolt Merger Sub I, Inc., Bolt Merger Sub II, Inc., and BuzzFeed, Inc. (incorporated by reference to Exhibit 2.2 to the Company's Registration Statement on Form S-4/A (File No. 001-39877) filed on October 29, 2021).</a>

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2.3+*	<a href="#"><u>Membership Interest Purchase Agreement, dated as of March 27, 2021, by and among BuzzFeed, Inc., CM Partners, LLC, Complex Media, Inc., Verizon CMP Holdings LLC and HDS II, Inc. (incorporated by reference to Exhibit 2.2 to the Company's Registration Statement on Form S-4 (File No. 001-39877) filed on July 30, 2021).</u></a>
2.4	<a href="#"><u>Amendment No. 1 to the Membership Interest Purchase Agreement, dated as of June 24, 2021, by and among BuzzFeed, Inc., CM Partners, LLC, Complex Media, Inc., Verizon CMP Holdings LLC and HDS II, Inc. (incorporated by reference to Exhibit 2.3 to the Company's Registration Statement on Form S-4 (File No. 001-39877) filed on July 30, 2021).</u></a>
3.1	<a href="#"><u>Second Amended and Restated Certificate of Incorporation of BuzzFeed, Inc., (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-39877) filed on December 3, 2021).</u></a>
3.2	<a href="#"><u>Certificate of Change of Registered Agent and/or Registered Office, dated as of March 13, 2023 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-39877) filed on March 15, 2023).</u></a>
3.3	<a href="#"><u>Certificate of Amendment of Second Amended and Restated Certificate of Incorporation of BuzzFeed, Inc. filed on June 1, 2023.</u></a>
3.4	<a href="#"><u>Restated Bylaws of BuzzFeed, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K (File No. 001-39877) filed on December 9, 2021).</u></a>
4.1	<a href="#"><u>First Supplemental Indenture, dated as of July 10, 2023, to the Indenture, dated December 3, 2021 between BuzzFeed, Inc., BuzzFeed Canada, Inc., and Wilmington Savings Fund Society, a Federal Savings Bank, as Trustee.</u></a>
10.1	<a href="#"><u>Joinder Agreement, dated May 10, 2023, to the Amended and Restated Loan and Security Agreement, dated December 3, 2021, by and among BuzzFeed, Inc., the borrowers thereto, the guarantors thereto and White Oak Commercial Finance, LLC, (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q (File No.001-39877) filed on May 10, 2023).</u></a>
10.2	<a href="#"><u>Second Amendment, dated June 29, 2023, to the Amended and Restated Loan and Security Agreement, dated December 3, 2021, by and among BuzzFeed, Inc., the borrowers thereto, the guarantors thereto and White Oak Commercial Finance, LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-39877) filed on June 30, 2023).</u></a>
31.1	<a href="#"><u>Certification of Principal Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
31.2	<a href="#"><u>Certification of Principal Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
32.1#	<a href="#"><u>Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
32.2#	<a href="#"><u>Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
101.INS	XBRL Instance Document.
101.SCHXBRL	Taxonomy Extension Schema Document.
101.CAL XBRL	Taxonomy Extension Calculation Linkbase Document.
101.DEF XBRL	Taxonomy Extension Definition Linkbase Document.
101.LAB XBRL	Taxonomy Extension Label Linkbase Document.
101.PRE XBRL	Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and included in Exhibit 101).

† Schedules and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(b)(2). The Registrant agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

\* The Registrant has omitted portions of this Exhibit as permitted under Item 601(b)(1) of Regulation S-K.

# This certification is deemed not filed for purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BuzzFeed, Inc.

By: /s/ Felicia DellaFortuna

*Chief Financial Officer*

*(Principal Financial Officer and Duly Authorized Officer)*

Date: August 9, 2023

**CERTIFICATE OF AMENDMENT TO THE SECOND AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION OF BUZZFEED, INC.**

BuzzFeed, Inc., a Delaware corporation (the “Corporation”), does hereby certify:

FIRST: That the Second Amended and Restated Certificate of Incorporation of the Corporation is hereby amended as follows:

A. Article VIII is hereby amended to read in its entirety as follows:

**ARTICLE VIII: DIRECTOR AND OFFICER LIABILITY**

**1.Limitation of Liability.** To the fullest extent permitted by law, no director or officer of the Corporation shall be personally liable for monetary damages for breach of fiduciary duty as a director or officer, as applicable. Without limiting the effect of the preceding sentence, if the General Corporation Law is hereafter amended to authorize the further elimination or limitation of the liability of a director or officer, as applicable, then the liability of a director or officer of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law, as so amended.

**2.Change in Rights.** Neither any amendment nor repeal of this Article VIII, nor the adoption of any provision of this Restated Certificate inconsistent with this Article VIII, shall eliminate, reduce or otherwise adversely affect any limitation on the personal liability of a director or officer of the Corporation existing at the time of such amendment, repeal or adoption of such an inconsistent provision.

SECOND: That the foregoing amendment to the Second Amended and Restated Certificate of Incorporation was duly adopted in accordance with the provisions of Section 242 of the Delaware General Corporation Law.

THIRD: This Certificate of Amendment shall become effective at 5:00 pm, Eastern Time, on June 2, 2023.

For Accounting Purposes Only

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be executed by a duly authorized officer on the date set forth below.

BuzzFeed, Inc.

By: /s/ David Arroyo  
Name: David Arroyo  
Title: Chief Legal & Compliance Officer and  
Corporate Secretary

Dated: June 1, 2023

## FIRST SUPPLEMENTAL INDENTURE

FIRST SUPPLEMENTAL INDENTURE (this “**First Supplemental Indenture**”) dated as of July 10, 2023, between BUZZFEED, INC. (as successor to 890 5th Avenue Partners, Inc.), a Delaware corporation (the “**Company**”), BUZZFEED CANADA, INC., a corporation duly incorporated under the Business Corporations Act (New Brunswick) (the “**New Guarantor**”) and WILMINGTON SAVINGS FUND SOCIETY, FSB as trustee (the “**Trustee**”).

### RECITALS OF THE COMPANY

WHEREAS, 890 5th Avenue Partners, Inc., a Delaware corporation (the “**Original Issuer**”) has heretofore executed and delivered to the Trustee an indenture (the “**Indenture**”), dated as of December 3, 2021 providing for the issuance of the Original Issuer’s 8.50% Convertible Senior Notes due 2026 (the “**Notes**”);

WHEREAS, the Indenture provides that under certain circumstances a supplemental indenture may be executed without consent of any Holder to add guarantees or Guarantors with respect to the Notes;

WHEREAS, the New Guarantor has executed and delivered a Guarantee dated as of the date hereof; and

WHEREAS, pursuant to Section 10.01(c) of the Indenture, the Company, the New Guarantor and the Trustee are authorized to execute and deliver this First Supplemental Indenture.

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH:

In consideration of the foregoing and for other good and valuable consideration, receipt of which is hereby acknowledged, the Company and the Trustee agree as follows for the equal and ratable benefit of the holders of the Notes:

#### ARTICLE 1

##### Definitions

Section 1.01. *General.* Capitalized terms used but not defined herein shall have the meanings assigned to them in the Indenture.

#### ARTICLE 2

##### New Guarantee

Section 2.01. *Agreement to Guarantee.* The New Guarantor hereby agrees to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Guarantee and in the Indenture, including but not limited to Article 13 thereof.

#### ARTICLE 3

##### Miscellaneous Provisions

Section 3.01. *Effectiveness; Construction.* This First Supplemental Indenture shall become effective upon its execution and delivery by the Company, the New Guarantor and the

Trustee as of the date hereof. Upon such effectiveness, the Indenture shall be supplemented in accordance herewith. This First Supplemental Indenture shall form a part of the Indenture for all purposes, and every holder of Notes heretofore or hereafter authenticated and delivered under the Indenture shall be bound thereby. The Indenture and this First Supplemental Indenture shall henceforth be read and construed together.

Section 3.02. *Indenture Remains in Full Force and Effect.* Except as supplemented hereby, all provisions in the Indenture shall remain in full force and effect.

Section 3.03. *Trustee Matters.* The Trustee accepts the Indenture, as supplemented hereby, and agrees to perform the same upon the terms and conditions set forth therein, as supplemented hereby. The Trustee shall be entitled to the benefit of every provision of the Indenture relating to the conduct or affecting the liability or affording protection to the Trustee, whether or not elsewhere herein so provided. The recitals contained in this First Supplemental Indenture shall be taken as the statements of the Company, the New Guarantor and the Trustee assumes no responsibility for their correctness. The Trustee makes no representation as to the validity or sufficiency of this First Supplemental Indenture.

Section 3.04. *No Third-Party Beneficiaries.* Nothing in this First Supplemental Indenture, expressed or implied, shall give to any Person, other than the parties to the Indenture, any Paying Agent, any Conversion Agent, any authenticating agent, any Note Registrar and their successors under the Indenture or the holders of the Notes, any benefit or any legal or equitable right, remedy or claim under the Indenture, as supplemented hereby.

Section 3.05. *Severability.* In the event any provision of this First Supplemental Indenture shall be invalid, illegal or unenforceable, then (to the extent permitted by law) the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired.

Section 3.06. *Headings.* The Article and Section headings of this First Supplemental Indenture have been inserted for convenience of reference only and are not to be considered a part of this First Supplemental Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

Section 3.07. *Successors.* All agreements of the Company, the New Guarantor and the Trustee in this First Supplemental Indenture shall bind their respective successors and assigns whether so expressed or not.

Section 3.08. *Governing Law.* THIS FIRST SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF NEW YORK.

Section 3.09. *Counterpart Signatures; Digital Signatures.* This First Supplemental Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument. Any communication sent to Trustee under the Indenture that requires a signature must be in the form of a document that is signed manually or by way of a digital signature provided by DocuSign (or such other

digital signature provider as specified in writing to Trustee by an authorized representative of the Company). The Company agrees to assume all risks arising out of its use of digital signatures and electronic methods to submit communications to Trustee, including the risk of the Trustee acting on unauthorized instructions and the risk of interception and misuse by third parties.

*[Signature page follows]*



IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed as of the date first written above.

**BUZZFEED, INC.**

By: /s/ Felicia DellaFortuna  
Name: Felicia DellaFortuna  
Title: Chief Financial Officer

[Signature Page to First Supplemental Indenture]

**BUZZFEED CANADA, INC**, as Guarantor

By: /s/ Felicia DellaFortuna  
Name: Felicia DellaFortuna  
Title: Director

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[Signature Page to First Supplemental Indenture]

**WILMINGTON SAVINGS FUND SOCIETY, FSB**, as  
Trustee

By: /s/ Patrick J. Healy  
Name: Patrick J. Healy  
Title: Senior Vice President

[Signature Page to First Supplemental Indenture]

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO  
RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jonah Peretti, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BuzzFeed, Inc. (“the registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting.
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 9, 2023

By: /s/ Jonah Peretti  
Jonah Peretti  
Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO  
RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Felicia DellaFortuna, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BuzzFeed, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting.
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

August 9, 2023

By: /s/ Felicia DellaFortuna  
Felicia DellaFortuna  
Chief Financial Officer  
(Principal Financial Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jonah Peretti, Chief Executive Officer of BuzzFeed, Inc. (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 9, 2023

By: /s/ Jonah Peretti  
Jonah Peretti  
Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Felicia DellaFortuna, Chief Financial Officer of BuzzFeed, Inc. (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 9, 2023

By: /s/ Felicia DellaFortuna  
Felicia DellaFortuna  
Chief Financial Officer  
(Principal Financial Officer)