



Letter to Shareholders

Q1 2024



Q1 2024 highlights



Financial highlights

- **Revenue** was \$243.0 million, an increase of 48% year-over-year
- **Gross margin** was 88.6%, as compared to 83.6% in the first quarter of 2023, an improvement of 500 basis points
- **Net loss** was \$575.1 million, as compared to \$60.9 million in the prior year. Stock-based compensation expense and related taxes were \$595.5 million, as compared to \$13.2 million in the prior year, driven by IPO charges
- **Adjusted EBITDA¹** was \$10.0 million, as compared to \$(50.2) million in the first quarter of 2023, an improvement of \$60.2 million, and represents Reddit's first profitable Q1 on an Adjusted EBITDA basis
- **Operating cash flow** was \$32.1 million, as compared to \$4.1 million in the first quarter of 2023, an improvement of \$28.0 million
- **Free cash flow²** was \$29.2 million, as compared to \$3.7 million in the first quarter of 2023, an improvement of \$25.5 million
- **Cash, cash equivalents, and marketable securities** were \$1.67 billion as of March 31, 2024

Business highlights

- **Daily Active Uniques (“DAUq”)** averaged 82.7 million in the first quarter 2024, an all-time high and an increase of 37% year-over-year. We added over 22 million DAUq from the first quarter of 2023
- **Logged-in** users grew 27% year-over-year and **Logged-out** users grew 48% year-over-year
- We saw user growth across geographies. **U.S. DAUq** grew 45% year-over-year and **International DAUq** grew 30% year-over-year
- We made a number of product improvements including the continued roll out of our **new web platform**, Shreddit, improving on-platform **search** features, and new home feed **machine learning (“ML”)** models to drive more personalization and engagement
- We launched early use cases of **machine translation** to break the language barrier, translating highly visited posts into French, which is accelerating user growth
- **Total revenue** growth of 48% year-over-year was driven by advertising revenue growth of 39% year-over-year and growth in other revenue, which includes revenue from data licensing agreements, of over 450% year-over-year
- **Average revenue per unique (“ARPU”)** was \$2.94, up 8% year-over-year
- We continued to **scale and diversify our advertising business** across channels, verticals, and geographies with over 50% year-over-year growth in our **Scaled** channel, which includes **Mid-Market** and **SMB** advertisers, and over 50% year-over-year growth in verticals such as financial services, pharma, and CPG
- Advertising Revenue growth was mainly driven by increased impressions from ad inventory optimizations and Logged-in DAUq growth
- We **signed new partnerships** in our emerging data licensing business as we continue to strategically explore opportunities to license data on our platform
- We continued building our suite of **full-funnel solutions** to expand advertiser capabilities and improve efficiency. We **doubled click volume** and click-through-rate grew over 40% year-over-year in the first quarter of 2024

Dear fellow shareholders,

We believe that great companies are built in the public markets, and we are proud to have made the transition this quarter. Our IPO was an important moment for the company. I want to say thank you to our employees, users, and investors who all made it possible. I also want to say welcome to our new investors, particularly to our new user-investors. For users to be able to own some of Reddit has long been a dream of mine.

It's an exciting time. Reddit is one of the largest places for authentic human connection and conversation online, and we are seeing more and more people discover and appreciate this. We believe Reddit is more important than ever before, both as an alternative to traditional social media, and as we enter the AI era. People need a place where they can truly be themselves, and as more content on the internet is written by machines, Reddit is a source for authentic conversation, unique perspectives, earnest advice, honest reviews, and answers to questions about every topic imaginable.

We are happy with our progress this quarter. We grew users across the platform, including logged-in and logged-out and the U.S. and abroad. We were cash flow positive and had our first profitable Q1 on an Adjusted EBITDA basis, which as an ads business is typically our smallest quarter from a revenue standpoint. Our management target is to grow revenue twice as fast as total adjusted costs, but this quarter we grew revenue five times faster.

The most reliable way to grow is to make Reddit better. As such, our primary focus this year is to continue to make Reddit faster, safer, and easier to use. It sounds simple, but the details matter. Anyone who has used Reddit has encountered rough edges that we aim to smooth. We believe our investments in ML and AI will continue to improve relevance, engagement, and moderation. When we say relevance, we are referring to our ability to help users find communities they will love, which in turn increases engagement across the platform. For moderation, our testing of large language models has dramatically reduced the time required for communities to enforce their own rules. We are also using machine translation to unlock our mostly-English language corpus for the rest of the world. We believe this will drive growth in the near term, and over time will also allow users from all over the world to connect regardless of the languages they speak.

As we look to the future, we see huge opportunities for on-platform search and our user economy. Historically, the value of Reddit to our users has been in conversation about recent topics, but with improvements to search, we can unlock the huge amount of latent value in past content, including questions, reviews, and advice that we have. The user economy refers to a family of features that includes both our developer platform, which enables third-party developers to expand what the Reddit platform can be used for, and monetization primitives that can unlock the entrepreneurial energy we see across Reddit today.

Overall, this was a strong start to the year for Reddit and we are executing better than ever. We see so much opportunity, and could not be more excited about our future.

Steve Huffman
Co-Founder & Chief Executive Officer



Community Highlight: Reddit's IPO and the Community



We are committed to including the community in our journey as a public company

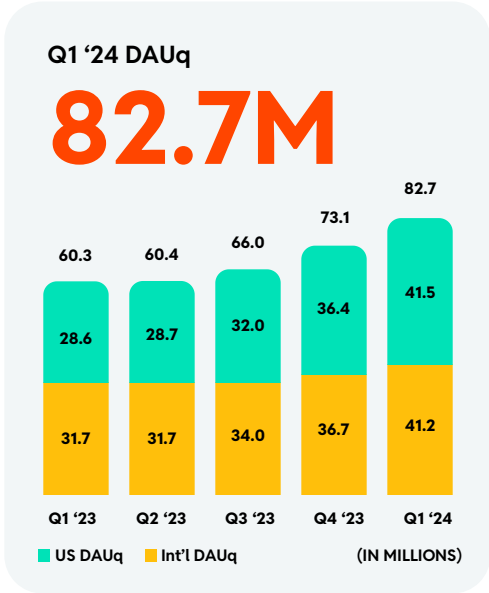
- **IPO Participation:** Users and moderators had an opportunity to participate in the IPO through a Directed Share Program
- **r/RDDT:** We launched a dedicated investor relations community, r/RDDT, to share investor news and updates as a public company
- **AM(A)A:** Reddit management hosted an “Ask Me (Almost) Anything” on r/RDDT to address questions from the community during the IPO
- **Pledge 1%:** We reserved 1% of our Class A common stock to fund community initiatives and bring our users’ ideas to life
- **Earnings Calls:** We will solicit questions from the community on r/RDDT to address during and after our earnings call

r/rddt

User & product highlights

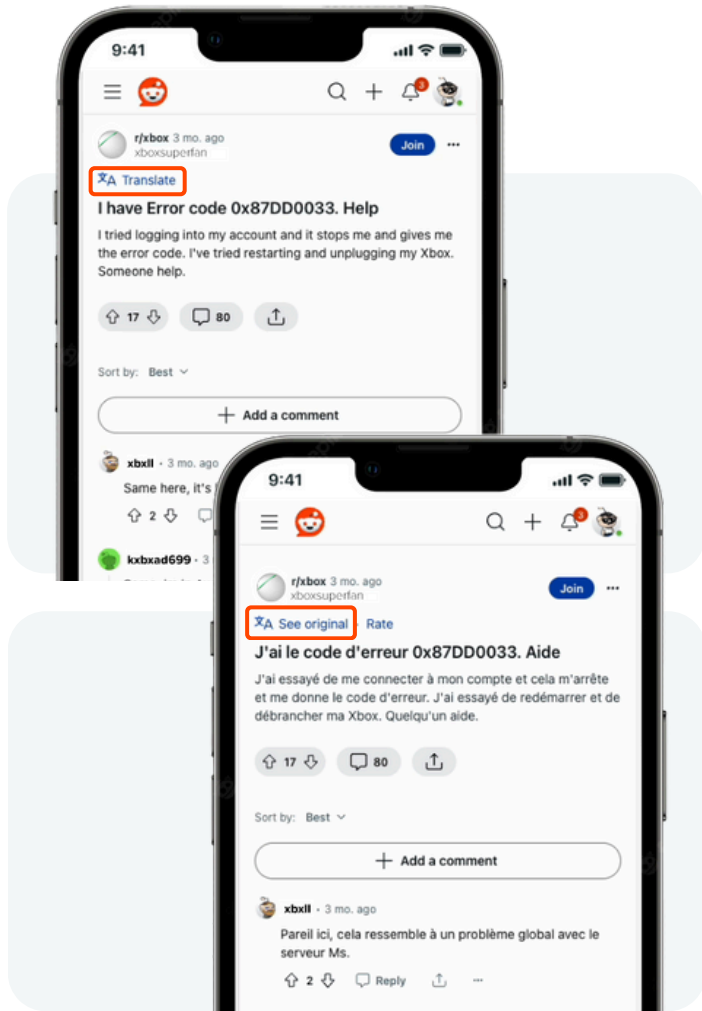
Quarterly results

- In Q1, we saw record traffic with quarterly average DAUq of 82.7 million and over 37% year-over-year growth
- We saw growth across the platform as U.S. DAUq grew 45% and International DAUq grew 30% year-over-year
- We saw strong growth in both Logged-in and Logged-out Users, growing 27% and 48% year-over-year, respectively
- Weekly Active Uniques (“WAUq”) averaged 306.2 million in the first quarter of 2024, an all-time high and an increase of 40% year-over-year
- Structural user growth is driven by our work on the product and our investments in machine learning and search to personalize and improve the experience for users



↑ 37% Y/Y

Machine translation



International growth & machine translation

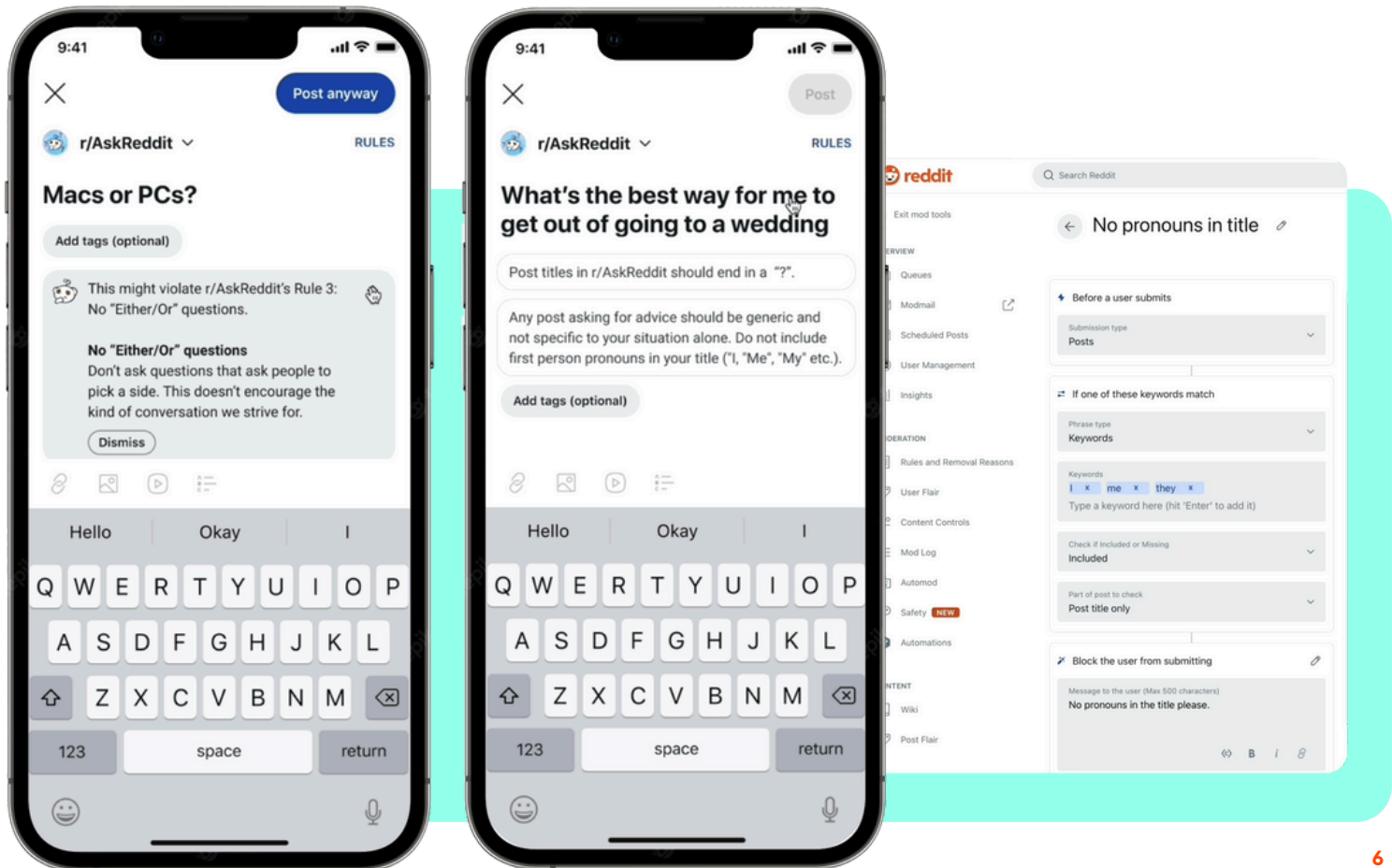
- International growth remains a top priority and we are seeing progress with our playbook to localize the user experience
- In Q1, we launched machine translation in select languages, beginning in French, with additional languages on our roadmap
- Machine translation is a multi-phase strategy where we first translate the highest quality posts to drive top-of-funnel traffic and then scale to an immersive experience to break the language barrier on Reddit over time

User & product highlights

Product spotlight: AI moderation & post guidance

- We are using AI to assist in moderation and reduce friction with creating content and contributing on the platform
- This builds on the work we did last year to deliver a suite of new moderator products and enhancements for our more than 60,000 daily active moderators
- We launched a post guidance tool in one of Reddit's largest communities, [r/askreddit](#) with 46M members, to help users in real-time with composing a post that fits the communities' rules, driving more efficient contribution and less manual moderation
- The post guidance tool reduced content that would have been removed by a human moderator by 20% and increased users' posts attempts, based on tests run in r/askreddit between December 2023 and January 2024
- Making it easier to moderate allows our moderators to focus on leading and growing their communities

Post guidance



Advertising & monetization highlights

Quarterly results

- **Total revenue** in Q1 grew 48% year-over-year to \$243.0 million, the fastest year-over-year growth since Q1'22 and the third consecutive quarter of accelerating revenue growth
- **Advertising revenue** grew 39% year-over-year, and other revenue of \$20.3M increased over 450% year-over-year, primarily driven by new data licensing agreements signed in the first quarter
- **U.S. revenue** grew 53% year-over-year and **International revenue** grew 30% year-over-year. International revenue represented 18% of total revenue in the first quarter
- **Advertising Revenue growth** was primarily driven by increases in impressions delivered as we continued to attract new users and deepen engagement on the platform, which offset a year-over-year decline in advertising pricing
- Our **full suite of solutions across the marketing funnel** continued to position us well for a broad set of advertisers. Our performance advertising business drove more than half of our growth in the quarter, with the mid-funnel growing high double-digits year-over-year

Advertiser diversification

- We experienced growth across **channels, verticals, and geographies**
- **Channels:** we saw revenue growth across our managed channels, our Scaled business (Mid-Market and SMB) grew over 50% year-over-year
- **Verticals:** We saw positive growth in the Tech vertical and experienced broad strength with financial services, pharma, and CPG customers, which each grew over 50% year-over-year
- **Geographies:** we continued to see strong growth in our EMEA markets, including with both large and mid-sized customers

Data licensing update

- **Reddit's human-generated and authentic data is uniquely valuable and plays an important role in new and emerging technologies**
- **Our data licensing business and strategy continue to evolve as the size of the landscape and opportunity are still nascent**
- **In the first quarter, we signed new data licensing agreements across the data landscape with social listening and enterprise-scale technology companies, including the previously announced partnerships with Google and Cision, among others**

Advertising & monetization highlights

Ad product spotlight: free-form ads & Reddit Pro

Free-form ads

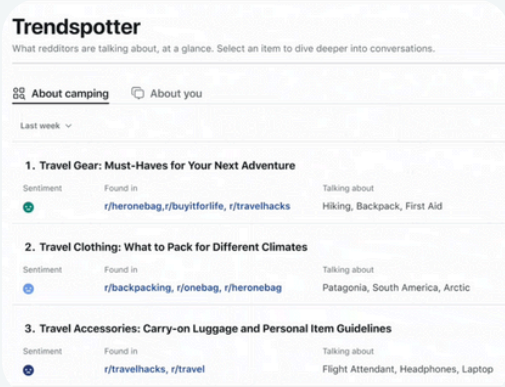


- **Free-form ads** are a Reddit unique ad format for advertisers to create long-form multimedia content, including images, videos, and text
- Users come to Reddit to be informed and this format enables advertisers to contribute their voice and expertise to communities that are relevant for their category
- In internal tests, free-form ads are outperforming other ad types in average click-through-rates by 28%

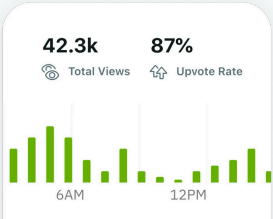


- **Just Eat Takeaway**, a mid-sized EMEA-based advertiser that connects customers with restaurants for delivery, utilized free-form ads as a strategy to **drive brand awareness** and engagement on Reddit

Reddit Pro



- Just Eat Takeaway targeted a variety of **interests** and **communities** related to Healthy Living and Food & Drink, and asked Redditors to upvote their favorite veggie meal
- The campaign drove a **10pt lift** in ad awareness, the **highest increase** across all other formats in their campaign



Track performance

Top communities with "Camping"

1	r/ProCampers	37,785 times	36
2	r/Backcountry	20,464 times	66
3	r/hikinggear	11,491 times	11
4	r/OutdoorExpe...	11,491 times	47
5	r/Hikingsolo	8,945 times	56

Get insights

- To help businesses understand how their brand or category is discussed on Reddit, we launched **Reddit Pro**, a free suite of social listening and engagement tools, in March. Over 1,000 businesses have on-boarded the tool so far as of the first quarter

Financial highlights

First quarter 2024

Our first quarter results featured strong revenue growth and expanding margins on a year-over-year basis, which drove positive cash flow and profitability on an Adjusted EBITDA basis.

Revenue

Total revenue was \$243.0 million, an increase of 48% from \$163.7 million in the first quarter of 2023, primarily driven by an increase in impressions, partially offset by a decrease in ad pricing. In addition, other revenues increased as a result of data licensing agreements executed in 2024.

ARPU

ARPU was \$2.94, an increase of 8% from \$2.72 in the first quarter of 2023.

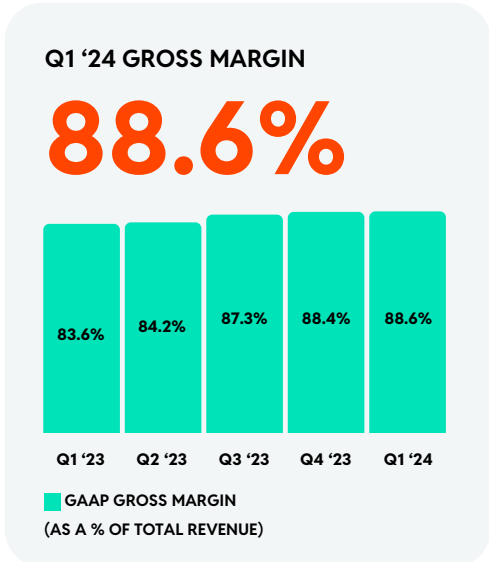
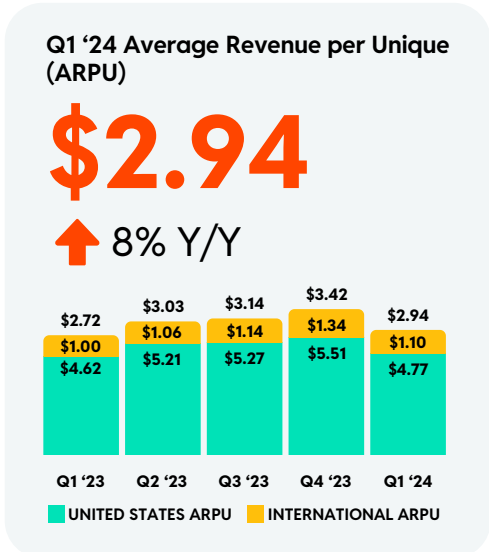
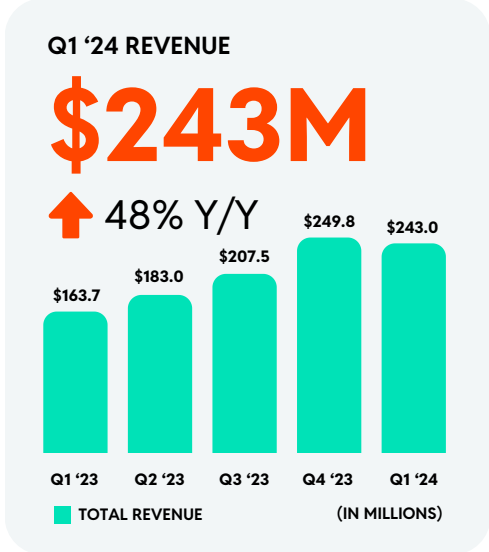
Cost of Revenue

Cost of revenue was \$27.6 million, an increase of 3% from \$26.9 million in the first quarter of 2023, primarily driven by increased hosting usage to support user growth on our platform and an increase in advertising measurement and other services, partially offset by hosting cost efficiencies and lower hosting prices.

Gross Profit and Non-GAAP Gross Profit

Gross profit was \$215.3 million, or a gross margin of 88.6%, as compared to \$136.9 million, or a gross margin of 83.6%, in the first quarter of 2023.

Non-GAAP gross profit³ (which excludes stock-based compensation and related taxes, depreciation, and amortization expenses) was \$215.6 million, or a non-GAAP gross margin of 88.7%, as compared to \$137.0 million, or a non-GAAP gross margin of 83.7%, in the first quarter of 2023.



Operating Expenses and Non-GAAP Operating Expenses

Total operating expense was \$804.6 million, as compared to \$207.5 million, in the first quarter of 2023. The increase in total operating expenses in the first quarter of 2024 was primarily driven by an increase in stock-based compensation expense and related taxes as a result of the IPO.

Total stock-based compensation expense and related taxes was \$595.5 million, as compared to \$13.2 million in the first quarter of 2023.

Non-GAAP operating expense⁴ (which excludes stock-based compensation and related taxes, depreciation, amortization, and restructuring expenses) was \$205.6 million, as compared to \$187.2 million, in the first quarter of 2023. Non-GAAP operating expenses growth slowed starting in the three months ended March 31, 2023, as a result of operating efficiencies put into place throughout 2023.

Net Loss and Adjusted EBITDA

Net loss was \$575.1 million, an increase from a net loss of \$60.9 million in the first quarter of 2023. The increase in net loss was primarily driven by an increase in stock-based compensation expense and related taxes as a result of the IPO.

Adjusted EBITDA¹ was \$10.0 million as compared to \$(50.2) million in the first quarter of 2023. The increase in Adjusted EBITDA over the prior year was primarily driven by an increase in revenue and slowing cost growth as the result of operating efficiencies.

Cash Flow and Capital Expenditures

Net cash provided by operating activities was \$32.1 million, an increase from \$4.1 million in the first quarter of 2023.

Free Cash Flow² was \$29.2 million, an increase from \$3.7 million in the first quarter of 2023.

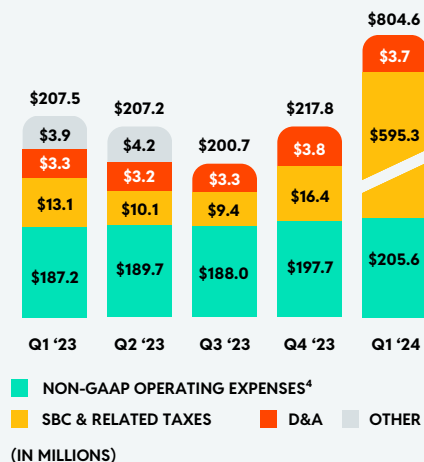
Capital expenditures were \$2.9 million in the first quarter or about 1% of revenue.

Balance Sheet and Share Count

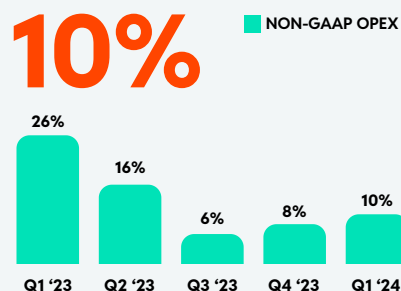
Cash, cash equivalents, and marketable securities were \$1.67 billion and \$1.21 billion as of March 31, 2024 and December 31, 2023, respectively.

For the three months ended March 31, 2024, basic and diluted weighted-average shares outstanding were 70.2 million shares.

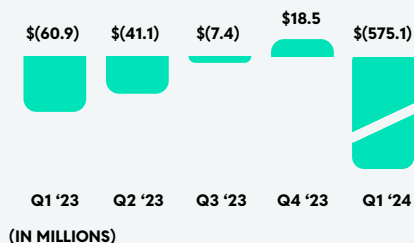
Q1 '24 OPERATING EXPENSES



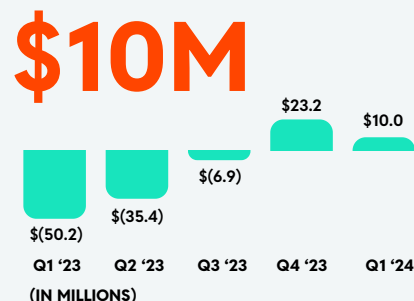
Q1 '24 NON-GAAP OPERATING EXPENSES Y/Y GROWTH



Q1 '24 NET INCOME (LOSS)



Q1 '24 ADJUSTED EBITDA



Financial outlook

The guidance provided below is based on Reddit's current estimates and is not a guarantee of future performance. This guidance is subject to significant risks and uncertainties that could cause actual results to differ materially, including the risk factors discussed in Reddit's reports on file with the Securities and Exchange Commission. Reddit undertakes no duty to update any forward-looking statements or estimates, except as required by applicable law.

As we look ahead, we will share our internal thoughts on revenue and Adjusted EBITDA for the second quarter.

In the second quarter of 2024, we estimate:

- Revenue in the range of \$240 million to \$255 million
- Adjusted EBITDA⁵ in the range of \$0 to \$15 million

Q2 '24 REVENUE

\$240M-\$255M

Q2 '24 ADJUSTED EBITDA

\$0M-\$15M

Earnings conference call

Reddit will host a conference call to discuss the results for the first quarter of 2024 on May 7, 2024, at 2:00 p.m. PT / 5:00 p.m. ET. A live webcast of the call can be accessed on Reddit's Investor Relations website at <https://investor.redditinc.com> and investor relations subreddit r/RDDT at <https://www.reddit.com/r/RDDT/>. A replay of the webcast and transcript will be available following the conclusion of the conference call on the same websites.

Reddit will solicit questions from the community in the investor relations subreddit r/RDDT at <https://www.reddit.com/r/RDDT/> on Tuesday, May 7, 2024, and post responses following the earnings call at Reddit's Investor Relations website at <https://investor.redditinc.com> and r/RDDT at <https://www.reddit.com/r/RDDT/>.



Steve Huffman
Co-Founder & Chief Executive Officer



Drew Vollero
Chief Financial Officer

Appendix

Notes

1. The definition of Adjusted EBITDA and a reconciliation of Net Income (Loss) to Adjusted EBITDA can be found on subsequent pages of this appendix
2. The definition of Free Cash Flow and a reconciliation of Free Cash Flow to net cash provided by (used in) operating activities can be found on subsequent pages of this appendix
3. A reconciliation of non-GAAP gross profit and non-GAAP gross margin can be found on a subsequent page of this appendix
4. The definition of non-GAAP operating expenses and a reconciliation of non-GAAP operating expenses to the comparable U.S. GAAP measure can be found on subsequent pages of this appendix
5. We have not provided a reconciliation to the forward-looking U.S. GAAP equivalent measures for our non-GAAP guidance due to uncertainty regarding, and the potential variability of, reconciling items. Therefore, a reconciliation of these non-GAAP guidance measures to their corresponding U.S. GAAP guidance measures is not available without unreasonable effort

About Reddit

Reddit is a network of more than 100,000 active communities where people can dive into anything through experiences built around their interests, hobbies and passions. Reddit users submit, vote and comment on content, stories and discussions about the topics they care about the most. From pets to parenting, there's a community for everybody on Reddit and with more than 82 million daily active uniques, it is home to the most open and authentic conversations on the internet. For more information, visit www.redditinc.com.

Forward Looking Statements

This letter contains forward-looking statements within the meaning of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally relate to future events or Reddit's future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "should," "expects," "plans," "anticipates," "going to," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern Reddit's expectations, strategy, priorities, plans or intentions. Forward-looking statements in this release include, but are not limited to, statements regarding Reddit's priorities, future financial and operating performance, including headcount strategy, breakeven performance objective, capitalization of training data, evolution of AI, international growth strategies to increase content consumption and improve local user experience, consumer product strategy with respect to growth and engagement, GAAP and non-GAAP guidance, strategies, and expectations of growth. Reddit's expectations and beliefs regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties that could cause actual results to differ materially from those projected, including those more fully described under the caption "Risk

Factors” and elsewhere in documents that Reddit files with the Securities and Exchange Commission (the “SEC”) from time to time, including Reddit’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, which is being filed with the SEC at or around the date hereof. The forward-looking statements in this release are based on information available to Reddit as of the date hereof, and Reddit undertakes no obligation to update any forward-looking statements, except as required by law.

A Note About Metrics

We define a daily active unique (“DAUq”) as a user whom we can identify with a unique identifier who has visited a page on the Reddit website, www.reddit.com, or opened a Reddit application at least once during a 24-hour period. Average DAUq for a particular period is calculated by adding the number of DAUq on each day of that period and dividing that sum by the number of days in that period.

We define a weekly active unique (“WAUq”) as a user whom we can identify with a unique identifier who has visited a page on the Reddit website, www.reddit.com, or opened a Reddit application at least once during a trailing seven-day period. Average quarterly WAUq for a particular period is calculated by adding the number of WAUq on each day of that period and dividing that sum by the number of days in that period.

We define average revenue per unique (“ARPU”) as quarterly revenue in a given geography divided by the average DAUq in that geography. For the purposes of calculating ARPU, advertising revenue in a given geography is based on the geographic location in which advertising impressions are delivered, as this approximates revenue based on user activity, while other revenue in a given geography is based on the billing address of the customer.

Use of Non-GAAP Financial Measures

We use certain non-GAAP financial measures to supplement our consolidated financial statements, which are presented in accordance with U.S. GAAP, to evaluate our core operating performance. These non-GAAP financial measures include Adjusted EBITDA, Free Cash Flow, non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expense, non-GAAP research and development expense, non-GAAP sales and marketing expense, and non-GAAP general and administrative expense. We use these non-GAAP financial measures to facilitate reviews of our operational performance and as a basis for strategic planning. By excluding certain items that are non-recurring or not reflective of the performance of our normal course of business, we believe that these non-GAAP financial measures provide meaningful supplemental information regarding our performance. Accordingly, we believe these non-GAAP financial measures are useful to investors and others because they allow investors to supplement their understanding of our financial trends and evaluate our ongoing and future performance in the same manner as management. However, there are a number of limitations related to the use of non-GAAP financial measures as they reflect the exercise of judgment by our management about which expenses are excluded or included in determining these non-GAAP measures. These non-GAAP measures should be considered in addition to, not as a substitute for or in isolation from, our financial results prepared in accordance with U.S. GAAP. Other companies, including companies in our industry, may calculate these non-GAAP financial measures differently or not at all, which reduces their usefulness as comparative measures.

A reconciliation is provided in the Appendix for each historical non-GAAP financial measure to the most directly comparable financial measure stated in accordance with U.S. GAAP. Reddit encourages investors

to review the related U.S. GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable U.S. GAAP financial measures, and not to rely on any single financial measure to evaluate Reddit's business.

Adjusted EBITDA is defined as net income (loss) excluding interest (income) expense, net, income tax expense (benefit), depreciation and amortization, stock-based compensation expense and related taxes, other (income) expense, net, and certain other non-recurring or non-cash items impacting net income (loss) that we do not consider indicative of our ongoing business performance. Other (income) expense, net consists primarily of realized gains and losses on sales of marketable securities, foreign currency transaction gains and losses, and other income and expense that are not indicative of our core operating performance. We consider the exclusion of certain non-recurring or non-cash items in calculating Adjusted EBITDA to provide a useful measure for investors and others to evaluate our operating results in the same manner as management.

Free Cash Flow represents net cash provided by (used in) operating activities less purchases of property and equipment. We believe that Free Cash Flow is useful to investors as a liquidity measure because it measures our ability to generate or use cash. Once our business needs and obligations are met, cash can be used to maintain a strong balance sheet and invest in future growth. Additionally, we believe that Free Cash Flow is an important measure since we use third-party infrastructure partners to host our services and therefore we do not incur significant capital expenditures to support revenue generating activities.

Non-GAAP gross profit is defined as gross profit excluding stock-based compensation and related taxes, depreciation, and amortization expenses. Non-GAAP gross margin is defined as non-GAAP gross profit divided by revenue. We believe that these non-GAAP financial measures are useful to investors as they exclude expenses that are not reflective of our operational performance during the period and could mask underlying trends in our business.

Non-GAAP operating expenses represents operating expenses excluding stock-based compensation and related taxes, depreciation and amortization, and certain other non-recurring or non-cash items impacting operating expenses that we do not consider indicative of our ongoing business performance. Non-GAAP research and development expense, non-GAAP sales and marketing expense, and non-GAAP general and administrative expense represent their respective operating expense line items excluding stock-based compensation and related taxes, depreciation, amortization, and certain other non-recurring or non-cash items. Similar to non-GAAP gross profit and non-GAAP gross margin, we consider non-GAAP operating expense, non-GAAP research and development expense, non-GAAP sales and marketing expense, and non-GAAP general and administrative expense to be useful measures as they exclude expenses that are not reflective of our operational performance and could mask underlying trends in our business.

Investor Relations

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Reddit, Inc. Key Operating Metrics by Geography

(in millions, except ARPU)
(unaudited)

	Three months ended March 31,		% Change
	2024	2023	
Revenue: Global	\$ 243.0	\$ 163.7	48 %
Revenue: U.S.	\$ 199.8	\$ 130.6	53 %
Revenue: International	\$ 43.2	\$ 33.1	30 %
DAUq: Global	82.7	60.3	37 %
DAUq: U.S.	41.5	28.6	45 %
DAUq: International	41.2	31.7	30 %
Logged-in DAUq: Global	39.6	31.1	27 %
Logged-in DAUq: U.S.	19.3	15.2	27 %
Logged-in DAUq: International	20.3	15.9	28 %
Logged-out DAUq: Global	43.1	29.2	48 %
Logged-out DAUq: U.S.	22.2	13.4	66 %
Logged-out DAUq: International	20.9	15.8	32 %
WAUq: Global	306.2	218.0	40 %
WAUq: U.S.	151.3	99.2	53 %
WAUq: International	154.9	118.8	30 %
ARPU: Global	\$ 2.94	\$ 2.72	8 %
ARPU: U.S.	\$ 4.77	\$ 4.62	3 %
ARPU: International	\$ 1.10	\$ 1.00	10 %

Reddit, Inc. Consolidated Statements of Operations

(in thousands, except per share amounts)
(unaudited)

	Three months ended March 31,	
	2024	2023
Revenue	\$ 242,963	\$ 163,740
Costs and expenses:		
Cost of revenue	27,616	26,863
Research and development	437,030	108,767
Sales and marketing	124,095	57,911
General and administrative	243,477	40,801
Total costs and expenses	832,218	234,342
Income (loss) from operations	(589,255)	(70,602)
Other income (expense), net	14,554	10,724
Income (loss) before income taxes	(574,701)	(59,878)
Income tax expense (benefit)	365	988
Net income (loss)	\$ (575,066)	\$ (60,866)
Net income (loss) per share attributable to Class A and Class B common stock, basic and diluted	\$ (8.19)	\$ (1.05)

Weighted-average shares used to compute net income (loss) per share attributable to common stockholders:

Basic	70,240	58,115
Diluted	70,240	58,115

Reddit, Inc. Consolidated Balance Sheets

(in thousands, except share and per share amounts)

	March 31, 2024	December 31, 2023
	(unaudited)	
Assets		
Current assets		
Cash and cash equivalents	\$ 968,515	\$ 401,176
Marketable securities	701,835	811,946
Accounts receivable, net	215,307	245,279
Prepaid expenses and other current assets	34,368	21,286
Total current assets	1,920,025	1,479,687
Property and equipment, net	14,385	14,946
Operating lease right-of-use assets, net	22,754	24,008
Intangible assets, net	29,928	32,147
Goodwill	26,299	26,299
Other noncurrent assets	2,505	19,380
Total assets	<u>\$ 2,015,896</u>	<u>\$ 1,596,467</u>
Liabilities, convertible preferred stock, and stockholders' equity (deficit)		
Current liabilities		
Accounts payable	\$ 45,378	\$ 46,514
Operating lease liabilities	4,383	3,707
Accrued expenses and other current liabilities	106,724	83,349
Total current liabilities	156,485	133,570
Operating lease liabilities, noncurrent	20,835	22,040
Other noncurrent liabilities	276	287
Total liabilities	177,596	155,897
Commitments and contingencies		
Convertible preferred stock, par value \$0.0001 per share; no and 86,864,781 shares authorized as of March 31, 2024 and December 31, 2023, respectively; no and 73,021,449 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively; aggregate liquidation preference of \$0 and \$1,847,993 as of March 31, 2024 and December 31, 2023, respectively	—	1,853,492
Stockholders' equity (deficit):		
Preferred stock, par value \$0.0001 per share; 100,000,000 and no shares authorized as of March 31, 2024 and December 31, 2023, respectively; no shares issued and outstanding as of March 31, 2024 and December 31, 2023	—	—
Class A common stock, par value \$0.0001 per share; 2,000,000,000 and 189,000,000 shares authorized as of March 31, 2024 and December 31, 2023, respectively; 44,286,735 and 7,099,700 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	4	—
Class B common stock, par value \$0.0001 per share; 140,000,000 and 142,000,000 shares authorized as of March 31, 2024 and December 31, 2023, respectively; 119,059,756 and 53,904,204 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	12	6
Class C common stock, par value \$0.0001 per share; 100,000,000 and no shares authorized as of March 31, 2024 and December 31, 2023, respectively; no shares issued and outstanding as of March 31, 2024 and December 31, 2023	—	—
Additional paid-in capital	3,130,384	302,820
Accumulated other comprehensive income (loss)	(472)	814
Accumulated deficit	(1,291,628)	(716,562)
Total stockholders' equity (deficit)	1,838,300	(412,922)
Total liabilities, convertible preferred stock, and stockholders' equity (deficit)	<u>\$ 2,015,896</u>	<u>\$ 1,596,467</u>

Reddit, Inc. Consolidated Statements of Cash Flows

(in thousands)
(unaudited)

	Three months ended March 31,	
	2024	2023
Cash flows from operating activities		
Net income (loss)	\$ (575,066)	\$ (60,866)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	3,743	3,338
Non-cash operating lease cost	1,253	3,269
Amortization of premium (accretion of discount) on marketable securities, net	(8,129)	(5,132)
Stock-based compensation	577,508	12,480
Other adjustments	485	16
Changes in operating assets and liabilities:		
Accounts receivable	29,987	33,746
Prepaid expenses and other assets	(13,912)	(1,012)
Operating lease right-of-use assets and liabilities	(530)	(871)
Accounts payable	(2,178)	6,706
Accrued expenses and other liabilities	18,903	12,401
Net cash provided by (used in) operating activities	\$ 32,064	\$ 4,075
Cash flows from investing activities		
Purchases of property and equipment	(2,851)	(356)
Purchases of marketable securities	(135,685)	(262,846)
Maturities of marketable securities	252,655	315,365
Proceeds from sale of marketable securities	—	36,789
Other investing activities	(15)	70
Net cash provided by (used in) investing activities	\$ 114,104	\$ 89,022
Cash flows from financing activities		
Proceeds from issuance of Class A common stock in initial public offering, net of underwriting discounts and commissions	600,022	—
Proceeds from exercise of employee stock options	23,089	961
Taxes paid related to net share settlement of restricted stock units	(194,737)	(4,229)
Payments of deferred offering costs	(2,753)	(362)
Other financing activities	(4,450)	—
Net cash provided by (used in) financing activities	\$ 421,171	\$ (3,630)
Net increase (decrease) in cash, cash equivalents, and restricted cash	567,339	89,467
Cash, cash equivalents, and restricted cash at the beginning of the period	401,226	435,860
Cash, cash equivalents, and restricted cash at the end of the period	\$ 968,565	\$ 525,327
Cash and cash equivalents	968,515	525,277
Restricted cash	50	50
Total cash, cash equivalents, and restricted cash	\$ 968,565	\$ 525,327

Reddit, Inc. Reconciliation of Adjusted EBITDA

(in thousands)
(unaudited)

	Three months ended March 31,	
	2024	2023
Net income (loss)	\$ (575,066)	\$ (60,866)
Add (deduct):		
Interest (income) expense, net	(15,447)	(10,612)
Income tax expense (benefit)	365	988
Depreciation and amortization	3,743	3,338
Stock-based compensation expense and related taxes	595,537	13,167
Restructuring costs ⁽¹⁾	—	3,916
Other (income) expense, net	893	(114)
Adjusted EBITDA	<u>\$ 10,025</u>	<u>\$ (50,183)</u>

(1) During the three months ended March 31, 2023, we incurred restructuring costs of \$3.9 million, primarily composed of severance and benefits expense, in connection with reductions in our workforce. These charges are non-recurring and are not reflective of underlying trends in our business.

Reddit, Inc.
Reconciliation of Free Cash Flow*(in thousands)**(unaudited)*

	Three months ended March 31,	
	2024	2023
Net cash provided by (used in) operating activities	\$ 32,064	\$ 4,075
Less:		
Purchases of property and equipment	(2,851)	(356)
Free Cash Flow	<u>\$ 29,213</u>	<u>\$ 3,719</u>

Reddit, Inc.
Reconciliation of Non-GAAP Gross Profit and Non-GAAP Gross Margin

(in thousands)
(unaudited)

	Three months ended March 31,	
	2024	2023
Revenue	\$ 242,963	\$ 163,740
Cost of revenue	27,616	26,863
Gross profit	215,347	136,877
Add:		
Depreciation and amortization	—	76
Stock-based compensation and related taxes	258	38
Non-GAAP gross profit	\$ 215,605	\$ 136,991
Gross margin	88.6 %	83.6 %
Non-GAAP gross margin	88.7 %	83.7 %

Reddit, Inc. Reconciliation of Non-GAAP Operating Expenses

(in thousands)
(unaudited)

	Three months ended March 31,	
	2024	2023
Total operating expenses	\$ 804,602	\$ 207,479
Less:		
Depreciation and amortization	3,743	3,262
Stock-based compensation expense and related taxes	595,279	13,129
Restructuring costs ⁽¹⁾	—	3,916
Non-GAAP operating expenses	<u>\$ 205,580</u>	<u>\$ 187,172</u>
Research and development expenses	\$ 437,030	\$ 108,767
Less:		
Depreciation and amortization	2,177	1,924
Stock-based compensation expense and related taxes	327,097	8,001
Restructuring costs ⁽¹⁾	—	2,054
Non-GAAP research and development expenses	<u>\$ 107,756</u>	<u>\$ 96,788</u>
Sales and marketing expenses	\$ 124,095	\$ 57,911
Less:		
Depreciation and amortization	1,163	1,053
Stock-based compensation expense and related taxes	63,624	1,813
Restructuring costs ⁽¹⁾	—	893
Non-GAAP sales and marketing expenses	<u>\$ 59,308</u>	<u>\$ 54,152</u>
General and administrative expenses	\$ 243,477	\$ 40,801
Less:		
Depreciation and amortization	403	285
Stock-based compensation expense and related taxes	204,558	3,315
Restructuring costs ⁽¹⁾	—	969
Non-GAAP general and administrative expenses	<u>\$ 38,516</u>	<u>\$ 36,232</u>

(1) During the three months ended March 31, 2023, we incurred restructuring costs of \$3.9 million, primarily composed of severance and benefits expense, in connection with reductions in our workforce. These charges are non-recurring and are not reflective of underlying trends in our business.