

EXHIBIT 3

BUSINESS INSIDER

Gawker Media Generated \$45 Million In Net Revenue Last Year And It's Raising A \$15 Million Round Of Debt



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Nick Denton orders the shrimp linguine. He doesn't look at Balthazar's menu; the media mogul frequents the restaurant and everyone from the hostess to fellow diners knows who he is.

Denton personally owns just under 50% of Gawker Media, a company he founded and bootstrapped in the early 2000s, before Facebook was a semi-reliable traffic hose for publishers and banner ads generated meaningful revenue. Through a family trust, Denton owns 68% of the company. He says insiders own 90% of Gawker Media.

The board currently consists of himself and Gawker's CTO Tom Plunkett, although Denton is looking to add three new, strategic faces to his table. Union Square Ventures' Fred Wilson was one person he considered as an advisor, although they haven't found a way to work together yet.



Nick Denton

Business Insider

Aside from a casual conversation or two, Denton says he has never been tempted to sell his site, which is worth at least \$250 million based on the company's 2014 net revenue of \$45 million. But growing Gawker Media hasn't always been easy.

Denton admits that while his company's traffic increased 20% last year to almost 500 million monthly pageviews and 130 million unique visitors, Gawker wasn't producing its strongest content.

"Editorial traffic was lifted but often by viral stories that we would rather mock," Denton lamented in a recent company-wide memo. "We were nowhere on the Edward Snowden affair. We wrote nothing particularly memorable about NSA surveillance. Gadgets felt unexciting. Celebrity gossip was emptier than usual."

In a matter of months, Gawker's entire Valleywag editorial team turned over. Gizmodo, which was once a category leader in tech and gadget news, lost key writers and suffered from competition with other up-and-coming publications like The Verge. Annalee Newitz, who ran Gawker's tech blog iO9, was recently placed at the helm of a combined iO9 and Gizmodo entity to oversee a turn-around.

Earlier in 2014, Denton himself felt a little burnt out. He took a sabbatical following his May wedding. But he says he returned refreshed, with an action plan.

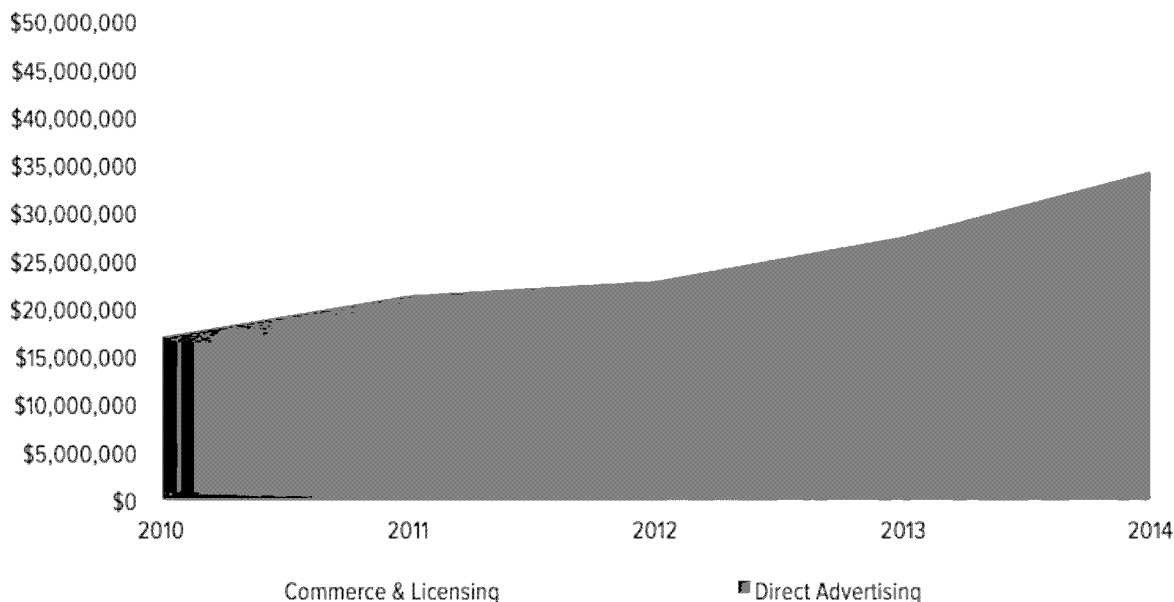
That action plan included promoting six of his staffers to managing partners; they now share Denton's role at the top of the organization. Heather Dietrick took over Denton's role as Gawker's President; Erin Pettigrew leads Strategy; Tommy Craggs is executive editor of all 8 Gawker websites, including Jezebel and Deadspin; Scott Kidder is COO; Andrew Gorenstein is President of Advertising; Tom Plunkett is CTO. Most business decisions between the seven leaders are now made in a massive group text messaging chain.

From a revenue perspective, things at Gawker have never been better. Even Gizmodo, which has stumbled, has played an integral role in the company's e-commerce efforts.

Last year, Gawker Media's gross e-commerce revenue exploded to \$100 million, netting it about \$10 million, paired with \$35 million in traditional advertising revenue. Gawker's e-commerce product, headed up by long-time employee Erin Pettigrew, primarily places affiliate links in articles about products that can be purchased on sites like Amazon. Skimlinks helps Gawker monetize this referral traffic.

Ryan Brown, Gawker's VP of Business Development, says Cyber Monday and Black Friday were "like the Super Bowl" for Gawker's commerce team, which spent months planning ways to promote the best holiday deals. This past Saturday, an Amazon Prime promotion Gawker ran generated 25,000 subscriptions.

Gawker Media Group Revenue Diversification, 2010-2014

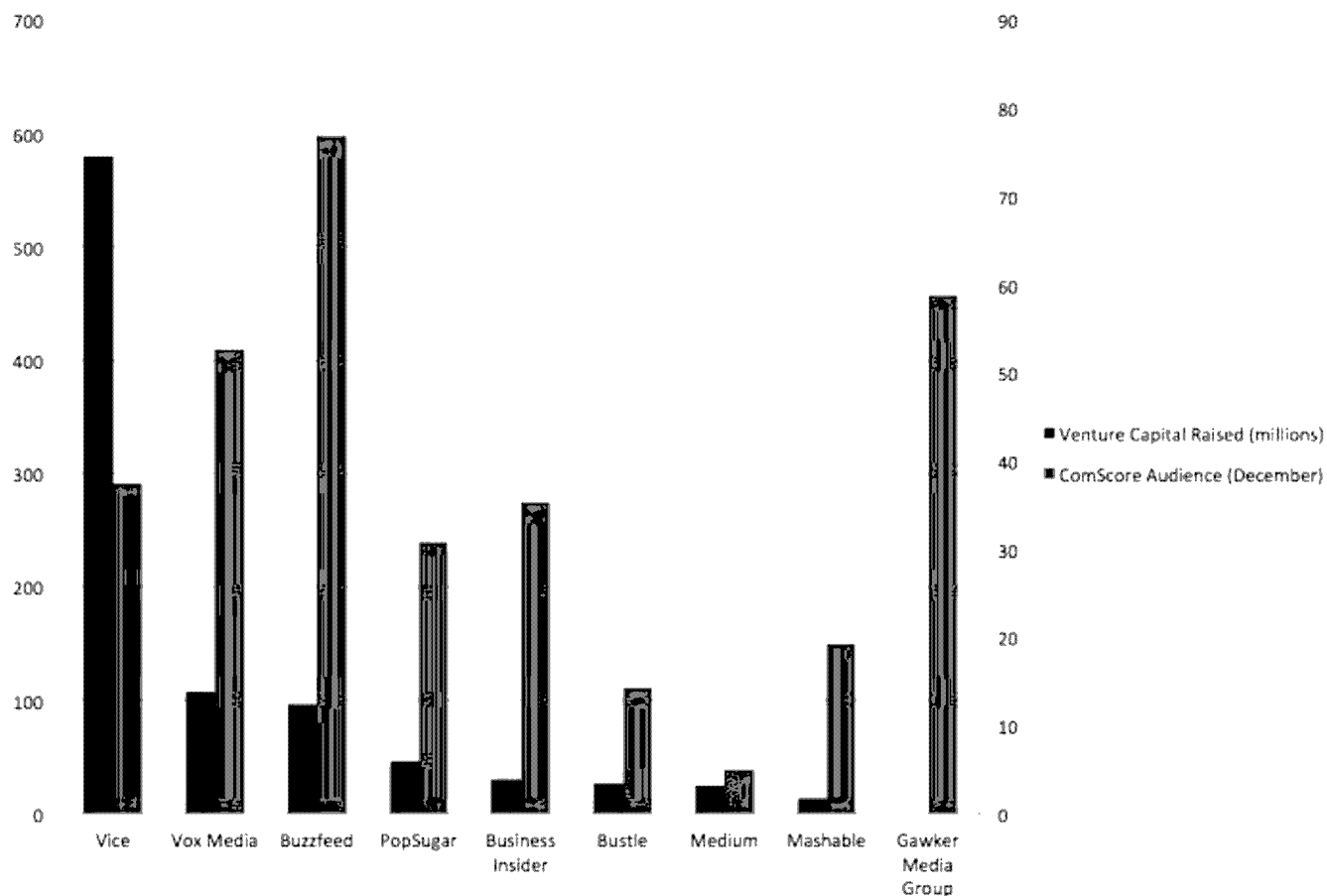


Gawker Media

Gawker's revenue over the past few years. E-commerce became meaningful during 2014.

Denton has never raised traditional capital from a venture firm or corporation, but his 2015 plan does include raising millions of dollars of debt from a few banks and funds. Denton says the amount will be "less than 10% of the company's open-value market of equity," likely \$15 million. And he promises Gawker will still be " beholden to no one."

"[The financing is] not particularly aggressive," says Denton. "We've been almost embarrassingly under-leveraged and conservatively run!" Young America Capital is leading the process.



Gawker Media

The cash will be used to further growth and continue transforming Gawker from a publisher into a platform like Twitter or Facebook.

"We will be the first online media company to create its own technology, rather than be reduced to a content provider subject to someone else's algorithm," Denton wrote in his memo.

Kinja, which turns every commenter into a blogger, was one innovative attempt to turn Gawker into a platform. This year, Denton is energized by the intersection of mobile messaging and media, and he is eager to figure out how Gawker can create sharable content for phones. He also wants to experiment with new ways to seed, test, and spread content online.

While 2014 was a year of growth for Gawker, Denton pledges that 2015 will be better.

"For a good 12 months from the summer of 2013 I was variously betrothed, distracted, obsessed by Kinja, off on honeymoon, off on sabbatical. I'm not sorry for that. For ten years, I've danced with this octopus," Denton wrote honestly to his staffers. "I have now a balanced team of partners whose capabilities are widely acknowledged. These are six people I can confide in. I am happy to share power with them. We will be candid with each other. The drift this year: it will never happen again."

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