

A Work Project, presented as part of the requirements for the Award of a Master's degree in
Finance from the Nova School of Business and Economics.

SWIPING RIGHT TO SUCCESS: A CASE STUDY ON BUMBLE INC. AND THE GENDER
GAP IN ENTREPRENEURSHIP – ANALYSIS ON PRE-INVESTMENT DYNAMICS

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02/02/2024

Abstract

This case study explores the journey of Bumble Inc., a company that has made an important breakthrough in the competitive online dating industry with a female-empowering business model. In the teaching notes, we dive into the company's pre-investment dynamics, creating awareness of the social and cultural biases that affect women, and proposing innovative solutions to reduce gender disparity in funding.

Keywords

Venture Capital, Investments, Female
Entrepreneurship, Funding, Investment Dynamics

This work used infrastructure and resources funded by Fundação para a Ciência e a Tecnologia (UID/ECO/00124/2013, UID/ECO/00124/2019 and Social Sciences DataLab, Project 22209), POR Lisboa (LISBOA-01-0145-FEDER-007722 and Social Sciences DataLab, Project 22209) and POR Norte (Social Sciences DataLab, Project 22209).

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PROLOGUE

It was just another morning of 2023, and Whitney Wolfe Herd stood in line at her favorite coffee shop in Austin, Texas, as she prepared for another busy day, but this time there was mix of questions that kept bothering her as she waited for her latte. That day she had a meeting set up with the Board of Directors, as they planned to discuss about Bumble's succession plan. Whitney's Bumble Fund, one created to invest in women-led ventures that meant a lot to her. She knew the importance of the fund and the impact on the world of tech and bringing social change. Nevertheless, she doubted that a new CEO would be able to maintain Bumble's mission of empowering women, and in this case female founders, as she did all these years through her various initiatives. These questions filled her mind: How could Bumble continue to innovate in this industry while staying true to their mission? Will the next CEO continue to support the Bumble Fund and Bumble Bizz, crucial for tackling the pre- and post-investment challenges that new female entrepreneurs face in the venture capital industry?

Whitney Wolfe Herd was in her early 20s when she started working for the most popular dating app at that time. She had met the company's other co-founders, Sean Rad, Chris Gulczynski, and Justin Mateen, while she was part of the unsuccessful e-commerce startup Cardify. Nevertheless, the strong chemistry between Wolfe Herd, Rad, Gulczynski, and Mateen led the three to work together to create a dating app, which would become known as "Tinder."

Life at Tinder seemed to go well for a couple of years. The app's function of "swiping right" on potential matches to approve them and "swiping left" to reject them became part of modern dating culture. Before long, Wolfe Herd became Vice President of Marketing until she left the board in

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2014, filing a lawsuit against Mateen after suing Tinder and its parent company IAC due to allegations for sexual harassment and accusing him of subjecting her to "sexist, racist and otherwise inappropriate comments, emails and messages" (Dredge, 2014). Tinder and Herd settled the lawsuit and Mateen was fired. Wolfe Herd would receive more than \$1 million in compensation and shares in Tinder.

Despite the challenging times, Wolfe not only persevered but also succeeded in the online dating industry. Instead of retreating to recover and plan her next steps, which would have been understandable for a young professional, she boldly moved forward by founding Bumble, initially conceived as a networking platform for women rather than a dating app.

BUMBLE'S JOURNEY

Andrey Andreev, co-founder of the dating app Badoo, played a crucial role in encouraging Wolfe Herd to re-enter the dating app industry. Although she initially wanted to create an app that resembled Instagram, but only focused on positive comments, Andreev helped create this dating platform meant to empower women. Therefore, Bumble's vision was not only built by Wolfe Herd (who owned 20 percent of the shares), but also Andrey Andreev (owner of Badoo and holder of 79 percent of the shares), who provided the infrastructure for the market launch. Later, Chris Gulczynski and Sarah Mick (former Tinder employees) joined the team, along with Samantha Fulghman. Samantha was the mastermind behind the marketing strategy that helped with the initial growth of the app. Her idea was to introduce Bumble to American college sororities, engaging female students in the promotional campaign in exchange for merchandise and other products. In addition, Bumble made its presence known through mentorship events dedicated to women.

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The company was founded to solve two critical problems: “antiquated gender norms, and a lack of kindness and accountability on the internet” (Bumble Inc., 2021). Therefore, Bumble was created with the goal of putting women in front, giving them the control of the first move and the opportunity to build fair and healthy relationships on their own terms. Bumble's commitment to putting women at the center extends to its leadership, with nearly 73 percent of the board of directors composed of women, in addition to the founder.



Picture 1: Bumble Inc.'s Applications (Bumble Inc., 2022)

In 2022, the company successfully operated three dating applications: Bumble, Badoo, and Fruitz, which all together boast more than 40 million users. These apps followed a freemium model, offering basic services for free while offering premium features for a fee. The company showed its solid position as a star player in the online dating industry, with Bumble and Badoo consistently ranking among the top five highest-grossing lifestyle apps on iOS in various countries. In 2022, Bumble had approximately 2.0 million paying users, while Badoo, which was established in 2006, had 1.2 million paying users in the same year. They became one of the world's most popular online dating apps, as well as having the highest global revenue, with \$542.2 million and \$40.0 million in earnings for the periods of January 29, 2020, to December 31, 2020, and January 1, 2020, to January 28, 2020, respectively; Bumble had one of the highest percentages of female paying users. Additionally, in January 2022, the company expanded its portfolio by acquiring Fruitz, a dating

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app focused on Generation Z, which later became the second most downloaded dating app in France by the end of 2022.

The negative experience that she endured allowed Wolfe's entrepreneurial spirit to create a new platform that focuses on female safety, one that defied the gender-norms that exist in society and its constantly recognized and applauded. Nevertheless, Bumble has faced throughout the years its own set of challenges, just like with any other business or dating platform, but the impact on the dating app industry exists by promoting a more empowering dating experience for women.

BUSINESS MODEL

Bumble, Badoo and Fruitz, follow a "freemium model," allows users free access to its platform while generating its core revenue through in-app purchases and subscription services. Among its premium offerings, Bumble Boost for example, starts at a weekly rate of \$12.99, and Bumble Premium, starting at \$17.99 per week, form the core of its revenue-generating mechanisms (Bumble Inc., 2020).

These premium subscriptions give users various privileges, including increased profile visibility, knowledge of those who have shown interest in their profile, and increased engagement with other users on the platform. It is through these premium features that Bumble profits, while receiving supplementing revenue from advertising and other partnerships.

Again, Bumble has gained significant attention for its unique approach to online dating. It places a strong emphasis on empowering women to initiate conversations, differentiating itself from

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competitors like Tinder and Hinge. This idea, created by Whitney Wolfe, resonates with users seeking a safe and respectful environment, especially women who want to avoid unwanted messages and explicit content (Bumble Inc., 2020).

Setting up a profile on Bumble is straightforward, with users providing basic information such as name, age, gender identity, and sexual orientation. Profiles can be personalized with tags and can integrate Spotify and Instagram. Safety is a top priority on the platform, through features like photo verification and filters to identify verified users. Community guidelines are always enforced to promote respect and safety online.

Bumble employs a matching algorithm that considers user preferences, and it offers various filters for specific matches. Users can express interest by swiping right and start a chat within 24 hours of matching. In the specific situation of heterosexual matches, it is women who make the first move. The platform also offers multiple chat options, including voice and video, to enrich interactions. Safety is further enhanced through constant monitoring and the creation of a Safety Center, with users having the option to take breaks using the Snooze feature.

Bumble offers premium features, such as:

- **Beeline:** Beeline displays individuals who have already examined a user profile and given a positive vote, but on whom the user has not expressed a vote yet.
- **Rematch:** This functionality allows subscribed users to revisit any past "matches" that are no longer valid due to the 24-hour expiration mark.

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- Extend: Ability for Bumble Boost and Bumble Premium subscribers to have an unlimited number of extensions for desired conversations.
- Travel Mode: Allows users to adjust their location to match with people from any part of the world; useful before upcoming travel.
- Incognito Mode: This feature allows users to swipe anonymously and becomes visible only the users that have expressed interest in them by swiping right.

Furthermore, users can also make in-app purchases to enhance their overall experience. The following is a list of the available in-app purchases:

- SuperSwipe: This function enables users to express their interest in other users by directly notifying them of their intention. Typically, a "yes" vote will remain anonymous until both sides express interest, but SuperSwipe introduces a more direct approach.
- Spotlight: The Spotlight feature allows users to enhance the visibility of their profile, increasing the likelihood of being noticed by a larger audience of potential matches by elevating their profile to the top of the list.
- Compliments: Compliments allow the users to respond to others' biographies, photos, or profile posts. This feature can bring a personal interaction and helps create more engaging conversations.

Beyond its core dating functionality, Bumble has expanded into non-dating interactions, offering similar capabilities through the tabs of Bumble BFF for platonic connections, and Bumble Bizz for professional networking.

Badoo

Badoo, their second dating app, allows users to customize profiles with photos, personal information, videos, "Moods," and "My Interests." It uses a matching algorithm and swipe-based

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voting like Bumble. Badoo offers a "People Nearby" feature and allows direct messaging without mutual approval. Unique features include "Bumped Into" for connecting frequent nearby users. Safety measures include verification, voice and video chat, and a Rude Message Detector.

Like Bumble, Badoo offers users two premium subscription options: Badoo Premium and Badoo Premium Plus. The features of Badoo Premium subscription includes the following:

- Like: This feature notifies users when their profile receives a "like" from others.
- Invisible mode: Users can browse the app while maintaining anonymity.
- Undo Vote: This feature allows users to withdraw a "no" vote on a user.

Badoo Premium Plus membership provides weekly or daily features, including:

- Chat with Anyone: Unlock additional chats weekly.
- Extra shows: Increases the profile visibility to more users.
- Crush: This feature allows users to express their interest in their selected potential matches.

Fruitz

Fruitz on the other hand is a dating app where users select a profile fruit to indicate their dating intention, promoting transparency.

- Cherry represents users seeking a serious relationship.
- Grapes indicate users looking for a date.
- Watermelons represent users not interested in a serious dating-scheme.
- Peaches denote users in the search of fun and casual encounters.

In the competitive dating app landscape, Bumble's approach aims to solve potential gender imbalances on dating platforms. Statistics indicate that platforms like Tinder have a male user base, while research suggests differing motivations among genders, with men often seeking casual dating

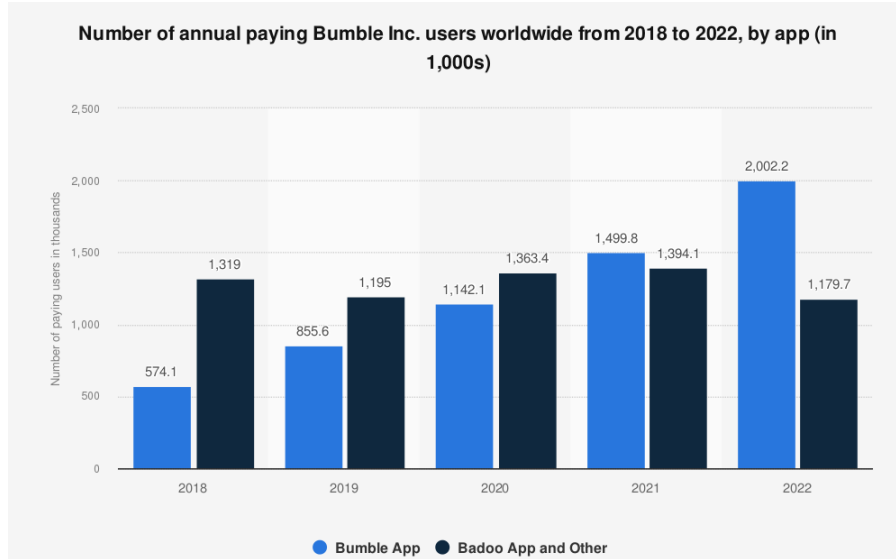
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and women prioritizing relationships on dating apps (Bumble Inc., 2020). Bumble's model allows women to select preferred partners, potentially improving match quality and overall user experience.

Bumble's commitment to technology is clear in its operations, driven by a global team of software engineers and product managers. The platform prioritizes frequent updates, with new releases deployed constantly. This agile approach enables simultaneous testing across the user base, leading to continuous improvements in the user experience. Key pillars of Bumble's technological foundation include shared infrastructure, data and machine learning capabilities, and strict data protection and privacy standards. Shared infrastructure enhances feature testing and performance while reducing costs. Data and machine learning personalize matches and inform product development while preventing fraud and inappropriate content. Bumble also prioritizes user privacy and adheres to strict privacy standards (Bumble Inc., 2020).

In addition to its innovative approach to dating, Bumble's marketing strategy has played an important role in attracting new users. The company has made use of experiential marketing, by creating immersive experiences like 'Bumble Hive' to engage users and highlight new features. Social media has been a valuable tool for promoting both online and offline events, workshops, and app modes. Micro-influencer marketing, celebrity partnerships, and tailored campaigns, such as the #EqualNotLoose movement in the Indian market, have further strengthened Bumble's brand (Bumble Inc., 2020).

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Graph 1: Number of annual paying Bumble Inc. users worldwide from 2018 to 2022 (Statista, 2023)

The focus in Bumble’s mission and a commitment to safety has contributed to its rapid growth, with 100 million users worldwide and an average daily app usage of 62 minutes. In 2020, the company generated \$337 million in revenue, representing a 40% year-over-year increase (Bumble Inc., 2020). As Bumble continues to transform and innovate in the online dating space, its unique approach to empowering women and fostering respectful connections remains a key pillar of its success.

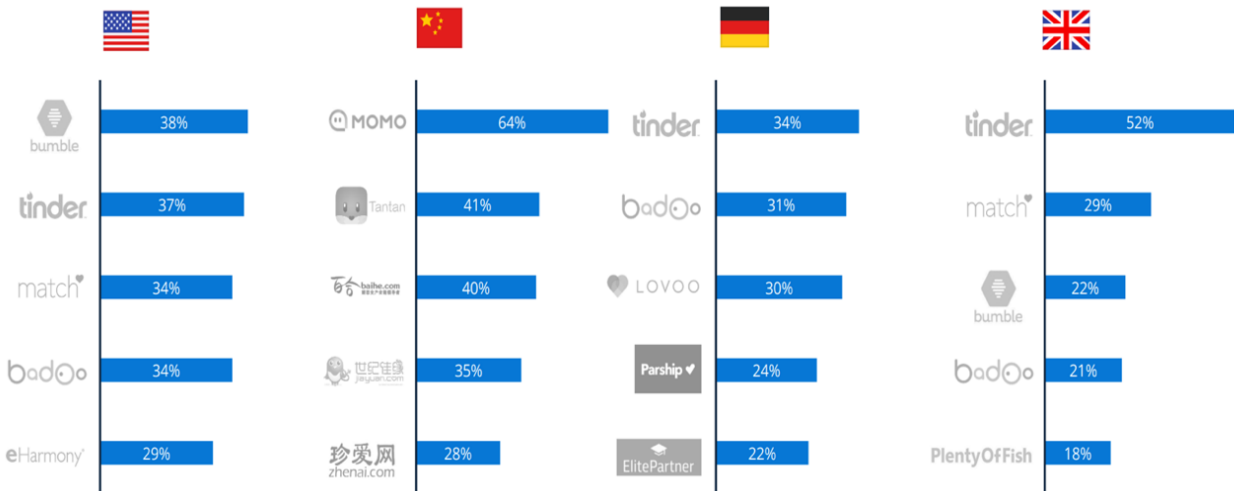
GLOBAL ONLINE DATING MARKET (INDUSTRY OVERVIEW)

In 2020, the company is targeting a market consisting of more than 803 million single people aged 18-69 who have access to the Internet. It is estimated that by 2025, the number of single people could reach 981 million. These figures indicate a substantial and growing market for online dating services (Statista, 2021). The number of registered users on various dating platforms has reached 190 million in 2020. Bumble estimates that this number could grow to 319 million by 2025, with an average annual growth rate of 11 percent (Bumble Inc., 2021).

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A key factor contributing to the success of this market is the ability of companies to retain their users, even without being market leaders. This is possible because users often download and use different dating apps simultaneously.

Bumble faces stiff competition from established rivals and constant new entrants such as Facebook, which launched its own dating feature called "Dating" (Forbes Staff, 2020). As the online dating market continues to grow, Bumble's innovative approach and its focus on female empowerment position it well to capture a significant share of this expanding user base (Bumble, 2021).



Graph 2: Paid usage of selected online dating services in 2021 (Statista Digital Market Insights, 2021)

The online dating service industry has been constantly growing year-over-year. Dating Services applications are well-known for their online search features that allows users to create new connections with others over the internet. The purpose of this search can vary depending on the user, such as finding a long-term relationship, casual dating, sexual partners, and friendship. From 2017 to 2027 the CAGR (Compound Annual Growth Rate) for the matchmaking category was calculated at 6% and was the leading category with a revenue of US 4.0 billion in 2023 (Statista Digital Market Insights, 2023).

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The U.S is currently the highest in this category in terms of average revenue per user, with \$125.72. Germany and France come second and third with \$118.5 and \$102.8 respectively in 2023. The U.S. market has a bigger average revenue per user than the rest of the world combined, and it is expected that in 2027 it will stay the same (Statista Digital Market Insights, 2023).

The penetration rate for Dating Services is highest in the U.S., South Korea and European countries, and the Dating Services penetration rate per country in 2023 are as follows: United States 0.37, United Kingdom 0.32, Belgium 0.31, Luxembourg 0.30, Netherlands 0.29. Currently Millennials are the biggest user group of Dating Services, including paying and non-paying users. (Statista Digital Market Insights, 2023)

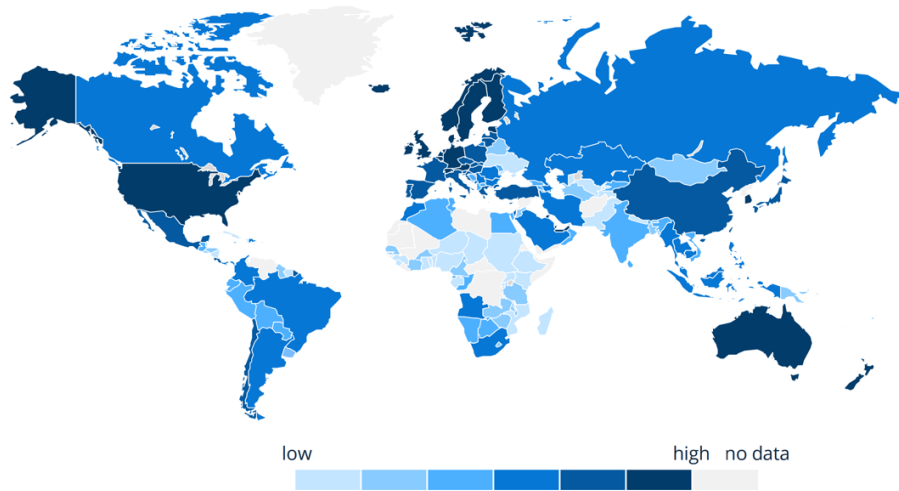


Figure 1: Dating Services Penetration Rate Worldwide (Statista Digital Market Insights, 2023)

In the dynamic online dating market, Bumble faces several significant challenges. It competes with well-established players like Tinder and must continuously find innovative ways to differentiate itself from the competition. Ensuring user safety, such as addressing harassment issues and maintaining a respectful online environment are always ongoing concerns. Creating new strategies for monetization beyond premium subscriptions and advertising are necessary for sustainable

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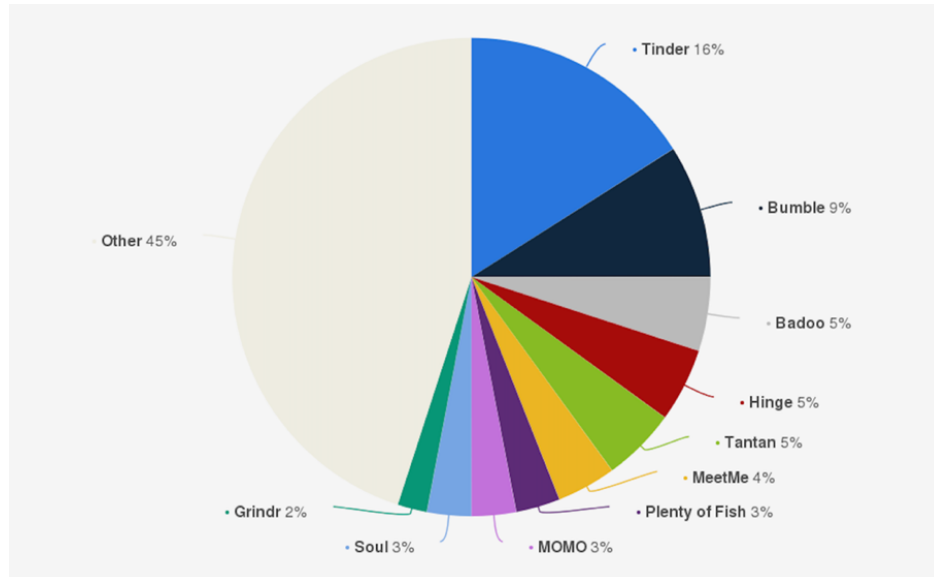
growth. Keeping users engaged, especially after sign-up, and adapting to evolving user preferences will continue to be a challenge. As Bumble continues to expand globally, it must handle the cultural differences and local competition while ensuring data privacy and security. Overall, Bumble's future success will depend on its ability to innovate, prioritize user satisfaction, and address these complex challenges effectively.

COMPETITORS/ MAIN PLAYERS

The online dating arena is going through a period of consolidation as it clashes with various challenges and changing trends. The success of major platforms like Tinder has triggered a surge of new dating apps flooding the market in recent years. However, penetrating in this industry is an uphill battle due to its unique dynamic and a large market saturation. The worth of a dating platform lies on its ability to attract and retain users, and with abundant new apps in the search of user attention, potential customers may be unwilling to enroll in platforms with limited visibility and prospects.

As illustrated in the graph below, Tinder, the reigning champion of online dating apps, held 16% of the global market share in 2022. In contrast, 45% of the market is comprised of apps with negligible market shares (Statista, 2023) This defined contrast underscores the sheer number of platforms competing for users' attention.

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Graph 3: Global Dating Services Market Share Worldwide 2022 (Statista, 2023)

The consolidation in the industry is fueled furtherly by the large market shares of major players with substantial financial power. These industry giants can limit the rise of competition by acquiring the newer dating apps, expanding their product portfolio, and offering a broader range of options to their user base. Consequently, a small group of companies now control a vast amount of dating applications, solidifying their position as industry leaders. Notable examples of these companies include The Match Group, Bumble Inc., ParshipMeet, and Spark Networks.

The Match Group:

The Match Group is an American internet company based in Dallas, Texas, and the world's leading provider of online dating products, with a portfolio of over 45 brands with different apps and online platforms (Match Group Inc., 2015). Its applications serve users worldwide, offering over 42 languages. The company employs approximately 2,700 individuals and went public in 2015 (Business Overview, 2023). It has played a pivotal role in fostering online connections, with over 50% of relationships that began online originating from their platforms. Between 2011 and 2015

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alone, the company's apps helped create an impressive 8.4 million relationships and 2.5 million marriages. As a dominant force in the industry, The Match Group holds ownership of four of the top five dating brands in North America, including Tinder, the world's most popular dating app. Launched in 2012, Tinder has become the most used dating platform for millennials. Hinge, another of the company's successful apps, has gained significant favor among users.

With a market capitalization of \$8.8 billion, The Match Group shows constant revenue and profit growth, accompanied by expanding margins. In the last twelve months leading up to May 2023, the company generated annual revenues of \$3.2 billion, experiencing a CAGR of 17% since 2018. The Match Group's operating income reached \$505 million in the last year, representing a margin of 16%. However, compared to previous years, the operating margin has witnessed a significant decline, from an average of 30% to 16%.

Parship Meet Holding:

ParshipMeet Holding, a German company and subsidiary of ProSiebenSat, is a leading provider of online dating, entertainment, and online matchmaking services through its diverse portfolio of applications. With its two main segments, Dating and Video, ParshipMeet targets a wide range of users in the European and North American markets. It holds a collection of well-established brands: Parship, eharmony, ElitePartner, and LOOVO, and the platforms combined have received significant popularity among users seeking compatible matches. On the other hand, ParshipMeet's Video segment consist of a variety of engaging apps: MeetMe, Skout, Tagged, GROWLr, and Livebox. These platforms offer users diverse opportunities for entertainment, social interaction, and live streaming experiences.

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MeetMe stands out as the most popular app within ParshipMeet's portfolio. Launched in 2005, MeetMe aimed to be a mobile-centric version of a social bar, facilitating connections and interactions among users. With over 20 million chats exchanged daily, MeetMe primarily attracts a demographic of individuals between the ages of 18 and 34 and enjoys a strong presence in the United States.

Spark Networks

Another German-based company, Spark Networks, also stands as a key player in the online dating landscape, owning and operating a diverse portfolio focused on mobile application and online dating services. With more than a 100 million registered users, the company strategically targets specific demographic groups, primarily focusing on the 40+ age group and religious communities. Spark Networks maintains a strong presence in the European market and is actively expanding its reach into North America.

Spark Networks' portfolio consists of a range of well-established brands such as Zoosk, EliteSingles, SilverSingles, ChristianMingle, and Jdate, each tailored to target specific user preferences and demographics. In addition to these core brands, Spark Networks' portfolio extends to include Darling, Attractive World, and JSwipe, further expanding its reach across diverse demographics. It has experienced fluctuations in its financial performance over the past years; while the company's revenue reached €187.8 million in 2022, it has witnessed a decline in recent years. Similarly, the EBITDA margin has also decreased, reaching 7.1% in 2022.

FUNDING HISTORY/FINANCIAL SITUATION

As previously mentioned, Bumble was founded in 2014 by Wolfe Herd and Andrey Andreev, who provided significant financial support to launch Bumble. He provided the initial investment according to Forbes of about \$10 million for marketing purposes and additional funds destined for growth of the start-up. Andreev ended with 79% of the company, compared to Herd's 20%, and 1% between app developers Christopher Gulczynski and Sarah Mick.

2019 was a crucial turning point for the company: Blackstone was part of a significant transaction by acquiring a majority stake in MagicLab for an estimated sum of around \$3 billion (Blackstone, 2019). At the time, MagicLab was the holding company for both Bumble and Badoo. This deal marked an important change in ownership, as it involved transferring company control from MagicLab's founder, Andrey Andreev, to Blackstone, a global powerhouse in the world of finance. After this transaction's completion, Whitney Wolfe Herd became Chief Executive Officer at Bumble. Whitney Wolfe Herd's appointment as CEO was a pivotal moment in Bumble's journey. It was established as part of the agreement with Blackstone, marking a shift in leadership that would impact on the company's direction and growth strategy. Therefore, before going public, most Bumble's shares (91%) were held by the private equity firm Blackstone. The influence of Blackstone on Bumble's journey was significant, as it not only held a substantial stake in the company but also played a key role in strategic decisions.

In 2020, Bumble went through its first Series A funding round, when Accel, a venture capital firm, invested \$100 million. Other investors included Greycroft, Able Partners, and Headline (TechCrunch, 2023). But in 2020 the decision to take Bumble public rose and was driven by the

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need for capital to seek dominance in the online dating industry. By becoming a publicly traded company, Bumble aimed to secure the financial resources necessary for global expansion, top-talent recruitment, and the implementation of long-term strategic initiatives. This move toward an initial public offering (IPO) was part of a strategy to position Bumble as a formidable player in the industry.

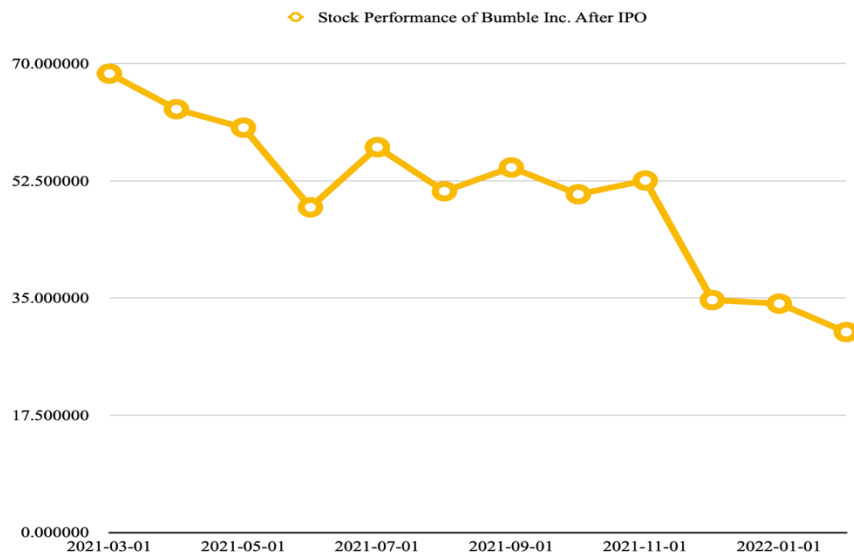
The first reports of Bumble's IPO plans surfaced in December 2020, creating significant headlines in tech industry. On January 15, 2021, the company officially filed for an IPO with the U.S. Securities and Exchange Commission (SEC), using the SEC S-1 form (Bumble Inc., 2021). Bumble's IPO eventually took place on NASDAQ under the ticker symbol BMBL, with the first shares traded on February 11, 2021; this milestone marked a significant turning point in the company's history.

The initial S-1 filing did not contain any estimates regarding the initial public offering price and proceeds, however, Bumble's estimated proceeds from the IPO at an initial offering price of \$29.00 per share were approximately \$955.5 million. The actual initial public offering price was estimated at \$38 per share, generating \$1,633.0 million. On February 16, 2021, Bumble Inc. completed its initial public offering by issuing and selling 57.5 million Class A common shares at an initial offering price of \$43.00 per share, netting approximately \$2.361.2 billion.

Major investment banks played a pivotal role in underwriting Bumble's IPO. Major financial institutions such as Morgan Stanley & Co. LLC, Citigroup Global Markets Inc, Goldman Sachs & Co. LLC, and JP Morgan Securities LLC were among the key players that facilitated the offering. Their involvement emphasized the great interest in Bumble's public debut and its perceived value

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in the market. The valuation of Bumble's potential market capitalization was based by the Price/Sales ratio for the previous 12 months. As of September 30, 2020, estimates placed the company's market capitalization in the range of \$5 billion to \$7.5 billion. However, after the successful IPO, Bumble's market capitalization surged to 8 billion, reflecting the strong investor demand for its shares (Winck, 2021).



Graph 4: Stock Performance of Bumble Inc. after IPO (own figure)

Graph 4 offers a visual representation of Bumble's stock price performance in the months following its IPO, revealing a trajectory characterized by two significant negative peaks. The first peak matched with an overall downturn in the NASDAQ index, while the second occurred in response to the announcement of Bumble's first-quarter financial results. These fluctuations underline the volatility that exists in the stock market and the challenges faced by newly public companies in maintaining stable share prices.

On March 3, 2023, Bumble Inc. shared the details of a secondary offering. This offering involved the sale of 13,750,000 shares of its Class A common stock by specific stockholders linked to

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Blackstone Inc. and its founder, Whitney Wolfe Herd. The shares were priced at \$22.80 per share for the public. Moreover, Blackstone extended an option to the underwriters, allowing them to purchase up to an additional 2,062,500 shares of Bumble's Class A common stock within a 30-day window (Bumble Inc., 2023). It is important to note that Bumble itself was not engaged in selling any shares in this offering and did not receive any proceeds from it. However, Bumble did bear the associated sale costs, excluding the underwriting discounts. Nevertheless, Bumble encountered a drop in its premarket stock value on Friday as the company's major shareholders exceeded the expected stock sale volume.

THE FUTURE OF BUMBLE INC.

The online dating industry is currently going through a consolidation phase, with a limited number of public companies remaining. This trend poses challenges in valuing Bumble Inc. using traditional public comparable analysis. Additionally, the recent launch of Facebook Dating, backed by Meta's extensive user base, introduces a significant new competitor that could disrupt the current industry's dynamics.

As previously mentioned, in 2022, Tinder, the most prominent player in the online dating market had a market share of 16 percent. Bumble, on the other hand, secured nearly nine percent stake in the market. Nevertheless, Bumble's entrance into the online dating marketplace was a groundbreaking move that challenged traditional gender dynamics. Whitney Wolfe Herd, the founder of Bumble, questioned why existing platforms had not yet demolished the old dating scheme where women waited for men to make the first move. Her frustration with this norm

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reflected the sentiments of many women in the tech industry, who have long been waiting for change to happen.

The gender gap in entrepreneurship, particularly in the technology sector, remains a constant issue. Research and studies exposed the challenges and disparities faced by women entrepreneurs. For instance, a study by Bosma and Levie in 2010 highlighted that women are less likely to start their own businesses compared to men due to numerous factors, including access to funding, gender bias, and social expectations (Bosma and Levie, 2010).

However, there have been notable shifts in recent years. The recognition of the immense potential and talent among female entrepreneurs has led to significant changes. Over the past decade, the number of early-stage companies with women in executive roles has tripled, rising from only five percent to 15 percent. This transformation underscores the evolving phenomenon of female entrepreneurship in the modern economy, as discussed by Ascher in 2012 (Ascher, 2012).

Bumble Inc. has taken an innovative approach to tackling the gender gap in entrepreneurship through its Bumble Fund initiative, established in 2018. Recognizing the disparities that have long limit women's access to funding and mentorship in business, Bumble Fund has been crucial in creating a new idea of empowerment for women entrepreneurs. By providing both financial support and valuable mentorship, it offers female founders not only the capital they need to launch their companies, but also the guidance and support they need to succeed. This complex approach is deeply established in Bumble's mission to promote gender equality and change the dynamics of entrepreneurship. To this date, the fund has invested in several promising women-led startups as shown in Exhibit 1, including health company Mahmee Health and venture capital firm Cleo

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Capital, and has formed strategic partnerships with venture capital firms that share its commitment to diversity and inclusion.

Wolfe Herd has emerged as a leading advocate for empowering women in business, and her personal dedication to this cause has been the driving force behind the Bumble Fund. The Bumble Bizz tab, integrated into the Bumble app, has also contributed to the success of the initiative, connecting like-minded industry professionals, and providing opportunities for networking opportunities. But in November 2023, change was incoming.

Bumble Inc. announced that long-time CEO Whitney Wolfe Herd was stepping down, shifting to the Role of Executive Chair, succeeded by the CEO at Slack Lidiane Jones. (Bumble Inc., 2023). But the impact that Whitney Wolfe Herd had on Bumble Inc., and female entrepreneurship cannot be denied, as she navigated through the pre- and post-investment challenges that women entrepreneurs face, eventually guiding the company toward its IPO, leaving Jones with big shoes to fill. After nearly 10 years of being the front face of the Bumble, guiding and empowering women, the uncertainty of the new leadership maintaining Bumble's core values and mission rose.

Lidiane Jones, as a female who has spent much of her career in the technological industry, faces the task to bring fresh and ground-breaking ideas to the table, crucial in a competitive and ever-changing dating industry, as well as maintaining the goal of empowering female entrepreneurs and leaders through the Bumble Fund and Bumble Bizz. As the dating industry awaits the unfolding of this new chapter, Whitney Wolfe Herd's legacy serves as a testament to the potential of leadership when promoting gender equality in entrepreneurship.

Teaching Note 1: Analysis on Pre-investment Dynamics (Renato Sandoval Jimenez - 53345)

Case Synopsis

Bumble Inc. was founded in 2014 by Whitney Wolfe Herd, a Tinder cofounder. It now has become a global social dating application with women empowerment as its core goal: women make the first move. The disruptive online dating tech company decided to challenge the traditional dynamic where man approach women, thus creating a platform focused on a “women-first” approach by allowing them to be the ones to initiate a conversation. This idea sparked an initial success, which led to a rapid growth of users around the world, supported by important investors such as Blackstone, who in 2019 acquired a majority stake in MagicLab, Bumble Inc.’s holding company Bumble previously owned by co-founder Andrey Andreev. In February 2021, the company underwent its IPO (Initial Public Offering) on NASDAQ, becoming a turning point for the company and for female entrepreneurship. Whitney Wolfe Herd shared the following:

"Today, Bumble becomes a public company. This is only possible thanks to the more than 1.7 billion first moves made by brave women on our app—and the pioneering women who paved the way for us in the business world. To everyone who made today possible: Thank you. " (Bumble Inc., 2021).

Wolfe Herd, after experiencing first-hand the pre- and post-investment dynamics that affect female entrepreneurship and the funding gap that exists between genders, decided to create the Bumble Fund to invest in female-led or owned companies. The questions presented in these teaching notes are the following: How can the Bumble Fund identify the pre-investment challenges faced by

female entrepreneurs, and in what ways can it help to overcome them in the initial stages of these new ventures? How does the Bumble Fund's mentorship and network support for female entrepreneurs during the pre-investment stage prepare these startups for successful venture capital funding? How can offering flexible investment terms for female-led startups potentially impact the growth and development of startups, the Bumble Fund itself, and the entrepreneurial ecosystem with a focus on gender equality?

Learning Objectives / Purpose

The purpose of this case is to provide awareness and encourage critical thinking in an overlooked topic when discussing entrepreneurship and venture capital: the gender gap that exists in funding. Students are required to think about the unique challenges and the biases that exist when trying to secure funding in the initial stages of the venture, and Bumble Inc.'s founder serves as an example of a successful business.

These teaching notes aim to generate discussion about the pre-investment dynamics that affect female-led or owned start-ups, and to generate solutions that can be applied to the venture capital industry, and in this case, Bumble Inc. as an investor, to attempt to reduce the disparity that exists between genders when raising capital.

Target Audience

The case study has been designed for undergraduate (BSc), graduate (MSc), or MBA-level courses that concentrate on Entrepreneurial Finance and Venture Capital, Impact Investments, or any related coursework that focuses on gender dynamics in venture capital.

Teaching Plan

The case has been designed to be taught in a single session within courses related to Entrepreneurial Finance, Impact Investments, or any related coursework that focuses on gender dynamics in venture capital. Prior to the class, students should be instructed to read the Bumble Inc. case study thoroughly, to analyze and develop the provided assignment questions by conducting independent research on Bumble's business model, the online dating industry, and the role of gender in entrepreneurship. The instructor should begin the session by summarizing the key aspects of the case, particularly focusing on Bumble's unique "women-first" approach and the pre-investment challenges that might have affected Bumble, and other female-led ventures supported by the Bumble Fund.

Assignment Questions

1. How can the Bumble Fund identify the pre-investment challenges faced by female entrepreneurs, and in what ways can it help to overcome them in the initial stages of these new ventures?
2. How does the Bumble Fund's mentorship and network support for female entrepreneurs during the pre-investment stage prepare these startups for successful venture capital funding?
3. How can offering flexible investment terms for female-led startups potentially impact the growth and development of startups, the Bumble Fund itself, and the entrepreneurial ecosystem with a focus on gender equality?

Case Analysis

This analysis will focus first on understanding what are the barriers that exist for female entrepreneurs when trying to secure funding for their company; women often face unequal treatment in startup funding, making the challenges disproportionately harder for women. To do this, we will analyze Bumble's pre-investment journey to understand how a successful tackling of these challenges.

By taking the role of Bumble's CEO Whitney Wolfe Herd, through the Bumble Fund, it is possible to propose strategies or actions to mitigate these risks that exist. Secondly, the analysis will explore the relationship between a successful initial venture capital funding, and the existence of mentorship and network support for female entrepreneurs during the pre-investment stage. Third, to this specific case, determining the effects of how the Bumble Fund's offer of flexible investment terms might impact potential startups with its support. After understanding all these factors, an innovative approach to calculating the weighted average cost of capital is suggested, that takes into consideration these relationships and the challenges female entrepreneurs face can lead to a different valuation.

Bumble's Pre-Investment Journey:

During Bumble Inc.'s pre-investment stage, the company was challenged by the problems that typically affect women entrepreneurs. The strategies that Wolfe Herd employed to navigate these barriers has been crucial in creating a key differentiator in the male-dominated technology industry, specifically the online dating industry: creating a platform that empowers women in an environment that was not designed with women safety in mind. 56 percent of female online dating

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sites or app users aged 18-49 received an unwanted sexually explicit message or image (Dixon 2023). The value proposition centered around women allowed Bumble to be competitive in a market with well-established players like The Match Group.

Having previous experience by being a Tinder cofounder, she used her knowledge of the dating app industry to create credibility, and most importantly, a network necessary to launch Bumble. Andrey Andreev, the founder of Badoo and Magic Lab, provided the initial capital to develop this innovative platform, but it was Wolfe Herd's ability to pitch and share the mission and vision of the future company. By using her connections from the industry, she created a team made up of people aligned with the women-friendly platform; Chris Gulzcynski and Sarah Mick both ex-Tinder Employees, which ended up being key to securing the funding.

Cultural and Social Biases:

To be able to reduce the funding gap that exist between male and female entrepreneurs, it necessary to acknowledge the unconscious bias that exists in our society. Women's leadership capabilities are frequently undervalued, but Bumble Inc. has aimed to challenge these biases through women empowerment. Both professional investors and nonprofessional evaluators preferred pitches presented by male entrepreneurs compared with pitches made by female entrepreneurs, even when the content of the pitch was the same. (Brooks, Huang, Kearney, W. Kearney, and Murray 2014). By specifically targeting female-led or founded ventures, the Bumble Fund can directly counter this bias that exists in business.

Another option is to offer development support and pitch preparation for candidates, firstly through the explanation and acknowledgement of this phenomenon in the male-dominated venture capital industry, where 94% of decision makers are male. (Brush, Greene, Balachandra, and Davis, 2014). To understand what is the unconscious bias that exists in the mind of investors, it is necessary to present the present a pitch using a combination of behavior and techniques that might resonate with decision makers. In a study, feminine-stereotyped behaviors were negatively associated with an entrepreneur's perceived business competence, preparedness, and leadership. (Balachandra, Briggs, Eddleston, and Brush 2019). Also, by offering these training sessions focused on empowering female entrepreneurs using their unique set of skills, it might then shift the perception and acceptance of different leadership styles independent from gender.

Selecting the right founding team is pivotal for a female entrepreneur when developing and presenting their business. The members must have enough expertise and knowledge of their start-up as it provides confidence for potential investors. The combination of both a strong educational background and industry experience are what is decisive in the minds of investors (Kim and Lee, 2022). The Bumble Fund in this case can thoroughly evaluate the composition of the potential candidates' teams, analyzing each member's educational background and managerial experience. This approach aims to select the best and most promising candidates. Additionally, it can also provide feedback to those ventures not selected explaining why the founding team does not meet the required expertise or team dynamics. This feedback could be essential for the candidates' future business presentations, which might contribute to their growth and development in the entrepreneurial world.

Networking Challenges:

Networking might pose a significant challenge to female entrepreneurs, as accessing the male-dominated networks can be difficult for women. According to Harvard Business Review, it is quite common that females often become excluded from these networks, which limit their opportunities for mentorship and investment. (Ibarra, Ely, and Kolb 2013) The Bumble Fund, therefore, can be an option to tackle by creating a network of female entrepreneurs at the pre-investment stage separate from Bumble Bizz, a community of women facing similar challenges, which may help close the funding gap. A study suggests that increasing the visibility of female entrepreneurs in networks like this can change the dynamic, thus opening more opportunities for women. (Malmström, Johansson, and Wincent 2017). During the selection phase of potential ventures, the Bumble Fund can create a yearly networking cocktail or any type of event that allows the candidates to come together to connect and share individual experiences in their funding journey. Additionally, creating an online network of every generation of candidates applying for the Bumble Fund, using digital platforms, could also be beneficial in expanding these females' networks, as it allows the online network created by Bumble Inc. to serve as a virtual hub for all the female entrepreneurs that are participating in the funding process, to share ideas and collaborate.

Accelerators might be another option that could help close the investment gap that currently exists in the market. "Accelerators should ensure that they have sufficient numbers of women who are experts across industries and can act as role models and mentors," (Abouzahr, Krentz, Harthorne, and Taplett 2018). One of the proposals to successfully overcome these pre-investment challenges can focus on Bumble building partnerships with accelerators. By doing these, Whitney Wolfe Herd could serve as a prime example of a globally successful venture led by a woman, or also Bumble's

other recognizable investors such Serena Williams, who joined the Bumble Fund in 2019, and Priyanka Chopra. The case instructor must lead the case discussion to generate awareness and understanding of the importance of females in leadership roles at companies.

Analyzing the Impact of Investments in Female-Led Startups

Biases against female founders continue to exist in investment funding, but despite the gender disparity that exists in the industry, according to an analysis by Boston Consulting Group startups founded or cofounded by women demonstrated a superior financial performance by showing a 10% increase in cumulative revenue on a period of five years (Boston Consulting Group, 2018). Bumble Inc. serves as a real-life example of the potential for investments in female-led ventures to be not only socially impactful but also financially rewarding. As mentioned in the case study, the former owner of the parent company of Bumble MagicLac, Andrey Andreev, had an initial investment of 10 million USD for 79% ownership of the company. The acquisition of MagicLab in 2019 by Blackstone, which included a \$3 billion USD valuation (Blackstone, 2019), demonstrates the possibility of a substantial return on investment that can be achieved when female ventures are supported. Another study by First Round Capital showed that when having at least one female founder, companies performed on average 63% better compared to a company comprised only of an all-male founding team (First Round Capital, n.d.). Both the studies and Bumble, serve as proof of the significant financial performance female venture can achieve when addressing gender equality in investment.

During the case discussion, it is possible to look at some of the companies in which Bumble Fund has invested to further cement the idea the impact and success that female-led startups can have

when given the opportunity. Mahmee Health, for example, a maternal healthcare startup part of the Bumble Fund portfolio, raised in 2022 \$9.2 million in a Series A round led by institutional investor Goldman Sachs Asset Management, which clearly indicates the investor confidence that exists and the value Mahmee Health can bring to the healthcare industry (Business Wire, 2022). Female Founders Fund, another Bumble-backed venture founded in 2014, shares the same goal and vision of empowering female entrepreneurs, raising seed capital for new ventures with an enterprise value of more than \$3 billion (Female Founders Fund, n.d.). The company has seen constant financial success, which led in 2016 and 2021 an investment of Melinda French Gates in their \$25 million and \$57 million fund respectively (Bousquette, 2021). Mahmee Health and Female Founders Fund prove that strategic investments are not only necessary for progress in society but also serve as an attractive investment vehicle that are able to generate sustainable long-term returns.

Concept of Offering Flexible Terms to New Female Ventures:

By understanding what the possible ways for the Bumble Fund can support women, the possibility of introducing a flexible investment term tailored to female-led startups becomes an interesting concept. This strategy tries to diverge from the traditional company valuation and investment, and instead shifts towards offering better investment conditions that considers the unique challenges faced by female entrepreneurs. Nevertheless, it is crucial to recognize and address these issues without neglecting the fairness and the objectivity that standard valuation processes provide. Students are encouraged to develop a framework through the Bumble Fund that offers key adjustments to the traditional investment terms that exist in the entrepreneurial ecosystem, that allows for tailoring to the specific needs of a start-up. This section will dive into and develop modifications to serve as examples, and their potential impact on businesses.

Lower Equity Stakes:

The first possible proposal to the Bumble Fund's investment approach is introducing the idea of offering lower equity stakes for the same level of investment to female ventures. By considering this investment strategy, female entrepreneur empowerment is given importance as it allows them to maintain greater control and ownership of their business post-investment. This concept shifts from traditional investment terms, where higher equity stakes are a priority, and focuses on generating long-term growth and success for female-led ventures. Therefore, it would aim to create an investment environment where female entrepreneurs can receive capital without sacrificing a substantial equity of their business. According to a study by professors at Purdue University's Krannert School of Management, founder-CEOs were generating 23% more patents after controlling for R&D spending, which suggests more innovation and financial value in the long-run (Lee, Kim, and Bae, 2016). Bumble's founder and CEO Whitney Wolfe Herd substantial equity stake in Bumble Inc. played a vital role that led Bumble towards an eventual IPO. By maintaining a significant ownership share of the company, even after various funding rounds throughout the years, she was able to guide strategically the company in creating an online-dating platform that revolved around female empowerment and safety online. This serves as an example of how lower equity stakes, especially in a female-led company, can lead to significant success while maintaining its core vision and values.

Long-term Investments:

The second strategic proposal that the Bumble Fund might be able to implement is the change towards longer-term investments, which can be done by offering extended maturity periods to women-led venture. This initiative considers the unique timelines and challenges those female

entrepreneurs often face but lack one key resource: time. Increasing the duration of investments relieves the immediate pressure from fast returns and allows these start-ups to grow and innovate at their own pace. Patient capital is a concept that plays a significant role in this investment strategy. By focusing on creating a sustainable growth for potential Bumble Fund candidates, instead of looking for a quick profit, it becomes beneficial to those start-ups that require considerable time and effort for research and development and other projects.

When considering investors, the extended term of investment can potentially bring higher returns as it promotes the full development of new innovative ideas, which are important for companies in competitive industries, like Bumble Inc. in the online dating industry, where a disruptive business model is crucial for creating value. Nonetheless, to adopt this strategy, it is necessary to understand that higher risk tolerance is required, which must be rewarded with more equity to investors. According to an analysis by Beauhurst, at the seed stage patient capital investors on average took 33% equity stake versus 14% compared to all deals (Wilson, 2021). Offering flexible terms, therefore, could help bring significant positive impact to female-led startups, the Bumble Fund, and the entrepreneurial ecosystem, as these approaches help contribute to a more inclusive venture capital industry, and align with Bumble Inc.'s mission and vision of empowering women.

Gender-Adjusted Weighted Average Cost of Capital

The purpose of this case is to analyze and innovate solutions that might help close the gender gap in entrepreneurship: Bumble Fund's third investment approach. Proposing an alternative method to a classic valuation and investment model, such as a Discounted Cash Flow analysis, comparable analysis, or precedent transactions, would help students think about fresh solutions that reflect

gender-related challenges while reinforcing key financial skills when valuating companies and building financial models. An example of an innovative suggestion could focus on adjusting the Weighted Average Cost of Capital (WACC) formula that is used when calculating the proper discount rate in the models and could be applied to different valuation methods. The most used formula when determining weighted cost of capital is as follows:

$$WACC = \frac{E}{E + D} \times r_e + \frac{D}{E + D} \times r_d \times (1 - t)$$

Equation 1: Weighted Average Cost of Capital

E stands for market value of equity, D as the market value of a firm's debt, r_e and r_d representing the equity cost of capital and debt respectively, and finally t being the corporate tax rate (Ross, Westerfield, and Jordan, 2010). When using WACC as the appropriate discount rate in a discounted cash flow analysis, for example, a lower WACC leads to a higher valuation, and vice versa. This shows the importance of this percentage and its impact on the value of a start-up. After considering the biases and the challenges female entrepreneurs face when trying to raise capital, it could be viable to add a new variable to the WACC formula that represent these factors such as market access, network reach, or funding biases. Nevertheless, to do this, first it would be necessary to create the proposed adjustment or premium using empirical and industry data that reflect this additional risk that new female ventures endure.

In a study from professors at Wharton indicate, using real-life evaluation of ventures, women are considered as less viable due to gender stereotypes that have been mentioned throughout the teaching notes (Lee, and Huang, 2018). Findings like this might suggest that adding a gender-related variable to the well-established WACC formula could be justified, and it is expected that

students research reliable sources to be able to back this possibility. After the necessary empirical research, students would be expected to establish the hypothetical premium; creating a new variable for real-world application would require more thorough research and back-testing.

After determining the new variable to be applied to the WACC formula, it is then necessary to examine the possibility of applying in this specific case this measure to the cost of equity (r_e), as the main purpose of this analysis is to demonstrate the increased difficulty for female entrepreneurs when trying to raise capital for investors. For example, a study conducted by the International Finance Corporation and the World Bank Group Gender Innovation Lab, found a large disparity in the amount of equity funding raised by male-led startups compared to female-led one's post-acceleration, suggesting a clear gender bias in the behavior of investors (IFC, World Bank Group Gender Innovation Lab, Village Capital, and We-Fi, 2020). By applying the gender-adjusted premium to the capital cost of equity, this analysis would emphasize the increased perception of risks associated with female-led ventures, and the impact on its valuation. When considering integrating the adjusted cost of equity into the WACC formula, the new composition would be the following:

$$WACC = \frac{E}{E+D} \times (r_e + g_m) + \frac{D}{E+D} \times r_d \times (1 - t)$$

Equation 2: Weighted Average Cost of Capital with Gender-adjusted Premium.









with g_m being the variable that encompasses the gender-related challenges for female entrepreneurs. The same could be applied to the cost of debt, and its comparison with the adjusted cost of equity could provide insight on how this affects the overall WACC.

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For this scenario, it is crucial to create the premium based on empirical research and industry data. The practical application of these variations of the formula would require rigorous back-testing against real-world performance data to confirm its accuracy and effectiveness. This project could significantly contribute to closing the gender gap in funding by quantifying the impact of gender on financial valuation models; nevertheless, the case instructor must always consider and emphasize that the main goal of this exercise is for students to propose practically sound ideas and financial models from the perspective of Bumble Inc. that could help solve the challenges that female entrepreneurs face when securing funding.

APPENDIX

Exhibit 1: Portfolio of the Bumble Fund

 <p>Beautycon Moj Mahdara <i>Photo credit: Sharon Suh</i></p> <p><i>The world's most in-demand, influential, and diverse beauty experience, uniting a global community of thought leaders, creators, fans and brands.</i></p>	 <p>Cleo Capital Sarah Kunst</p> <p><i>A venture fund empowering female founders to invest.</i></p>	 <p>Female Founders Fund Anu Duggal & Sutian Dong</p> <p><i>An early-stage fund investing in the exponential power of exceptional female talent.</i></p>
 <p>Mahmee Health Melissa Hanna</p> <p><i>A HIPAA-secure platform that makes it easy for hospitals, health systems, and their patients to coordinate comprehensive prenatal and postpartum healthcare from anywhere.</i></p>	 <p>Sofia Los Angeles Anasofia Gomez</p> <p><i>A swimwear company founded and led by Anasofia Gomez, one of the winners of our inaugural Bumble Bizz Pitch Competition.</i></p>	 <p>Alice Carolyn Rodz & Elizabeth Gore</p> <p><i>An AI powered platform for founders.</i></p>
 <p>Gixo Selina Tobaccowala</p> <p><i>A fitness company founded to improve global health and activity rates by democratizing access to live workouts with professional trainers through its app.</i></p>	 <p>Promise Phaedra Ellis-Lamkins</p> <p><i>A technology company that creates cost-effective, equitable, and humane alternatives to incarceration: Their mission is to get people out of jail and provide ongoing support to help them stay out.</i></p>	 <p>Translator, LLC Natalie Egan</p> <p><i>The world's most advanced Diversity & Inclusion training system for corporations, schools and non-profits.</i></p>

Source: Company Information

Group Part

Exhibit 2: Consolidated Income Statement (in thousands)

	Year Ended December 31, 2022	Year Ended December 31, 2021	Period from January 29, through December 31, 2020
Revenue	\$ 903,503	\$ 760,910	\$ 539,546
Operating costs and expenses:			
Cost of revenue	249,490	205,171	143,628
Selling and marketing expense	249,269	211,711	152,588
General and administrative expense	319,300	265,738	181,807
Product development expense	98,575	105,917	46,994
Depreciation and amortization expense	89,713	107,056	91,767
Total operating costs and expenses	1,006,347	895,593	616,784
Operating earnings (loss)	(102,844)	(134,683)	(77,238)
Interest income (expense)	(24,063)	(24,574)	(21,927)
Other income (expense), net	16,189	3,160	(917)
Income (loss) before income tax	(110,718)	(156,097)	(100,082)
Income tax benefit (provision)	(3,406)	437,837	(9,411)
Net earnings (loss)	(114,124)	281,740	(109,493)
Net earnings (loss) attributable to noncontrolling interests	(34,378)	(28,075)	806
Net earnings (loss) attributable to Bumble Inc. shareholders / Buzz Holdings L.P. owners / Worldwide Vision Limited shareholders	<u>\$ (79,746)</u>	<u>\$ 309,815</u>	<u>\$ (110,299)</u>
Net earnings (loss) per share / unit attributable to Bumble Inc. shareholders / Buzz Holdings L.P. owners			
Basic earnings (loss) per share / unit	\$ (0.62)	\$ 1.50	\$ (0.04)
Diluted earnings (loss) per share / unit	\$ (0.62)	\$ 1.45	\$ (0.04)

Source: Bumble Inc. Annual Report 2022

Group Part

Exhibit 3: Consolidated Balance Sheets (in thousands)

	December 31, 2022	December 31, 2021
ASSETS		
Cash and cash equivalents	\$ 402,559	\$ 369,175
Accounts receivable, net	66,930	47,538
Other current assets	31,882	52,751
Total current assets	501,371	469,464
Right-of-use assets	17,419	26,410
Property and equipment, net	14,467	14,627
Goodwill	1,579,770	1,540,112
Intangible assets, net	1,524,428	1,696,798
Deferred tax assets, net	24,050	19,572
Other noncurrent assets	31,116	10,013
Total assets	\$ 3,692,621	\$ 3,776,996
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	\$ 3,367	\$ 19,169
Deferred revenue	46,108	39,569
Accrued expenses and other current liabilities	156,443	111,482
Current portion of long-term debt, net	5,750	5,750
Total current liabilities	211,668	175,970
Long-term debt, net	619,223	623,231
Deferred tax liabilities, net	8,077	—
Payable to related parties pursuant to a tax receivable agreement	385,486	388,780
Other liabilities	14,588	119,246
Total liabilities	\$ 1,239,042	\$ 1,307,227
Commitments and contingencies (Note 20)		
Shareholders' Equity:		
Class A common stock (par value \$0.01 per share, 6,000,000,000 shares authorized; 129,774,299 and 129,212,949 shares issued and outstanding as of December 31, 2022 and 2021, respectively)	1,298	1,292
Class B common stock (par value \$0.01 per share, 1,000,000 shares authorized; 20 shares issued and outstanding as of December 31, 2022 and 2021, respectively)	—	—
Preferred stock (par value \$0.01; 600,000,000 shares authorized; no shares issued and outstanding as of December 31, 2022 and 2021, respectively)	—	—
Additional paid-in capital	1,691,911	1,588,426
Accumulated deficit	(139,871)	(60,125)
Accumulated other comprehensive income	74,477	78,603
Total shareholders' equity	1,627,815	1,608,196
Noncontrolling interests	825,764	861,573
Total shareholders' equity	2,453,579	2,469,769
Total liabilities and shareholders' equity	\$ 3,692,621	\$ 3,776,996

Source: Bumble Inc. Annual Report 2022

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