

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
 For the Quarterly Period Ended March 31, 2024
 Or
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
 For the transition period from _____ to _____
 Commission File No. 001-40420



VIMEO, INC.

(Exact name of registrant as specified in its charter)

Delaware
 (State or other jurisdiction of
 incorporation or organization)

85-4334195
 (I.R.S. Employer
 Identification No.)

330 West 34th Street, 5th Floor New York, New York 10001

(Address of registrant's principal executive offices)

(212) 524-8791

(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbol	Name of Exchange on Which Registered
Common Stock, par value \$0.01 per share	VME0	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

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

None

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

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

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

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

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

As of May 2, 2024, the following shares of the registrant's common stock were outstanding:

Common Stock	159,866,889
Class B common stock	9,399,250
Total	169,266,139

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "will," "may," "could," "should," "would," "anticipates," "estimates," "expects," "plans," "projects," "forecasts," "intends," "targets," "seeks" and "believes," as well as variations of these words, among others, generally identify forward-looking statements. These forward-looking statements include, among others, statements relating to Vimeo's future results of operations and financial condition, business strategy, and plans and objectives of management for future operations.

Forward-looking statements are based on our management's beliefs and assumptions and on information currently available. These forward-looking statements are subject to a number of known and unknown risks, uncertainties and assumptions. Actual results could differ materially from those contained in or implied by these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to:

- we have a history of losses,
 - our prior rapid growth may not be indicative of future performance, and our revenue has declined,
 - our limited operating history as a pure software-as-a-service ("SaaS") company and our limited history of selling such plans through our sales force,
 - our total addressable market may prove to be smaller than we expect,
 - our ability to read data and make forecasts may be limited,
 - we may not have the right product/market fit and may not be able to attract free users or subscribers,
 - we may not be able to convert our free users into subscribers,
 - competition in our market is intense,
 - we may not be able to scale our business effectively,
 - we may need additional funding as we continue to grow our business,
 - the use or capabilities of artificial intelligence in our offerings may result in reputational harm and liability,
 - we may experience service interruptions,
 - hosting and delivery costs may increase unexpectedly,
 - weakened global economic conditions may harm our industry, business and results of operations,
 - our business involves hosting large quantities of user content,
 - we have been sued for hosting content that allegedly infringed on a third-party copyright,
 - we may face liability for hosting a variety of tortious or unlawful materials,
 - we have faced negative publicity for removing, or declining to remove, certain content, regardless of whether such content violated any law,
 - we collect, store and process large amounts of content and personal information and any loss of or unauthorized access to such data could materially impact our business,
 - if our business becomes constrained by changing legal and regulatory requirements, including with respect to privacy, data security and data protection, consumer protection, and user-generated content, or enforcement by government regulators, including fines, orders or consent decrees in the U.S. or other jurisdictions in which we operate, our operating results will suffer,
 - we may experience a disruption of our business activities due to senior executive transitions,
 - we have been the target of cyberattacks by malicious actors,
 - we have faced claims that we infringe third-party intellectual property rights, and
 - the risks described in the section titled "Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q.
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Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time, and it is not possible for our management to predict all risk factors nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ from those contained in, or implied by, any forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. We cannot assure you that the events and circumstances reflected in the forward-looking statements will be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q and have filed as exhibits to this report with the understanding that our actual future results, levels of activity, performance, and achievements may be materially different from what we expect. Any forward-looking statements only speak as of the date of this document, and we undertake no obligation to update any forward-looking information or statements, whether written or oral, to reflect any change, except as required by law. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified by these cautionary statements.

PART I
FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

VIMEO, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(Unaudited)

	March 31, 2024	December 31, 2023
	(In thousands, except par value amounts)	
ASSETS		
Cash and cash equivalents	\$ 304,277	\$ 301,372
Accounts receivable, net	24,402	26,605
Prepaid expenses and other current assets	24,868	23,491
Total current assets	353,547	351,468
Leasehold improvements and equipment, net	711	607
Goodwill	245,406	245,406
Intangible assets with definite lives, net	2,282	2,629
Other non-current assets	23,384	22,810
TOTAL ASSETS	\$ 625,330	\$ 622,920
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Accounts payable, trade	\$ 4,532	\$ 4,696
Deferred revenue	165,719	168,610
Accrued expenses and other current liabilities	48,252	53,573
Total current liabilities	218,503	226,879
Other long-term liabilities	14,033	13,809
Commitments and contingencies		
SHAREHOLDERS' EQUITY:		
Common stock, \$0.01 par value; 1,600,000 shares authorized; 159,440 and 158,511 shares issued and outstanding, respectively	1,594	1,585
Class B common stock, \$0.01 par value; 400,000 shares authorized; 9,399 shares issued and outstanding	94	94
Preferred stock, \$0.01 par value; 100,000 shares authorized; no shares issued and outstanding	—	—
Additional paid-in capital	779,191	774,587
Accumulated deficit	(387,262)	(393,335)
Accumulated other comprehensive loss	(823)	(699)
Total shareholders' equity	392,794	382,232
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 625,330	\$ 622,920

The accompanying [Notes to Consolidated Financial Statements](#) are an integral part of these statements.

VIMEO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
(In thousands, except per share data)		
Revenue	\$ 104,910	\$ 103,582
Cost of revenue (exclusive of depreciation shown separately below)	23,443	23,672
Gross profit	81,467	79,910
Operating expenses:		
Research and development expense	28,135	31,260
Sales and marketing expense	32,305	39,987
General and administrative expense	18,034	9,306
Depreciation	57	928
Amortization of intangibles	347	1,234
Total operating expenses	78,878	82,715
Operating income (loss)	2,589	(2,805)
Interest expense	—	(121)
Other income, net	3,816	2,644
Earnings (loss) before income taxes	6,405	(282)
Income tax provision	(332)	(416)
Net earnings (loss)	\$ 6,073	\$ (698)
Per share information:		
Basic earnings (loss) per share	\$ 0.04	\$ —
Diluted earnings (loss) per share	\$ 0.04	\$ —
Stock-based compensation expense by function:		
Cost of revenue	\$ 147	\$ 141
Research and development expense	3,823	4,918
Sales and marketing expense	1,821	2,487
General and administrative expense	1,181	(8,655)
Total stock-based compensation expense	\$ 6,972	\$ (1,109)

The accompanying [Notes to Consolidated Financial Statements](#) are an integral part of these statements.

VIMEO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE OPERATIONS
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Net earnings (loss)	\$ 6,073	\$ (698)
Other comprehensive loss:		
Change in foreign currency translation adjustment	(124)	(128)
Total other comprehensive loss	(124)	(128)
Comprehensive income (loss)	<u>\$ 5,949</u>	<u>\$ (826)</u>

The accompanying [Notes to Consolidated Financial Statements](#) are an integral part of these statements.

VIMEO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
Three Months Ended March 31, 2024 and 2023
(Unaudited)

	Three Months Ended March 31, 2024							
	Common stock, \$0.01 par value		Class B common stock, \$0.01 par value		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	\$	Shares	\$	Shares				
	(In thousands)							
Balance at December 31, 2023	\$ 1,585	158,511	\$ 94	9,399	\$ 774,587	\$ (393,335)	\$ (699)	\$ 382,232
Net earnings	—	—	—	—	—	6,073	—	6,073
Other comprehensive loss	—	—	—	—	—	—	(124)	(124)
Stock-based compensation expense	—	—	—	—	6,972	—	—	6,972
Amounts related to settlement of equity awards	9	929	—	—	(2,368)	—	—	(2,359)
Balance at March 31, 2024	<u>\$ 1,594</u>	<u>159,440</u>	<u>\$ 94</u>	<u>9,399</u>	<u>\$ 779,191</u>	<u>\$ (387,262)</u>	<u>\$ (823)</u>	<u>\$ 392,794</u>

	Three Months Ended March 31, 2023							
	Common stock, \$0.01 par value		Class B common stock, \$0.01 par value		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	\$	Shares	\$	Shares				
	(In thousands)							
Balance at December 31, 2022	\$ 1,572	157,187	\$ 94	9,399	\$ 768,390	\$ (415,367)	\$ (831)	\$ 353,858
Net loss	—	—	—	—	—	(698)	—	(698)
Other comprehensive loss	—	—	—	—	—	—	(128)	(128)
Stock-based compensation expense	—	—	—	—	(1,109)	—	—	(1,109)
Amounts related to settlement of equity awards	5	491	—	—	(1,635)	—	—	(1,630)
Restricted Stock Award	(16)	(1,624)	—	—	16	—	—	—
Balance at March 31, 2023	<u>\$ 1,561</u>	<u>156,054</u>	<u>\$ 94</u>	<u>9,399</u>	<u>\$ 765,662</u>	<u>\$ (416,065)</u>	<u>\$ (959)</u>	<u>\$ 350,293</u>

The accompanying [Notes to Consolidated Financial Statements](#) are an integral part of these statements.

VIMEO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
(In thousands)		
Cash flows from operating activities:		
Net earnings (loss)	\$ 6,073	\$ (698)
Adjustments to reconcile net earnings (loss) to net cash provided by (used in) operating activities:		
Stock-based compensation expense	6,972	(1,109)
Amortization of intangibles	347	1,234
Depreciation	57	928
Provision for credit losses	(81)	(119)
Loss on the sale of an asset	—	37
Non-cash lease expense	1,182	1,126
Other adjustments, net	(58)	(27)
Changes in assets and liabilities:		
Accounts receivable	1,758	2,198
Prepaid expenses and other assets	2,145	1,610
Accounts payable and other liabilities	(10,383)	(8,440)
Deferred revenue	(2,422)	2,017
Net cash provided by (used in) operating activities	5,590	(1,243)
Cash flows from investing activities:		
Capital expenditures	(160)	(86)
Proceeds from the sale of an asset	—	639
Net cash (used in) provided by investing activities	(160)	553
Cash flows from financing activities:		
Amounts related to settlement of equity awards	(2,205)	(1,709)
Proceeds from exercise of stock options	12	79
Contingent consideration payment	—	(3,297)
Other	—	(265)
Net cash used in financing activities	(2,193)	(5,192)
Total cash provided (used)	3,237	(5,882)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(141)	(257)
Net increase (decrease) in cash and cash equivalents and restricted cash	3,096	(6,139)
Cash and cash equivalents and restricted cash at beginning of period	301,436	274,834
Cash and cash equivalents and restricted cash at end of period	\$ 304,532	\$ 268,695

The accompanying [Notes to Consolidated Financial Statements](#) are an integral part of these statements.

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1—ORGANIZATION AND BASIS OF PRESENTATION

Description of Business

Vimeo is the world's leading all-in-one video software solution, providing the full breadth of video tools through a software-as-a-service model. Vimeo's comprehensive and cloud-based tools empower its users to create, collaborate and communicate with video on a single, turnkey platform.

As used herein, "Vimeo," "Company," "we," "our" or "us" and similar terms in these consolidated financial statements refer to Vimeo, Inc. and its subsidiaries (unless the context requires otherwise).

Basis of Presentation and Consolidation

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and with the rules and regulations of the Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and notes required by GAAP for complete annual financial statements. In the opinion of management, the accompanying unaudited interim consolidated financial statements include all adjustments considered necessary for a fair presentation. Interim results are not necessarily indicative of the results that may be expected for the full year. The information included in this Form 10-Q should be read in conjunction with the annual audited consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

All intercompany balances and transactions between and among Vimeo and its subsidiaries have been eliminated. All related party balances between Vimeo and IAC/InterActiveCorp ("IAC") and its subsidiaries are reflected in the accompanying consolidated balance sheet within "Accrued expenses and other current liabilities" and "Other long-term liabilities".

All related party transactions between Vimeo and IAC and its subsidiaries, other than amounts related to the settlement of equity awards are reflected in the accompanying consolidated statement of cash flows as operating activities. Amounts related to the settlement of equity awards are reflected in the accompanying consolidated statement of cash flows as financing activities.

Accounting Estimates

Management of Vimeo is required to make certain estimates, judgments and assumptions during the preparation of its consolidated financial statements in accordance with GAAP that affect the amounts reported in the accompanying consolidated financial statements and footnotes thereto. Actual results could differ from these estimates.

Significant estimates and judgments inherent in the preparation of the accompanying consolidated financial statements include those related to: the carrying value of accounts receivable, including the determination of the allowance for credit losses; the determination of the estimated customer relationship period for certain costs to obtain a contract with a customer; the carrying value of right-of-use assets ("ROU assets") and related lease liabilities; the useful lives and recoverability of intangible assets with definite lives; the recoverability of goodwill; contingencies; unrecognized tax benefits; the valuation allowance for deferred income tax assets; and the accounting for stock-based compensation expense, among others. Vimeo bases its estimates, judgments and assumptions on historical experience, its forecasts and budgets and other factors that Vimeo considers relevant.

Recent Accounting Pronouncements Not Yet Adopted by the Company

In November 2023, Accounting Standards Update ("ASU") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* was issued, which amended existing guidance to require disclosure of significant segment expenses and other segment items on an annual and interim basis and to provide in interim periods all disclosures about a reportable segment's profit or loss and assets that are currently required annually. These amendments are effective on a retrospective basis for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements.

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

In December 2023, ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* was issued, and requires disclosure of disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. This guidance will become effective for fiscal years beginning after December 15, 2024 on a prospective basis. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements.

NOTE 2—REVENUE

Revenue Recognition

Vimeo's revenue is derived primarily from fixed SaaS subscription fees paid by customers. Subscription periods generally range from one month to three years with the most common being an annual subscription and are generally non-cancellable.

Vimeo accounts for a contract with a customer when it has approval and commitment from all parties, the rights of the parties and payment terms are identified, the contract has commercial substance and collectability of consideration is probable. The transaction price, which generally reflects the fixed SaaS subscription fees listed in the terms of the contract, is the amount of consideration Vimeo expects to be entitled to in exchange for access to the Vimeo platform. The transaction price is recognized as revenue on a straight-line basis over the contractual term of the arrangement beginning on the date access is provided to the Vimeo platform, which is considered to be a series of distinct services that comprise a single performance obligation and have the same pattern of transfer over the contractual term. All taxes assessed by governmental authorities that are both (i) imposed on and concurrent with a specific revenue-producing transaction and (ii) collected from customers are excluded from the measurement of the transaction price, and accordingly, not included as a component of revenue or cost of revenue. For contracts that have an original duration of one year or less, Vimeo does not consider the time value of money applicable to such contracts. Estimates of variable consideration are not significant.

Disaggregated revenue is as follows:

	Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Revenue:		
Self-Serve & Add-Ons	\$ 69,912	\$ 71,602
Vimeo Enterprise	18,467	11,572
Other	16,531	20,408
Total	\$ 104,910	\$ 103,582

Revenue by geography is based on where the customer is located. The United States was the only country whose revenue constituted greater than 10% of total revenue of the Company for the three months ended March 31, 2024 and 2023.

	Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Revenue:		
United States	\$ 57,329	\$ 54,715
All other countries	47,581	48,867
Total	\$ 104,910	\$ 103,582

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Deferred Revenue

Deferred revenue consists of payments that are received or are contractually due in advance of Vimeo's performance. Vimeo's deferred revenue is reported on a contract by contract basis at the end of each reporting period. Vimeo classifies deferred revenue as current when the term of the applicable subscription period or expected completion of its performance obligation is one year or less. The current and non-current deferred revenue balances are included in the accompanying consolidated balance sheet as follows:

	March 31, 2024	December 31, 2023
	(In thousands)	
Deferred revenue	\$ 165,719	\$ 168,610
Other long-term liabilities	1,160	1,216

During the three months ended March 31, 2024, Vimeo recognized \$78.3 million of revenue that was included in the deferred revenue balance at December 31, 2023. During the three months ended March 31, 2023, Vimeo recognized \$77.1 million of revenue that was included in the deferred revenue balance at December 31, 2022.

Costs to Obtain a Contract with a Customer

Vimeo has determined that commissions paid to employees pursuant to certain sales incentive programs meet the requirements to be capitalized as a cost of obtaining a contract with a customer. Commissions paid to employees pursuant to certain sales incentive programs are amortized over the estimated customer relationship period. Vimeo calculates the estimated customer relationship period as the average customer life, which is based on historical data. When customer renewals are expected and the renewal commission is not commensurate with the initial commission, the average customer life includes renewal periods. Vimeo has elected the practical expedient to expense costs to obtain a contract with a customer as incurred when the customer relationship period is one year or less.

The current and non-current balances of capitalized costs to obtain a contract with a customer are included in the accompanying consolidated balance sheet as follows:

	March 31, 2024	December 31, 2023
	(In thousands)	
Prepaid expenses and other current assets	\$ 4,938	\$ 5,099
Other non-current assets	8,202	8,263

NOTE 3—INCOME TAXES

At the end of each interim period, Vimeo estimates the annual expected effective income tax rate and applies that rate to its ordinary year-to-date earnings or loss with discrete items recorded in the period. The estimates used to compute the provision or benefit for income taxes may change as new events occur, additional information is obtained, or Vimeo's tax environment changes.

For the three months ended March 31, 2024 and 2023, Vimeo recorded an income tax provision of \$0.3 million and \$0.4 million, respectively. The difference between the effective income tax rate and federal statutory rate primarily relates to stock-based awards, movement in the valuation allowance, and the effects of international tax provisions as required under the 2017 Tax Cuts and Jobs Act. Vimeo's largest deferred tax assets are capitalized research and development expenses and tax attribute carryforwards. Vimeo has recorded a valuation allowance for the majority of its net deferred tax assets because it has concluded that it is more likely than not that the tax benefit will not be realized.

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

At March 31, 2024 and December 31, 2023, unrecognized tax benefits, including interest and penalties, were \$4.8 million and \$4.6 million, respectively. The Company would recognize an income tax benefit of \$0.5 million if unrecognized tax benefits at March 31, 2024 are subsequently recognized. Vimeo believes no unrecognized tax benefits would decrease by March 31, 2025. Vimeo recognizes interest and penalties related to unrecognized tax benefits, if applicable, in income tax provision.

NOTE 4—FAIR VALUE MEASUREMENTS

Vimeo's financial instruments that are measured at fair value on a recurring basis are as follows:

	March 31, 2024			
	Quoted Market Prices for Identical Assets in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value Measurements
(In thousands)				
Money market funds	\$ 275,196	\$ —	\$ —	\$ 275,196
Time deposits	—	6,348	—	6,348
Total	\$ 275,196	\$ 6,348	\$ —	\$ 281,544

	December 31, 2023			
	Quoted Market Prices for Identical Assets in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value Measurements
(In thousands)				
Money market funds	\$ 274,212	\$ —	\$ —	\$ 274,212
Time deposits	—	6,098	—	6,098
Total	\$ 274,212	\$ 6,098	\$ —	\$ 280,310

Money market funds and time deposits are included in "Cash and cash equivalents" in the accompanying consolidated balance sheet.

Vimeo's non-financial assets (which consist primarily of goodwill, ROU assets, and intangible assets with definite lives) are adjusted to fair value only if an impairment is recognized. Such fair value measurements are based predominantly on Level 3 inputs.

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

The changes in the Company's financial instruments that are measured at fair value on a recurring basis using significant unobservable inputs (Level 3) are as follows and solely relate to the Company's contingent consideration arrangements which were finalized and paid in 2023 (as described below):

	Three Months Ended March 31,	
	2023	
	(In thousands)	
Balance at beginning of period	\$	7,845
Total net losses:		
Included in operating income (loss)		104
Settlements		(4,972)
Balance at end of period	\$	2,977

Contingent Consideration Arrangements

The aggregate purchase price of the Company's 2021 acquisitions of WIREWAX Ltd. ("WIREWAX") and Wibbitz Ltd. ("Wibbitz") consisted of cash consideration and contingent consideration, based on a combination of certain financial metrics and integration milestones.

In the first quarter of 2023, the contingent consideration arrangement for WIREWAX was finalized and resulted in a payment of \$5.0 million to its former shareholders and a \$0.1 million loss that was recorded within "General and administrative expense" in the accompanying consolidated statement of operations. In the accompanying consolidated statement of cash flows, the final \$5.0 million payment is included in "Contingent consideration payment" within financing activities and "Accounts payable and other liabilities" within operating activities for \$3.3 million and \$1.7 million, respectively.

In the third quarter of 2023, the contingent consideration arrangement for Wibbitz was finalized and the Company paid \$2.5 million to Wibbitz's former shareholders.

NOTE 5—SHAREHOLDERS' EQUITY

Description of Vimeo Common Stock and Vimeo Class B Common Stock

Except as described herein, shares of Vimeo common stock and Vimeo Class B common stock are identical.

In general, the holders of shares of Vimeo common stock vote together as a single class with the holders of shares of Vimeo Class B common stock on all matters, including the election of directors; provided, however, that the holders of shares of Vimeo common stock, acting as a single class, are entitled to elect twenty-five percent (25%) of the total number of Vimeo directors, rounded up to the next whole number in the event of a fraction. Each outstanding share of Vimeo common stock and Vimeo Class B common stock entitles the holder to one vote per share and ten votes per share, respectively.

The holders of shares of Vimeo common stock and the holders of shares of Vimeo Class B common stock are entitled to receive, share for share, such dividends as may be declared by Vimeo's Board of Directors (the "Board") out of funds legally available for the payment of dividends. In the event of a liquidation, dissolution, distribution of assets or winding-up of Vimeo, the holders of shares of Vimeo common stock and the holders of shares of Vimeo Class B common stock are entitled to receive, share for share, all the assets available for distribution after payment of a proper amount to the holders of any series of Vimeo preferred stock, including any series that may be issued in the future.

Vimeo is authorized to issue 1,600,000,000 shares of Vimeo common stock and 400,000,000 shares of Vimeo Class B common stock.

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Vimeo Restricted Shares

Vimeo Restricted Shares (held by Joseph Levin, Special Advisor to the Board and former Chairman and member of the Board) totaling 3,247,000 shares were reflected in the accompanying consolidated balance sheet within "Common Stock" at March 31, 2024 and December 31, 2023. Vesting of the Vimeo Restricted Shares is subject to Mr. Levin's continued service as Special Advisor to the Board through November 5, 2030, as well as the achievement of certain stock price targets. Vimeo Restricted Shares have a non-forfeitable dividend right in the event the Company declares a cash dividend to common shareholders and participates in all other distributions of the Company in the same manner as all other Vimeo common shareholders.

Description of Preferred Stock

The Board is authorized to provide for the issuance of shares of preferred stock, and any class or series thereof, and to assign the designations, powers, preferences and rights to each such class or series and any qualifications, limitations or restrictions. There have been no preferred stock issuances to date.

Stock Repurchase Program

On February 25, 2022, the Board authorized a stock repurchase program of up to \$50 million of the Company's common stock through open market or private transactions. Under the stock repurchase authorization, Vimeo may repurchase shares of its common stock at any time or from time to time, without prior notice, subject to market conditions and other considerations, as determined by management. Vimeo's repurchases may be made through 10b5-1 plans, open market purchases, privately negotiated transactions, block purchases or other transactions. No date has been established for the completion of the stock repurchase program. Vimeo intends to fund repurchases under the repurchase program from cash on hand. Vimeo has no obligation to repurchase any shares under the repurchase program and may suspend or discontinue it at any time. There were no shares repurchased during the three months ended March 31, 2024 and 2023.

NOTE 6—ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss consisting of foreign currency translation adjustments is as follows:

	Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Balance at beginning of period	\$ (699)	\$ (831)
Other comprehensive loss	(124)	(128)
Balance at end of period	\$ (823)	\$ (959)

At both March 31, 2024 and 2023, there was no tax benefit or provision on accumulated other comprehensive loss.

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

NOTE 7—EARNINGS (LOSS) PER SHARE

Vimeo common stock and Class B common stock are treated as one class of common stock for earnings per share ("EPS") purposes as both classes of common stock participate in earnings, dividends and other distributions on the same basis. Vimeo calculates basic EPS using the two-class method since the Vimeo Restricted Shares are participating securities as they are unvested and have a non-forfeitable dividend right in the event the Company declares a cash dividend to common shareholders and participates in all other distributions of the Company in the same manner as all other Vimeo common shareholders. Diluted EPS is calculated, on the most dilutive basis, which excludes equity awards that would be anti-dilutive.

The computation of basic and diluted earnings (loss) per share attributable to common shareholders is as follows:

	Three Months Ended March 31,	
	2024	2023
	(In thousands, except per share data)	
Basic EPS:		
Numerator:		
Net earnings (loss)	\$ 6,073	\$ (698)
Less: Net earnings attributed to participating security	(117)	—
Net earnings (loss) attributable to common stock shareholders	\$ 5,956	\$ (698)
Denominator: ^(a)		
Weighted average basic common shares outstanding	165,033	161,833
Basic earnings (loss) per share	\$ 0.04	\$ —
Diluted EPS:		
Numerator:		
Net earnings (loss)	\$ 6,073	\$ (698)
Less: Net earnings attributed to participating security	(115)	—
Net earnings (loss) attributable to common stock shareholders	\$ 5,958	\$ (698)
Denominator: ^(a)		
Weighted average basic common shares outstanding	165,033	161,833
Dilutive securities	3,963	—
Weighted average diluted common shares outstanding	168,996	161,833
Antidilutive securities	12,812	34,332
Diluted earnings (loss) per share	\$ 0.04	\$ —

^(a) Vimeo Restricted Shares were included in shares of common stock issued and outstanding at March 31, 2024 and December 31, 2023 in the accompanying consolidated balance sheet, but were excluded from the computation of average basic common shares outstanding for EPS purposes because the number of shares that ultimately vest is subject to the satisfaction of certain market-based conditions.

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

NOTE 8—FINANCIAL STATEMENT DETAILS
Cash and Cash Equivalents and Restricted Cash

The reconciliation of cash and cash equivalents and restricted cash reported within the accompanying consolidated balance sheet to the total amounts shown in the accompanying consolidated statement of cash flows is as follows:

	March 31, 2024	December 31, 2023	March 31, 2023	December 31, 2022
	(In thousands)			
Cash and cash equivalents	\$ 304,277	\$ 301,372	\$ 268,366	\$ 274,497
Restricted cash included in Prepaid expenses and other current assets	255	64	329	337
Total cash and cash equivalents and restricted cash as shown in the accompanying consolidated statement of cash flows	<u>\$ 304,532</u>	<u>\$ 301,436</u>	<u>\$ 268,695</u>	<u>\$ 274,834</u>

Restricted cash at March 31, 2024, March 31, 2023, and December 31, 2022 primarily consisted of deposits related to a lease and corporate credit cards.

Restricted cash at December 31, 2023 primarily consisted of a deposit related to corporate credit cards.

Credit Losses

The changes in the allowance for credit losses are as follows:

	Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Balance at beginning of period	\$ 2,728	\$ 5,183
Provision for credit losses	(81)	(119)
Write-offs charged against the allowance	(531)	(1,858)
Recoveries collected	233	321
Currency translation adjustment	—	(17)
Balance at end of period	<u>\$ 2,349</u>	<u>\$ 3,510</u>

Accumulated Amortization and Depreciation

Accumulated amortization and depreciation within the accompanying consolidated balance sheet are as follows:

<u>Asset Category</u>	March 31, 2024	December 31, 2023
	(In thousands)	
ROU assets included in Other non-current assets	\$ 15,718	\$ 14,536
Leasehold improvements and equipment	758	704
Intangible assets with definite lives	\$ 47,978	\$ 47,631

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Other income, net

The components of "Other income, net" are as follows:

	Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Interest income	\$ 3,671	\$ 2,686
Foreign exchange gains (losses), net	145	(5)
Loss on the sale of an asset	—	(37)
Other income, net	<u>\$ 3,816</u>	<u>\$ 2,644</u>

Geographic Concentrations

Long-lived assets, excluding goodwill, intangible assets with definite lives and ROU assets, at March 31, 2024 and December 31, 2023 relate to "Leasehold improvements and equipment, net."

	March 31, 2024	December 31, 2023
		(In thousands)
Leasehold improvements and equipment, net:		
United States	\$ 509	\$ 492
All other countries	202	115
Total	<u>\$ 711</u>	<u>\$ 607</u>

NOTE 9—CONTINGENCIES

In the ordinary course of business, Vimeo is, and from time to time may become, a party to various legal proceedings. Vimeo establishes reserves for specific legal matters when it determines that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable. Management has also identified certain other legal matters where it believes an unfavorable outcome is not probable and, therefore, no reserve is established. Although management currently believes that resolving claims against Vimeo, including claims where an unfavorable outcome is reasonably possible, will not have a material impact on the liquidity, results of operations or financial condition of Vimeo, these matters are subject to inherent uncertainties and management's view of these matters may change in the future. Vimeo also evaluates other contingent matters, including income and non-income tax contingencies, to assess the likelihood of an unfavorable outcome and estimated extent of potential loss. It is possible that an unfavorable outcome of one or more of these lawsuits or other contingencies could have a material impact on the liquidity, results of operations or financial condition of Vimeo. See "Note 3—Income Taxes" for additional information related to income tax contingencies.

EMI/Capitol Records Copyright Infringement Litigation

In December 2009, a group of music publishers owned by EMI Music Publishing (now owned by Sony/ATV Music Publishing, a subsidiary of Sony Entertainment) and a group of then EMI-affiliated record companies, including Capitol Records (now owned by Universal Music Group), filed two lawsuits against Vimeo and its former owner, Connected Ventures, in the U.S. District Court for the Southern District of New York. See *Capitol Records, LLC v. Vimeo, LLC*, No. 09 Civ. 10101 (S.D.N.Y.) and *EMI Blackwood Music, Inc. v. Vimeo, LLC*, No. 09 Civ. 10105 (S.D.N.Y.). In both cases, plaintiffs allege that Vimeo infringed their music copyrights (in the publishers' musical compositions and the record companies' sound recordings) by hosting and streaming videos uploaded by users (and in certain cases, former employees) featuring their musical works. Plaintiffs seek, among other things, injunctive relief and monetary damages. The initial complaints identified 199 videos as infringing (which Vimeo removed post-suit).

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Prior to suit, plaintiffs did not avail themselves of their right to submit a takedown notice to Vimeo pursuant to the online safe harbor provisions of the Digital Millennium Copyright Act of 1998 ("DMCA"), which limits the liability of online service providers for copyright infringement of their users when the provider takes certain measures. Vimeo asserts that the DMCA limits its liability because it complies with the DMCA and plaintiffs failed to submit takedown notices. Plaintiffs disagree, asserting various theories as to why the DMCA may not apply to some or all of the videos-in-suit.

The district court bifurcated proceedings and required the parties to first litigate the issue of whether Vimeo satisfied the DMCA's safe harbor provisions. On September 18, 2013, the district court granted partial summary judgment to Vimeo on 144 of the 199 original videos-in-suit on the ground that Vimeo complied with the threshold requirements of the DMCA and that there was no evidence that a Vimeo employee had watched the videos in question such that Vimeo had actual or "red flag" knowledge of infringement, which would disqualify the DMCA's application. The court denied summary judgment as to 35 videos-in-suit on the ground that there was a material question of fact as to whether Vimeo had "red flag" knowledge of infringement based upon employees having watched all or part of these videos. The court further held that the DMCA did not apply to the record companies' state-law claims regarding sound recordings fixed before February 1972; a trial was necessary to determine whether Vimeo was liable for employees who uploaded approximately 20 videos; and that plaintiffs should be permitted to amend their complaints to add over 1,500 videos allegedly infringing their copyrights (which Vimeo removed after receiving plaintiffs' proposed amended complaint).

Vimeo sought and obtained the right to appeal certain issues on an interlocutory basis to the U.S. Court of Appeals for the Second Circuit. On June 16, 2016, the Second Circuit held that (1) the district court had applied the incorrect summary-judgment standard for "red flag" infringement and that evidence that an employee watched all or part of a video containing plaintiffs' music did not raise a genuine issue of fact as to whether Vimeo had "red flag" knowledge in such video; (2) the DMCA applies to state-law copyright infringement claims predicated on pre-1972 sound recordings; and (3) on an issue raised by plaintiffs in their cross-appeal, the record did not show that Vimeo was willfully blind towards infringing activity taking place on its platform. As a result of these rulings, the Second Circuit partially vacated the district court's ruling and remanded the case for further proceedings consistent with its judgment.

On March 31, 2018, the district court granted Vimeo's motion to dismiss plaintiffs' state-law unfair competition claims on the grounds that they were state-law copyright claims covered by the DMCA per the Second Circuit's judgment. On May 28, 2021, the district court granted Vimeo summary judgment as to videos for which the sole remaining basis of liability was the assertion that Vimeo had "red flag" knowledge of infringement. On August 26, 2021, the district court approved a stipulation whereby plaintiffs agreed to conditionally dismiss all remaining claims to allow a final judgment to issue. Under the stipulation, plaintiffs may refile their claims regarding the alleged employee-uploaded videos if the Second Circuit reverses the district court's other rulings in whole or in part. On November 1, 2021, the district court entered a final judgment adopting the terms of the parties' stipulation. On November 29, 2021, plaintiffs filed an appeal to the U.S. Court of Appeals for the Second Circuit. The appeal has been fully briefed and argued.

RTI Copyright Litigation

Between 2012 and 2017, Italian broadcaster Reti Televisive Italiane s.p.a. and an affiliate thereof (collectively, "RTI") filed four lawsuits for copyright infringement against Vimeo in the Civil Court of Rome. See *Reti Televisive Italiane s.p.a. v. Vimeo, LLC*, Cause Nos. 23732/12, 62343/2015, and 59780/2017 (Rome Civil Court), and *Medusa Film v. Vimeo, Inc.*, Cause No. 74775/2017 (Rome Civil Court). In each case, RTI asserts that Vimeo infringed its copyrights by hosting and streaming user-uploaded videos that allegedly contain RTI's television or film programming, and seeks, among other things, injunctive relief and monetary damages.

On January 15, 2019, the Civil Court of Rome concluded the first case (No. 23732/12) and entered a judgment against Vimeo, awarding RTI damages of €8,500,000 plus interest and entering an injunction against Vimeo with respect to further acts of infringement. Vimeo filed an appeal and petitioned to stay the judgment pending appeal. On May 13, 2019, the Rome Court of Appeals stayed the judgment pending appeal. On August 10, 2022, the Rome Court of Appeals affirmed the judgment. Vimeo is now appealing to the Italian Supreme Court of Cassation.

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

On June 2, 2019, the Civil Court of Rome concluded the second case (No. 62343/2015) and entered a judgment against Vimeo, awarding RTI damages of €4,746,273 plus interest and entering an injunction against Vimeo as to further acts infringement. Vimeo filed an appeal and petitioned to stay the judgment pending appeal. The Rome Court of Appeals declined to stay the judgment. On October 12, 2023, the Rome Court of Appeals published its decision affirming the lower court's judgment on liability but reducing the amount of damages to €3,865,161 plus interests and costs. Vimeo has appealed to the Italian Supreme Court of Cassation.

To pursue enforcement of the judgments in the United States, RTI initially commenced a lawsuit against Vimeo in the U.S. District Court for the Southern District of New York on October 26, 2020 to enforce the June 2019 judgment. See *Reti Televisive Italiane s.p.a. v. Vimeo, LLC*, No. 20 Civ. 8954 (S.D.N.Y.). On December 22, 2020, Vimeo and RTI filed, and the district court entered, a stipulation and order staying the U.S. proceedings pending the final outcome of the appeals from the Italian judgment at issue. On June 1, 2023, RTI filed an action in the Supreme Court of New York, New York County to enforce the Civil Court's judgment of €8,500,000 (No. 652646/2023). The case was removed to federal court and is now pending in the Southern District of New York. See *Reti Televisive Italiane S.p.A. v. Vimeo.com, Inc.*, No. 23 Civ. 05488 (S.D.N.Y.). On October 20, 2023, the U.S. District Court for the Southern District of New York entered an order lifting the stay of the U.S. enforcement proceedings in the first case (No. 20 Civ. 8954) and consolidating the two enforcement proceedings (No. 20 Civ. 8954 and No. 23 Civ. 05488). Vimeo has filed a Motion for Summary Judgement or, in the Alternative, to Stay the Case.

On April 7, 2023, the Civil Court of Rome published a decision finding in favor of Vimeo and dismissing the third case (No. 59780/2017) in its entirety. On October 9, 2023, RTI served Vimeo with its appeal challenging the court's decision in the third case. The case is currently pending before the appellate court.

On October 18, 2022, the Civil Court of Rome issued a decision in the fourth case, *Medusa Film v. Vimeo, Inc.* (No. 74775/2017) finding liability but rejecting RTI's damage calculation and reserving judgment as to the amount of damages. On November 30, 2022, RTI served a notice of appeal challenging the court's decision on damages. The case is currently pending before the appellate court.

Sony/Universal/Warner Copyright Litigation

In March 2021, Sony Music Entertainment Italy (a subsidiary of Sony Music Entertainment Group), Warner Music Italia (a subsidiary of Warner Music Group), Universal Music Italia (a subsidiary of Universal Music Group), and Warner Music International Services (a subsidiary of Warner Music Group) filed a lawsuit against Vimeo in the Court of Milan alleging violations of Italian copyright and unfair competition laws. See *Sony Music Entertainment Italy s.p.a. et al. v. Vimeo, Inc.*, Case No. 10977/2021 (Court of Milan, Business Division). The complaint alleges that Vimeo infringed plaintiffs' copyrights by hosting and streaming user-uploaded videos that contain plaintiffs' copyrighted works and that, upon notification of the alleged infringement, Vimeo employed a takedown process that did not comply with Italian law. The complaint seeks, among other things, injunctive relief and damages to be quantified in a separate proceeding. Additionally, the complaint seeks potential penalties of €10,000 per day of delay in removing unauthorized works after receipt of a court order to do so, if applicable. On November 3, 2021, Vimeo filed its initial brief. On November 23, 2021, the parties attended the initial hearing with the Court of Milan where the court set forth a briefing schedule. The parties have exchanged briefs, and the hearing scheduled for December 19, 2023 was postponed to June 26, 2024.

NOTE 10—RELATED PARTY TRANSACTIONS

Vimeo has entered into various sublease agreements with a subsidiary of Angi Inc., an indirect subsidiary of IAC, whereby Vimeo agreed to sublease a portion of the 5th floor and the entire 10th floor at 330 West 34th Street ("West 34th Street Sublease") in New York City, both through April 2028. At March 31, 2024 and December 31, 2023 Vimeo had a current lease liability of \$2.4 million and \$2.3 million included in "Accrued expenses and other current liabilities", respectively, and a non-current lease liability of \$10.0 million and \$10.7 million included in "Other long-term liabilities", respectively, related to the West 34th Street Sublease in the accompanying consolidated balance sheet. Rent expense for both the three months ended March 31, 2024 and 2023 was \$0.9 million.

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

NOTE 11—RESTRUCTURING

During the three months ended March 31, 2024 and 2023, the Company completed evaluations to sufficient levels of detail to commit to restructuring plans that resulted in reductions to its workforce of approximately 4% and 11% of its employees, respectively. One-time termination benefits provided as part of the restructuring plans include severance, continuation of health insurance coverage and other benefits for a specified period of time, which resulted in \$2.2 million and \$4.9 million of restructuring costs for the three months ended March 31, 2024 and 2023, respectively.

Costs related to these restructuring plans have been recognized in the accompanying consolidated statement of operations as follows:

	Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Restructuring costs:		
Cost of revenue	\$ 88	\$ 298
Research and development expense	116	2,813
Sales and marketing expense	1,104	1,078
General and administrative expense	897	699
Total	<u>\$ 2,205</u>	<u>\$ 4,888</u>

At March 31, 2024, a payable of \$0.8 million related to restructuring costs was included in "Accrued expenses and other current liabilities" in the accompanying consolidated balance sheet.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations for Vimeo
GENERAL

Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the Vimeo consolidated financial statements for the three months ended March 31, 2024 included in "[Item 1—Consolidated Financial Statements](#)."

Operating Metrics and Key Terms:

	Three Months Ended March 31,		
	2024	2023	% Change
(In thousands, except ARPU)			
Self-Serve & Add-Ons:			
Subscribers	1,348.6	1,478.5	(9)%
Average Subscribers	1,364.2	1,491.8	(9)%
ARPU	\$ 206	\$ 195	6 %
Bookings	\$ 66,866	\$ 71,374	(6)%
Vimeo Enterprise:			
Subscribers	3.7	2.5	47 %
Average Subscribers	3.5	2.4	48 %
ARPU	\$ 21,203	\$ 19,831	7 %
Bookings	\$ 19,935	\$ 13,531	47 %
Other:			
Subscribers	60.4	83.6	(28)%
Average Subscribers	63.7	88.5	(28)%
ARPU	\$ 1,044	\$ 935	12 %
Bookings	\$ 11,329	\$ 12,855	(12)%

When the following terms appear in this Management's Discussion and Analysis of Financial Condition and Results of Operations for Vimeo, they have the meanings indicated below:

- **Self-Serve & Add-Ons** relates to our subscription plans sold directly online, and any add-on services tied to those online subscriptions. This includes our Starter, Standard, and Advanced subscription plans, and add-on services such as bandwidth charges, which are sold through our sales force to subscribers of one of our plans if they exceed a certain threshold of bandwidth.
- **Vimeo Enterprise** relates to our video offering designed for teams and organizations, which includes the same capabilities of Self-Serve & Add-Ons plus enterprise-grade features such as advanced security, custom user permissions, single-sign on for employees, interactive video tools, and marketing software integrations. Vimeo Enterprise is sold through our sales force and is often an upgrade from Vimeo's Self-Serve & Add-Ons as the number of users or use cases in an organization grows.
- **Other** relates to products and services we offer outside of Self-Serve & Add-Ons and Vimeo Enterprise, primarily our over-the-top ("OTT") video monetization solution that allows customers to launch and run their own video streaming channel directly to their audience through a branded web portal, mobile apps and Internet-enabled TV apps. Other also includes Magisto, Livestream, Wibbitz, and WIREWAX.
- **Subscribers** is the number of users who have an active subscription to one of Vimeo's paid plans measured at the end of the relevant period. Vimeo counts each account with a subscription plan as a subscriber. In the case of customers

who maintain accounts across Self-Serve & Add-Ons, Vimeo Enterprise, and Other, Vimeo counts them as one subscriber for each of the components in which they maintain a subscription. Vimeo does not count team members who have access to a subscriber's account as additional subscribers.

- **Average Subscribers** is the sum of the number of Subscribers at the beginning and at the end of the relevant measurement period divided by two.
- **Average Revenue per User ("ARPU")** is the annualized revenue for the relevant period divided by Average Subscribers. For periods that are less than a full year, annualized revenue is calculated by dividing the revenue for that particular period by the number of calendar days in the period and multiplying this value by the number of days in that year.
- **Bookings** consists of fixed fees for SaaS services, measured at the end of the relevant period, that subscribers have paid or committed to pay during their subscription period or 12 months, whichever is shorter, less refunds and chargebacks during the same period.
- **Gross Margin** is revenue less cost of revenue, divided by revenue.
- **Cost of Revenue** consists primarily of hosting fees, credit card processing fees, compensation expense and other employee-related costs, and stock-based compensation expense for personnel engaged in customer care functions, traffic acquisition costs, which includes in-app purchase fees, outsourced customer care personnel costs, rent expense and facilities costs.
- **Research and Development Expense** consists primarily of compensation expense and other employee-related costs and stock-based compensation expense that are not capitalized for personnel engaged in the design, development, testing and enhancement of product offerings and related technology, software license and maintenance costs, rent expense and facilities costs.
- **Sales and Marketing Expense** consists primarily of advertising expenditures, which include online marketing, including fees paid to search engines, social media sites, e-mail campaigns, display advertising, video advertising and affiliate marketing, and offline marketing, which includes conferences and events, compensation expense and other employee-related costs, and stock-based compensation expense for Vimeo's sales force and marketing personnel, software license and maintenance costs, rent expense and facilities costs.
- **General and Administrative Expense** consists primarily of compensation expense and other employee-related costs and stock-based compensation expense for personnel engaged in executive management, finance, legal, tax, information technology and human resources, provision for credit losses, fees for professional services, rent expense, facilities costs, software license and maintenance costs, and business insurance.
- **Credit Facility** is the \$100 million revolving credit facility entered into on February 12, 2021 by Vimeo.com, Inc., which was terminated in accordance with its terms effective June 30, 2023.
- **Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")** is a non-GAAP financial measure. See "[Principles of Financial Reporting](#)" for the definition of Adjusted EBITDA and a reconciliation of net earnings (loss) to Adjusted EBITDA, for the three months ended March 31, 2024 and 2023.

MANAGEMENT OVERVIEW

Vimeo is the world's leading all-in-one video software solution, providing the full breadth of video tools through a software-as-a-service model. Vimeo's comprehensive and cloud-based tools empower its users to create, collaborate and communicate with video on a single, turnkey platform.

Sources of Revenue

Vimeo's revenue is derived primarily from SaaS subscription fees paid by customers for subscription plans. Revenue is recognized on a straight-line basis over the contractual term of the arrangement beginning on the date that the service is made available to the customer. Subscription periods generally range from one month to three years with the most common being an annual subscription and are generally non-cancellable.

Distribution, Marketing and Advertiser Relationships

Vimeo pays to market and distribute its services on third-party search engines and social media websites, and through e-mail campaigns, display advertising, video advertising and affiliate marketing. Vimeo also pays traffic acquisition costs, which consist of fees paid to Apple and Google related to the distribution and the facilitation of in-app purchases of product features. These distribution channels might also offer other third parties services and products, which compete with those Vimeo offers.

Vimeo also markets and offers its services and products through branded websites, allowing customers to transact directly with it in a convenient manner.

Results of Operations for the three months ended March 31, 2024 compared to the three months ended March 31, 2023

Results of operations for the periods presented as a percentage of our revenue are as follows:

	Three Months Ended March 31,	
	2024	2023
	(as a % of revenue)	
Revenue	100 %	100 %
Cost of revenue (exclusive of depreciation shown separately below)	22	23
Gross profit	78	77
Operating expenses:		
Research and development expense	27	30
Sales and marketing expense	31	39
General and administrative expense	17	9
Depreciation	—	1
Amortization of intangibles	—	1
Total operating expenses	75	80
Operating income (loss)	2	(3)
Interest expense	—	—
Other income, net	4	3
Earnings (loss) before income taxes	6	—
Income tax provision	—	—
Net earnings (loss)	6 %	(1)%

Revenue

	Three Months Ended March 31,			
	2024	2023	Change	% Change
	(In thousands)			
Self-Serve & Add-Ons	\$ 69,912	\$ 71,602	\$ (1,690)	(2)%
Vimeo Enterprise	18,467	11,572	6,895	60 %
Other	16,531	20,408	(3,877)	(19)%
Total revenue	<u>\$ 104,910</u>	<u>\$ 103,582</u>	<u>\$ 1,328</u>	1 %

Revenue increased \$1.3 million, or 1%, due primarily to an increase of \$6.9 million, or 60%, in Vimeo Enterprise, partially offset by decreases of \$3.9 million, or 19%, in Other and \$1.7 million, or 2%, in Self-Serve & Add-Ons.

The increase in Vimeo Enterprise was primarily due to increases of 48% and 7% in Average Subscribers and ARPU, respectively. The decrease in Other was a result of the Company actively depreciating a number of products in this category. The decrease in Self-Serve & Add-Ons was due primarily to a decrease of 9% in Average Subscribers, partially offset by an increase of 6% in ARPU.

Cost of revenue (exclusive of depreciation shown separately below) and Gross profit

	Three Months Ended March 31,			
	2024	2023	Change	% Change
	(In thousands)			
Cost of revenue (exclusive of depreciation shown separately below)	\$ 23,443	\$ 23,672	\$ (229)	(1)%
Gross profit	\$ 81,467	\$ 79,910	\$ 1,557	2 %
Gross margin	78%	77%		

Cost of revenue decreased \$0.2 million, or 1%, due primarily to a decrease in restructuring costs.

Gross profit increased \$1.6 million, or 2%, due primarily to the increase in revenue.

Operating Expenses

	Three Months Ended March 31,			
	2024	2023	Change	% Change
	(In thousands)			
Research and development expense	\$ 28,135	\$ 31,260	\$ (3,125)	(10)%
Sales and marketing expense	32,305	39,987	(7,682)	(19)
General and administrative expense	18,034	9,306	8,728	94
Depreciation	57	928	(871)	(94)
Amortization of intangibles	347	1,234	(887)	(72)
Total operating expenses	\$ 78,878	\$ 82,715	\$ (3,837)	(5)%

Research and development expense decreased \$3.1 million, or 10%, due primarily to decreases of \$2.7 million in restructuring costs driven by a reduction-in-force that was completed in the first quarter of 2023 and \$1.1 million in stock-based compensation expense due to executive turnover in 2023.

Sales and marketing expense decreased \$7.7 million, or 19%, due primarily to a decrease of \$7.0 million in advertising costs as we reduced underperforming spend and shifted to a more organic customer acquisition approach.

General and administrative expense increased \$8.7 million, or 94%, due primarily to an increase of \$9.8 million in stock-based compensation expense driven by Board and executive turnover in 2023.

Depreciation decreased \$0.9 million, or 94%, due primarily to costs associated with an asset retirement obligation incurred in the first quarter of 2023 related to the Company's international operations.

Amortization of intangibles decreased \$0.9 million, or 72%, due primarily to certain intangible assets reaching the end of their estimated useful lives in the second quarter of 2023.

Operating income (loss)

	Three Months Ended March 31,			
	2024	2023	Change	% Change
	(In thousands)			
Operating income (loss)	\$ 2,589	\$ (2,805)	\$ 5,394	NM

Operating income (loss) increased \$5.4 million due to an increase in gross profit of \$1.6 million and a decrease in operating expenses of \$3.8 million. The increase in gross profit was due to an increase in revenue, which led to improved gross margin (78% in 2024 compared to 77% in 2023). The decrease in operating expenses was due primarily to decreases in advertising costs of \$7.0 million, restructuring costs of \$2.5 million, amortization of intangibles of \$0.9 million, depreciation of \$0.9 million, and compensation expense and other employee-related costs of \$0.8 million, partially offset by an increase in stock-based compensation expense of \$8.1 million.

Non-Operating Expenses

	Three Months Ended March 31,			
	2024	2023	Change	% Change
	(In thousands)			
Interest expense	\$ —	\$ (121)	\$ 121	(100)%
Interest income	3,671	2,686	985	37 %
Foreign exchange gains (losses), net	145	(5)	150	NM
Loss on the sale of an asset	—	(37)	37	(100)%
Other income, net	<u>\$ 3,816</u>	<u>\$ 2,644</u>	<u>\$ 1,172</u>	44 %

Interest expense decreased \$0.1 million for the three months ended March 31, 2024 due to the termination of the Credit Facility in the second quarter of 2023.

Other income, net increased \$1.2 million for three months ended March 31, 2024 due primarily to an increase in Interest income driven by higher interest rates on the Company's money market funds.

Income tax provision

	Three Months Ended March 31,			
	2024	2023	Change	% Change
	(In thousands)			
Income tax provision	\$ (332)	\$ (416)	\$ 84	(20)%

For further details of income tax matters, see "[Note 3—Income Taxes](#)" to the financial statements included in "[Item 1. Consolidated Financial Statements](#)."

Income tax provision decreased as a result of the tax treatment of entities with pre-tax losses in the first quarter of 2023.

Adjusted EBITDA

	Three Months Ended March 31,			
	2024	2023	Change	% Change
	(In thousands)			
Adjusted EBITDA	\$ 12,170	\$ 3,240	\$ 8,930	NM
As a percentage of revenue	12%	3%		

For a reconciliation of net earnings (loss) to Adjusted EBITDA, see "[Principles of Financial Reporting](#)."

Adjusted EBITDA increased \$8.9 million to \$12.2 million, primarily due to an increase in gross profit and decreases in advertising costs and compensation expense and other employee-related costs.

PRINCIPLES OF FINANCIAL REPORTING

We have provided Adjusted EBITDA in this report to supplement our financial information presented in accordance with U.S. generally accepted accounting principles ("GAAP"). We use this non-GAAP financial measure internally in analyzing our financial results and believe that this non-GAAP financial measure is useful to investors as an additional tool to evaluate ongoing operating results and trends and in comparing our financial results with other companies in our industry, many of which present a similar non-GAAP financial measure. However, our presentation of this non-GAAP financial measure may differ from the presentation of similarly titled measures by other companies. Adjusted EBITDA is one of the metrics on which our internal budgets are based and also one of the metrics by which management is compensated. We believe that investors should have access to, and we are obligated to provide, the same set of tools that we use in analyzing our results. This non-GAAP financial measure should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. We endeavor to compensate for the limitations of the non-GAAP measure presented by providing the comparable GAAP measure with equal or greater prominence and descriptions of the reconciling items, including quantifying such items, to derive the non-GAAP measure. We encourage investors to examine the reconciling adjustments between the GAAP and corresponding non-GAAP measure, which we discuss below.

Definition of Non-GAAP Measure

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") is defined as operating income (loss) excluding: (1) stock-based compensation expense; (2) depreciation; (3) acquisition-related items consisting of (i) amortization of intangible assets, (ii) impairments of goodwill and intangible assets, if applicable, and (iii) gains and losses recognized on changes in the fair value of contingent consideration arrangements; and (4) restructuring costs associated with exit or disposal activities such as a reduction-in-force. We believe this measure is useful for analysts and investors as this measure allows a more meaningful comparison between our performance and that of our competitors. The above items are excluded from our Adjusted EBITDA measure because these items are either non-cash or non-recurring in nature. Adjusted EBITDA has certain limitations because it excludes the impact of these expenses.

The reconciliation of net earnings (loss) to Adjusted EBITDA is as follows:

	Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Net earnings (loss)	\$ 6,073	\$ (698)
Add back:		
Income tax provision	332	416
Other income, net	(3,816)	(2,644)
Interest expense	—	121
Operating income (loss)	2,589	(2,805)
Add back:		
Stock-based compensation expense	6,972	(1,109)
Depreciation	57	928
Amortization of intangibles	347	1,234
Contingent consideration fair value adjustments	—	104
Restructuring costs	2,205	4,888
Adjusted EBITDA	\$ 12,170	\$ 3,240

Items That Are Excluded From Non-GAAP Measure

Stock-based compensation expense consists of expense associated with the grants of Vimeo stock-based awards. These expenses are not paid in cash and we view the economic costs of stock-based awards to be the dilution to our share base. We also consider the dilutive impact of stock-based awards in GAAP diluted earnings per share, to the extent such impact is dilutive.

Depreciation is a non-cash expense relating to our leasehold improvements and equipment and is computed using the straight-line method to allocate the cost of depreciable assets to operations over their estimated useful lives, or, in the case of leasehold improvements, the lease term, if shorter.

Amortization of intangible assets and impairments of goodwill and intangible assets are non-cash expenses related to acquisitions. At the time of an acquisition, the identifiable definite-lived intangible assets of the acquired company, such as customer relationships, technology and trade names, are valued and amortized over their estimated lives. An impairment is recorded when the carrying value of an intangible asset or goodwill exceeds its fair value. We believe that intangible assets represent costs incurred by the acquired company to build value prior to acquisition and the related amortization and impairments of intangible assets or goodwill, if applicable, are not ongoing costs of doing business.

Gains and losses recognized on changes in the fair value of contingent consideration arrangements are accounting adjustments to report contingent consideration liabilities at fair value. These adjustments can be highly variable and are excluded from our assessment of performance because they are considered non-operational in nature and, therefore, are not indicative of current or future performance or the ongoing cost of doing business.

Restructuring costs consist of costs associated with exit or disposal activities such as severance and other post-employment benefits paid in connection with a reduction-in-force. We consider these costs to be non-recurring in nature and therefore, are not indicative of current or future performance or the ongoing cost of doing business.

VIMEO'S FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

Financial Position

	March 31, 2024	December 31, 2023
	(In thousands)	
Cash and cash equivalents:		
United States	\$ 287,414	\$ 283,971
All other countries	16,863	17,401
Total cash and cash equivalents	<u>\$ 304,277</u>	<u>\$ 301,372</u>

Vimeo's international cash can be repatriated without significant tax consequences.

Cash Flow Information

	Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Net cash provided by (used in)		
Operating activities	\$ 5,590	\$ (1,243)
Investing activities	\$ (160)	\$ 553
Financing activities	\$ (2,193)	\$ (5,192)

Net cash provided by (used in) operating activities consists of net earnings (loss) adjusted for non-cash items and the effect of changes in working capital.

2024

Adjustments to net earnings consisted primarily of \$7.0 million of stock-based compensation expense and non-cash lease expense of \$1.2 million. The decrease from changes in working capital primarily consisted of a decrease of \$10.4 million in accounts payable and other liabilities driven by the payment of 2023 annual cash bonuses in 2024, partially offset by accruals for 2024 annual cash bonuses.

Net cash used in investing activities included \$0.2 million of capital expenditures.

Net cash used in financing activities included \$2.2 million of withholding taxes paid related to the exercise of equity awards.

2023

Adjustments to net loss consisted primarily of \$1.2 million of amortization of intangibles, non-cash lease expense of \$1.1 million, and \$0.9 million of depreciation. The decrease from changes in working capital consisted of a decrease in accounts payable and other liabilities of \$8.4 million, partially offset by a decrease in accounts receivable of \$2.2 million, an increase in deferred revenue of \$2.0 million, and a decrease in prepaid expenses and other assets of \$1.6 million. The decrease in accounts payable and other liabilities was due primarily to the payment of 2022 annual cash bonuses in 2023 and payment of the WIREWAX contingent consideration arrangement (the portion that was in excess of the amount recorded in purchase accounting and as described in "[Note 4—Fair Value Measurements](#)") partially offset by the timing of payments related to compensation and other employee related costs. The decrease in accounts receivable was due primarily to a decrease in aged accounts receivable balances driven by improved cash collections. The increase in deferred revenue was due primarily to an increase in Bookings. The decrease in prepaid expenses and other assets was due primarily to the timing of cash payments.

Net cash provided by investing activities included proceeds of \$0.6 million previously held in escrow related to the sale of Vimeo's retained interest in its former hardware business.

Net cash used in financing activities included \$3.3 million, related to the WIREWAX contingent consideration arrangement (the portion up to the amount recorded in purchase accounting as described in "[Note 4—Fair Value Measurements](#)") and withholding taxes paid related to the exercise of equity awards of \$1.7 million.

Liquidity and Capital Resources

Outstanding Stock-Based Awards

Stock-based awards are settled in shares of Vimeo common stock and may be settled on a gross or net basis based upon factors deemed relevant at the time. Currently, stock-based awards are generally settled on a net basis, such that individual award holders will receive shares of Vimeo common stock, net of a number of shares of Vimeo common stock equal to the required cash tax withholding payment, which will be paid by Vimeo on the employee's behalf.

Liquidity Assessment

At March 31, 2024, Vimeo had \$304.3 million in cash and cash equivalents and no debt. Vimeo believes its existing cash and cash equivalents will be sufficient to fund its normal operating requirements, including capital expenditures, and other commitments for the foreseeable future. The Company's forecast indicates that it may not meet the minimum commitment of a non-cancellable cloud computing arrangement which expires in the fourth quarter of 2024, and as a result, could incur additional costs. Vimeo does not currently expect to incur significant capital expenditures.

Vimeo's liquidity could be negatively affected by a decrease in demand for our products and services, or the occurrence of unexpected expenses. Vimeo may need to raise additional capital through future debt or equity financings to make additional acquisitions and investments or to provide for greater financial flexibility. Additional financing may not be available on terms favorable to Vimeo or at all.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes in our market risk as compared to the disclosures in Part II, Item 7A in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 22, 2024.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Vimeo monitors and evaluates on an ongoing basis its disclosure controls and procedures and internal control over financial reporting in order to improve their overall effectiveness. In the course of these evaluations, Vimeo modifies and refines its internal processes as conditions warrant.

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Vimeo's management, including its principal executive and principal financial officers, or persons performing similar functions, evaluated the effectiveness of Vimeo's disclosure controls and procedures as defined by Rule 13a-15(e) under the Exchange Act. Based on this evaluation, management has concluded that Vimeo's disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes in Internal Control Over Financial Reporting

There were no changes to Vimeo's internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, Vimeo's internal control over financial reporting.

Limitations on the Effectiveness of Disclosure Controls and Procedures

In designing and evaluating the disclosure controls and procedures, Vimeo's management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements.

PART II OTHER INFORMATION

Item 1. *Legal Proceedings*

The information set forth under "[Note 9—Contingencies](#)" in the accompanying notes to our consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q is incorporated herein by reference.

Item 1A. *Risk Factors*

In addition to the risk factors below and information set forth in this Form 10-Q, you should carefully consider the risks described under the heading "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed with the SEC on February 22, 2024. These risks are not exclusive and additional risks and uncertainties that we are unaware of, or that we currently believe are not material, also may become important factors that affect us.

Risks Related to User Content and Personal Information

As a highly visible brand, we continue to be the target of cyberattacks and other undesirable acts by malicious actors, and our actual or perceived failure to adequately protect personal information and confidential information that we (or our service providers or business partners) collect, store or process could trigger contractual and legal obligations, harm our reputation, subject us to liability and otherwise adversely affect our business including our financial results.

We have been targeted with cyberattacks in the past and may be targeted again. Potential attackers span a spectrum from unsophisticated amateurs to highly advanced organizations supported by state actors and use a variety of vectors, including malware, ransomware attacks, denial-of-service attacks, and social engineering. Malicious actors may seek to impede our services (e.g., a denial-of-service attack) or infiltrate our systems for the purpose of introducing malware (e.g., ransomware), deleting or corrupting data, or exfiltrating data. Other undesirable acts may include the unauthorized use of user data or our systems in a manner inconsistent with our terms of service, contracts, or policies, such as the existence of false or undesirable user accounts, activities that threaten people's safety online or offline, or instances of spamming, scraping, or data harvesting. For example, third parties often attempt to access and collect our site data through "scraping" and other unauthorized mechanisms for unauthorized purposes, which could include distributing such data to other parties for commercial purposes or training AI models for commercial purposes. Our users and subscribers could also be targeted by malicious actors. In the past, we have had instances in which user passwords were guessed by malicious actors or were exposed in breaches of other companies and then used by malicious actors to access the user's account in our system. Additionally, we have experienced cases where user error has caused private data to be exposed. Incidents affecting user data, regardless of the cause, take time for us to investigate and can be frustrating for our users.

Any of these types of activities may cause significant and lasting negative consequences. Appropriately responding to and remediating such activities may incur significant expense, and could result in severely diminished operational capacity and the loss of data necessary to operate. If a security incident results in a data breach, we may be subject to legal liability. Even if financial, legal, or operational harm is avoided, an incident could cause persistent reputational harm to our company. Moreover, it is possible that we may not be able to anticipate, detect, appropriately react and respond to, or implement effective preventative measures against, such incidents, including being unsuccessful in our efforts to enforce our policies. Like other global companies, we face an increasingly difficult challenge to attract and retain highly qualified security personnel to assist us in combating these security threats.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

Unregistered Sales of Equity Securities

Vimeo has not issued or sold any shares of its common stock or any other equity securities pursuant to unregistered transactions during the quarter ended March 31, 2024.

Issuer Purchases of Equity Securities

Vimeo has not purchased any shares of its common stock during the quarter ended March 31, 2024.

Item 5. Other Information

During our fiscal quarter ended March 31, 2024, none of Vimeo's directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) entered into, modified (as to amount, price or timing of trades) or terminated (i) contracts, instructions or written plans for the purchase or sale of our securities that are intended to satisfy the conditions specified in Rule 10b5-1(c) under the Exchange Act for an affirmative defense against liability for trading in securities on the basis of material nonpublic information or (ii) non-Rule 10b5-1 trading arrangements (as defined in Item 408(c) of Regulation S-K).

Item 6. Exhibits

The documents set forth below, numbered in accordance with Item 601 of Regulation S-K, are filed herewith, incorporated by reference to the location indicated or furnished herewith.

Exhibit Number	Description	Location
10.1#	Offer Letter, dated as of February 28, 2023, by and between Vimeo, Inc. and Eric Cox	Filed herewith.
10.2#	Offer Letter, dated as of March 26, 2024, by and between Vimeo, Inc. and Philip Moyer	Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed on April 4, 2024.
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act	Filed herewith.
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act	Filed herewith.
32.1*	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act	Furnished herewith.
32.2*	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act	Furnished herewith.
101.INS	Inline XBRL Instance	Filed herewith. The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema	Filed herewith.
101.CAL	Inline XBRL Taxonomy Extension Calculation	Filed herewith.
101.DEF	Inline XBRL Taxonomy Extension Definition	Filed herewith.
101.LAB	Inline XBRL Taxonomy Extension Labels	Filed herewith.
101.PRE	Inline XBRL Taxonomy Extension Presentation	Filed herewith.
	104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	Filed herewith.
# Management contract or compensatory plan or arrangement		
* The certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Exchange Act, except to the extent that the registrant specifically incorporates them by reference.		

SIGNATURES

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

Dated: May 7, 2024

Vimeo, Inc.

By: /s/ Gillian Munson
Gillian Munson
Chief Financial Officer
(Principal Financial Officer)



February 28, 2023

By email

Eric Cox
c/o Vimeo, Inc.
330 West 34th Street, 5th Floor
New York, New York 10001

Re: Your Promotion to Chief Operating Officer

Dear Eric,

This letter agreement ("Agreement") serves to confirm the terms and conditions of your continued employment as an executive at Vimeo, Inc. ("Vimeo," "Company" or "we").

POSITION: As of March 1, 2023 (the "Promotion Date"), you will be promoted to Chief Operating Officer (COO). You will report to Company's CEO. You will continue to work remotely, from San Francisco, California, and will continue to travel as needed to the Company's headquarters in New York City.¹

DUTIES: During your continued at-will employment, you will devote your full business time, attention, and energies to the performance of such duties as Company assigns to you commensurate with your position.

COMPENSATION: Your base salary for 2023, beginning on the promotion date, will be \$400,000 per year, payable bi-weekly (or, if different, in accordance with Company's payroll practice as in effect from time to time).

You are eligible for a discretionary annual bonus. Your bonus target is 100% of your base salary. Any bonus is discretionary and will be determined by the Compensation and Human Capital Management Committee (the "Committee") of Company's Board of Directors based upon Company's performance overall and your own performance, as well as other factors determined by the Committee. Bonuses are paid in the first quarter of the year following the measurement year (e.g., 2023's bonus will be paid in Q1 2024).

EQUITY: Within ten (10) days after your Promotion Date, Company will grant you the equity award set forth in Schedule B hereto, subject to approval by the Committee. Once granted, the award will be governed exclusively by the terms and conditions of the award notice and the Plan (and not this letter agreement).

SEVERANCE: If your employment is terminated by Company without Cause at any time or by you for Good Reason during your employment, you will (1) receive severance equal to twelve (12) months of your then-current salary, which shall be provided via salary continuance; and (2) receive health benefits coverage for twelve (12) months or, at Company's option, reimbursement for the cost of COBRA coverage for the same period, *provided, however*, that no cash compensation will be paid in lieu of unused health benefits. For the purposes of this paragraph, the terms "Cause" and "Good Reason" have the meanings set forth in Company's 2021 Stock and Annual Incentive Plan (the "Plan"), but without reference to a Change in Control (or, in the case of the Good Reason definition, utilizing the Promotion Date instead of the date of the change in control, where the context requires). For clarity, a reduction of title below COO shall be considered a

¹ In order to protect the safety of our employees, Vimeo requires proof of COVID-19 vaccination for all employees intending to work from or visit a U.S. office (currently, NYC and Boston). Vimeo employees who are permanently remote do not need to provide proof of vaccination at this time unless they will be visiting a U.S. office.

trigger event under Section 10(c)(ii)(C) of the Plan. Severance payments and benefits will be paid or provided in a manner intended to comply with any applicable requirements of Internal Revenue Code Section 409A, although Company makes no representation regarding with respect to such compliance.

To be entitled to any severance hereunder, you must (a) execute and not revoke Company's standard severance and release agreement, which agreement must contain a general release of claims against Company; and (b) if Company so requests, continue working for up to eight (8) weeks after the notice by Company of your termination to ensure an orderly transition, *provided* that any additional service period shall not reduce the severance amount.

DEDUCTIONS: Company shall make such deductions and withhold such amounts from each payment and benefit made or provided to you hereunder, as may be required from time to time by applicable law, regulation, or order.

BENEFITS: You will be eligible for coverage under Company's then-current healthcare and insurance plans and other benefits that are provided to full-time U.S. employees. All benefits are governed exclusively by the terms and conditions of their applicable plans or policies and are subject to change.

CODE OF CONDUCT: During your employment, you must comply with Vimeo's Code of Conduct² and other policies and procedures as they may exist from time to time.

RESTRICTIVE COVENANTS: You will comply with the restrictive covenants set forth in Schedule A hereto (the "Restrictive Covenant Agreement").

CONFIDENTIALITY, INTELLECTUAL PROPERTY, AND NON-SOLICITATION AGREEMENT: If you have not done so already, within 10 days your Promotion Date, you will execute Company's current standard Employee Confidentiality, Intellectual Property, and Non-Solicitation Agreement (the "Confidentiality and IP Agreement").

MISCELLANEOUS: This letter agreement shall be governed by the law of the State of New York without regard to principles of conflicts of law. This letter agreement supersedes all prior and contemporaneous understandings, negotiations, and representations, whether written or oral, relating to the terms of your employment. Nothing in this letter agreement shall modify the Plan or any equity agreement or equity award notice.

AT WILL STATUS: You specifically understand and agree that your employment hereunder shall be at all times on an "at will" basis, and nothing contained herein shall be construed as establishing a contract of employment between Company and you.

BINDING ARBITRATION: You and Company agree that any dispute relating to or arising out of your employment relationship, excluding disputes arising under the Plan or any award made thereunder, or a claim by you of sexual assault or harassment, shall be fully and finally resolved by **MANDATORY, BINDING ARBITRATION** conducted by the American Arbitration Association in New York County, New York pursuant to its then-current Employment Dispute Resolution Rules.³

Any lawsuit asserting a non-arbitrable claim or seeking to enforce this arbitration clause shall be commenced in the state or federal courts located in New York County, New York. If in New York state court, the lawsuit shall be maintained in the Commercial Division of the New York Supreme Court for New York County. **IN ALL LAWSUITS, YOU AND COMPANY WAIVE THE RIGHT TO A TRIAL BY JURY.**

COUNSEL: Company requires that you retain counsel to review the terms of this offer letter and the schedules thereto. You represent and warrant that you engaged and consulted with David Marek, Esq. of the Marek Law Firm (Palo Alto, California) in connection with the foregoing requirement. Company will reimburse you for up to \$4,000 in legal fees and disbursements.

² Available at <https://investors.vimeo.com/static-files/51fd1f5a-9ffc-402a-bedb-cf35308c0af3>.

³ Available at https://www.adr.org/sites/default/files/EmploymentRules_Web_2.pdf.

* * *

Please acknowledge your acceptance of these terms by signing where indicated below.

Sincerely,
VIMEO, INC.

By: /s/ Anjali Sud Title: Chief Executive Officer

AGREED AND ACCEPTED:

ERIC COX

Signature: /s/ Eric Cox Date: February 28, 2023

**Management Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Philip Moyer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the fiscal period ended March 31, 2024 of Vimeo, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 7, 2024

/s/ Philip Moyer

Philip Moyer
Chief Executive Officer
(Principal Executive Officer)

**Management Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Gillian Munson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the fiscal period ended March 31, 2024 of Vimeo, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 7, 2024

/s/ Gillian Munson

Gillian Munson
Chief Financial Officer
(Principal Financial Officer)

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

In connection with the Quarterly Report on Form 10-Q of Vimeo, Inc. (the "Company") for the period ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Philip Moyer, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 7, 2024

/s/ Philip Moyer

Philip Moyer
Chief Executive Officer
(Principal Executive Officer)

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

In connection with the Quarterly Report on Form 10-Q of Vimeo, Inc. (the "Company") for the period ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Gillian Munson, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of her knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 7, 2024

/s/ Gillian Munson

Gillian Munson
Chief Financial Officer
(Principal Financial Officer)