

**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, 2022
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.)

555 West 18th Street, New York, New York 10011

(Address of registrant's principal executive offices)

(212) 314-7300

(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	VMEO	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 April 29, 2022, the following shares of the registrant's common stock were outstanding:

Common Stock	156,888,379
Class B common stock	9,399,250
Total	166,287,629

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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:

- our limited operating history as a pure software-as-a-service ("SaaS") company and our limited history of selling such plans on a sales-assisted basis,
- we have a history of losses,
- our prior rapid growth may not be indicative of future performance,
- 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 need additional funding as we continue to invest in research and development and expand internationally,
- we may not have the right product/market fit,
- we may not be able to attract free users or paid 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 experience service interruptions,
- hosting and delivery costs may increase unexpectedly, our success depends on our ability to reach customers and acquire subscribers through digital app stores,
- our business involves hosting large quantities of user content,
- we may face liability for hosting a variety of tortious or unlawful materials,
- 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,
- the impact of the COVID-19 pandemic on our business,
- we have been the target of cyberattacks by malicious actors, and
- the risks described in the section titled "Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q.

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, 2022	December 31, 2021
	(In thousands, except par value amounts)	
ASSETS		
Cash and cash equivalents	\$ 291,100	\$ 321,900
Accounts receivable, net	34,638	29,451
Prepaid expenses and other current assets	16,626	18,811
Total current assets	342,364	370,162
Leasehold improvements and equipment, net	2,973	2,868
Goodwill	245,048	242,586
Intangible assets with definite lives, net	9,277	11,008
Other non-current assets	22,484	22,737
TOTAL ASSETS	\$ 622,146	\$ 649,361
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Accounts payable, trade	\$ 15,482	\$ 17,501
Deferred revenue	171,749	173,167
Accrued expenses and other current liabilities	65,499	67,385
Total current liabilities	252,730	258,053
Other long-term liabilities	11,368	20,713
Commitments and contingencies		
SHAREHOLDERS' EQUITY:		
Common stock, \$0.01 par value; 1,600,000 shares authorized; 156,874 and 156,708 shares issued and outstanding, respectively	1,569	1,567
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	718,951	704,796
Accumulated deficit	(362,334)	(335,776)
Accumulated other comprehensive loss	(232)	(86)
Total shareholders' equity	358,048	370,595
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 622,146	\$ 649,361

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,	
	2022	2021
(In thousands, except per share data)		
Revenue	\$ 108,354	\$ 89,422
Cost of revenue (exclusive of depreciation shown separately below)	26,756	24,956
Gross profit	81,598	64,466
Operating expenses:		
Research and development expense	34,418	21,475
Sales and marketing expense	43,156	32,069
General and administrative expense	28,612	14,518
Depreciation	376	115
Amortization of intangibles	1,291	1,887
Total operating expenses	107,853	70,064
Operating loss	(26,255)	(5,598)
Interest expense	(121)	(64)
Interest expense—related party	—	(726)
Other income, net	341	10,086
(Loss) earnings before income taxes	(26,035)	3,698
Income tax provision	(523)	(385)
Net (loss) earnings	\$ (26,558)	\$ 3,313
Per share information:		
Basic and diluted (loss) earnings per share	\$ (0.16)	\$ 0.02
Stock-based compensation expense by function:		
Cost of revenue	\$ 164	\$ 20
Research and development expense	4,699	1,720
Sales and marketing expense	932	322
General and administrative expense	8,398	2,850
Total stock-based compensation expense	\$ 14,193	\$ 4,912

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,	
	2022	2021
	(In thousands)	
Net (loss) earnings	\$ (26,558)	\$ 3,313
Other comprehensive loss:		
Change in foreign currency translation	(146)	(22)
Total other comprehensive loss	(146)	(22)
Comprehensive (loss) income	<u>\$ (26,704)</u>	<u>\$ 3,291</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, 2022
(Unaudited)

	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, 2021	\$ 1,567	156,708	\$ 94	9,399	\$ 704,796	\$ (335,776)	\$ (86)	\$ 370,595
Net loss	—	—	—	—	—	(26,558)	—	(26,558)
Other comprehensive loss	—	—	—	—	—	—	(146)	(146)
Stock-based compensation expense	—	—	—	—	14,193	—	—	14,193
Amounts related to settlement of equity awards	2	166	—	—	(38)	—	—	(36)
Balance at March 31, 2022	<u>\$ 1,569</u>	<u>156,874</u>	<u>\$ 94</u>	<u>9,399</u>	<u>\$ 718,951</u>	<u>\$ (362,334)</u>	<u>\$ (232)</u>	<u>\$ 358,048</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, 2021
(Unaudited)

	Class A Voting common stock of Vimeo OpCo, \$0.01 par value		Class B Non-Voting common stock of Vimeo OpCo, \$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, 2020	\$ 837	83,656	\$ 663	66,285	\$ 366,676	\$ (283,009)	\$ (87)	\$ 85,080
Net earnings	—	—	—	—	—	3,313	—	3,313
Other comprehensive loss	—	—	—	—	—	—	(22)	(22)
Stock-based compensation expense	—	—	—	—	4,912	—	—	4,912
Amounts related to settlement of equity awards	1	133	—	—	(4,402)	—	—	(4,401)
Issuance of common stock, net of fees	90	9,000	—	—	299,660	—	—	299,750
Other	—	—	—	—	502	—	—	502
Balance at March 31, 2021	<u>\$ 928</u>	<u>92,789</u>	<u>\$ 663</u>	<u>66,285</u>	<u>\$ 667,348</u>	<u>\$ (279,696)</u>	<u>\$ (109)</u>	<u>\$ 389,134</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,	
	2022	2021
(In thousands)		
Cash flows from operating activities:		
Net (loss) earnings	\$ (26,558)	\$ 3,313
Adjustments to reconcile net (loss) earnings to net cash used in operating activities:		
Stock-based compensation expense	14,193	4,912
Amortization of intangibles	1,291	1,887
Depreciation	376	115
Provision for credit losses	3,123	82
Gain on the sale of an asset	—	(10,217)
Non-cash lease expense	1,771	170
Other adjustments, net	16	231
Changes in assets and liabilities:		
Accounts receivable	(8,686)	(2,278)
Prepaid expenses and other assets	338	(1,999)
Accounts payable and other liabilities	(11,507)	(7,519)
Deferred revenue	(1,110)	11,281
Net cash used in operating activities	<u>(26,753)</u>	<u>(22)</u>
Cash flows from investing activities:		
Acquisitions, net of cash acquired	21	—
Capital expenditures	(515)	(135)
Proceeds from the sale of an asset	1,611	7,768
Net cash provided by investing activities	<u>1,117</u>	<u>7,633</u>
Cash flows from financing activities:		
Proceeds from sale of common stock, net of fees	—	299,750
Principal payments on related-party debt	—	(94,565)
Deferred financing costs	—	(1,440)
Withholding taxes paid related to equity awards	(5,137)	(4,733)
Proceeds from exercise of stock options	18	—
Net cash (used in) provided by financing activities	<u>(5,119)</u>	<u>199,012</u>
Total cash (used) provided	<u>(30,755)</u>	<u>206,623</u>
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(125)	(132)
Net (decrease) increase in cash and cash equivalents and restricted cash	<u>(30,880)</u>	<u>206,491</u>
Cash and cash equivalents and restricted cash at beginning of period	322,345	110,037
Cash and cash equivalents and restricted cash at end of period	<u>\$ 291,465</u>	<u>\$ 316,528</u>

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

Spin-off

On May 25, 2021, Vimeo completed its separation from IAC/InterActiveCorp ("IAC") through a series of transactions (which we refer to as the "Spin-off") that resulted in the pre-transaction stockholders of IAC directly owning shares in both IAC and Vimeo, and in Vimeo becoming a separately traded public company.

The Spin-off was structured to include the following steps:

- Certain restructuring transactions, including, among other things, the transfer to Vimeo of IAC's equity interests in Vimeo.com, Inc. ("Vimeo OpCo," formerly known as Vimeo, Inc.), and the repayment by Vimeo OpCo of all outstanding intercompany debt owed to IAC and its subsidiaries (other than Vimeo OpCo's subsidiaries).
- Amending IAC's certificate of incorporation to provide for:
 - the reclassification of each share of IAC common stock, par value \$0.001 into (i) one share of IAC common stock, par value \$0.0001 and (ii) 1/100th of a share of IAC Series 1 mandatorily exchangeable preferred stock that was automatically exchanged for a number of shares of Vimeo common stock equal to an exchange ratio of 1.6235 (the "Spin-off Exchange Ratio," with holders receiving cash in lieu of any fractional shares of Vimeo common stock resulting, after aggregation, from the reclassification); and
 - the reclassification of each share of IAC Class B common stock, par value \$0.001 into (i) one share of IAC Class B common stock, par value \$0.0001 and (ii) 1/100th of a share of IAC Series 2 mandatorily exchangeable preferred stock that was automatically exchanged for a number of shares of Vimeo Class B common stock equal to the Spin-off Exchange Ratio (with holders receiving cash in lieu of any fractional shares of Vimeo Class B common stock resulting, after aggregation, from the reclassification).
- The effectiveness of certain other amendments to IAC's certificate of incorporation.

Prior to the Spin-off, IAC indirectly owned approximately 88% of Vimeo OpCo's outstanding shares, with the remaining Vimeo OpCo shares held by third parties. In connection with the Spin-off, the Vimeo OpCo shareholders agreement required IAC to cause the conversion of the Vimeo OpCo shares held by such non-IAC Vimeo OpCo stockholders into Vimeo common stock, which we refer to as the "Vimeo minority exchange." The shareholders agreement also required that the non-IAC Vimeo OpCo stockholders be compensated (in the form of additional Vimeo equity) for dilution resulting from the issuance of Vimeo options in respect of vested IAC employee option awards that were adjusted in the Spin-off. Each such Vimeo OpCo shareholder was compensated for their ratable portion of 50% of the intrinsic value of the Vimeo options so issued, measured at the time of the Spin-off. The Vimeo Merger, as defined below, was completed pre-market on May 25, 2021 and satisfied these obligations.

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

On the terms and subject to the conditions of the Agreement and Plan of Merger, as amended and restated on March 12, 2021 (the "Vimeo Merger Agreement"), following the Spin-off on May 25, 2021, Stream Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Vimeo ("Merger Sub") merged with and into Vimeo OpCo, with Vimeo OpCo surviving as a wholly-owned subsidiary of Vimeo (the "Vimeo Merger"). Each share of Vimeo OpCo capital stock held prior to the Vimeo Merger by a non-IAC Vimeo OpCo stockholder was converted into 1.0143 ("Vimeo Merger Exchange Ratio") shares of Vimeo common stock (with holders receiving cash in lieu of any fractional shares of Vimeo common stock resulting, after aggregation, from the Vimeo Merger).

Additionally, each restricted stock unit ("RSU") corresponding to shares of Vimeo OpCo ("Vimeo OpCo RSU") was converted into an RSU corresponding to shares of Vimeo common stock ("Vimeo RSU"), with the number of shares covered by such Vimeo RSU equal to the number of shares covered by the Vimeo OpCo RSU times the Vimeo Merger Exchange Ratio. Each stock appreciation right ("SAR") corresponding to shares of Vimeo OpCo ("Vimeo OpCo SAR") was converted into a SAR corresponding to shares of Vimeo common stock ("Vimeo SAR"), with the number of shares covered by such Vimeo SAR equal to the number of shares covered by the Vimeo OpCo SAR times the Vimeo Merger Exchange Ratio and the per share exercise price of such Vimeo SAR equal to the per share exercise price of the Vimeo OpCo SAR divided by the Vimeo Merger Exchange Ratio.

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 (consisting of normal recurring accruals) 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, 2021.

All intercompany transactions and balances between and among Vimeo and its subsidiaries have been eliminated. All related party transactions between Vimeo and IAC and its subsidiaries, other than amounts related to the settlement of equity awards and borrowings from and principal payments to certain IAC subsidiaries, are reflected in the accompanying consolidated statement of cash flows as operating activities. Amounts related to the settlement of equity awards and borrowings from and principal payments to certain IAC subsidiaries, are reflected in the accompanying consolidated statement of cash flows as financing activities.

All related party balances between Vimeo and IAC and its subsidiaries, other than borrowings from and principal payments to certain IAC subsidiaries, are reflected in the accompanying consolidated balance sheet within "Accrued expenses and other current liabilities" and "Other long-term liabilities".

Prior to the Spin-off, the consolidated financial statements of Vimeo OpCo and subsidiaries were prepared on a standalone basis and were derived from the historical accounting records of Vimeo OpCo and IAC. The accompanying consolidated financial statements reflect the historical financial position, results of operations and cash flows of Vimeo and its subsidiaries since their respective dates of acquisition by Vimeo and the allocation to Vimeo of certain IAC corporate expenses relating to Vimeo based on the historical accounting records of IAC. The allocation of certain IAC corporate expenses is reflected in the accompanying consolidated balance sheet within "Additional paid-in-capital." Additionally, income taxes were computed for Vimeo on an as if standalone, separate tax return basis and payments to and refunds from IAC for Vimeo's share of IAC's consolidated state tax return liabilities have been reflected within cash flows from operating activities in the accompanying consolidated statement of cash flows. In management's opinion, the assumptions underlying the historical consolidated financial statements of Vimeo, including the basis on which the expenses have been allocated from IAC, are reasonable. However, these allocations may not reflect the expenses that Vimeo would have incurred as an independent, standalone company for the periods presented.

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 consolidated financial statements and footnotes thereto. Actual results could differ from these estimates.

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

Significant estimates and judgments inherent in the preparation of the 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"); 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 fair value of and forfeiture rates for stock-based awards, 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

There are no recently issued accounting pronouncements that have not yet been adopted that are expected to have a material effect on the consolidated results of operations, financial condition or cash flows of Vimeo.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

NOTE 2—REVENUE

Revenue Recognition

Vimeo's revenue is derived primarily from SaaS subscription fees paid by customers for self-serve and sales-assisted subscription plans. Revenue, in the amount that reflects the consideration Vimeo expects to be entitled to, 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.

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 at March 31, 2022 were \$171.7 million and \$1.3 million, respectively. Non-current deferred revenue is included in "Other long-term liabilities" in the accompanying consolidated balance sheet. The current and non-current deferred revenue balances at December 31, 2021 were \$173.2 million and \$1.3 million, respectively. During the three months ended March 31, 2022, Vimeo recognized \$84.7 million of revenue that was included in the deferred revenue balance at December 31, 2021. During the three months ended March 31, 2021, Vimeo recognized \$65.6 million of revenue that was included in the deferred revenue balance at December 31, 2020.

Practical Expedients and Exemptions

As permitted under the practical expedient available under Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers*, Vimeo does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less, (ii) contracts with variable consideration that is allocated entirely to unsatisfied performance obligations or to a wholly unsatisfied promise accounted for under the series guidance, and (iii) contracts for which Vimeo recognizes revenue at the amount which Vimeo has the right to invoice for services performed.

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

Assets Recognized from the Costs to Obtain a Contract with a Customer

Vimeo has determined certain costs, primarily commissions paid to employees pursuant to certain sales incentive programs, and mobile app store fees, meet the requirements to be capitalized as a cost of obtaining a contract. 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. For sales incentive programs where the customer relationship period is one year or less, Vimeo has elected the practical expedient to expense the costs as incurred. Vimeo capitalizes and amortizes mobile app store fees over the term of the applicable subscription.

The current and non-current contract asset balances are included in "Prepaid expenses and other current assets" and "Other non-current assets" in the accompanying consolidated balance sheet and were \$3.8 million and \$6.8 million, and \$3.5 million and \$6.2 million, at March 31, 2022 and December 31, 2021, respectively.

NOTE 3—INCOME TAXES

Vimeo is included within IAC's tax group for purposes of federal and consolidated state income tax return filings through the Spin-off. For 2021, the income tax provision was computed for Vimeo on an as-if-standalone separate tax return basis. Payments to and refunds from IAC for Vimeo's share of IAC's consolidated state tax return liabilities, calculated on this basis, have been reflected within cash flows from operating activities in the accompanying consolidated statement of cash flows. For 2022, the income tax provision was computed for Vimeo on a true standalone basis.

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, more experience is acquired, additional information is obtained, or Vimeo's tax environment changes.

For the three months ended March 31, 2022 and 2021, Vimeo recorded an income tax provision of \$0.5 million and \$0.4 million, respectively. Vimeo is in a net operating loss ("NOL") position for federal and state income tax purposes. The largest deferred tax assets are NOLs. 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 NOLs will not be utilized due to its history of pre-tax losses.

At March 31, 2022 and December 31, 2021, unrecognized tax benefits were \$2.7 million and \$2.5 million, respectively. If unrecognized tax benefits at March 31, 2022 are subsequently recognized, there would be no impact to income tax provision due to the valuation allowance on deferred tax assets. Vimeo believes no unrecognized tax benefits would decrease by March 31, 2023. Vimeo recognizes interest and penalties related to unrecognized tax benefits, if applicable, in income tax provision. There are currently no accruals for interest or penalties.

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

NOTE 4—FAIR VALUE MEASUREMENTS

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

	March 31, 2022			
	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)			

Assets:				
Cash equivalents:				
Money market funds	\$ 275,627	\$ —	\$ —	\$ 275,627

Liabilities:				
Contingent consideration arrangements	\$ —	\$ —	\$ 13,777	\$ 13,777

	December 31, 2021			
	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)			

Assets:				
Cash equivalents:				
Money market funds	\$ 305,836	\$ —	\$ —	\$ 305,836

Liabilities:				
Contingent consideration arrangements	\$ —	\$ —	\$ 12,200	\$ 12,200

Vimeo's non-financial assets, such as goodwill, intangible assets with definite lives, ROU assets and leasehold improvements and equipment, 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:

	Three Months Ended March 31, 2022
	(In thousands)
Balance at beginning of period	\$ 12,200
Total net losses (gains):	
Included in operating loss	—
Measurement period adjustments	1,577
Settlements	—
Balance at end of period	\$ 13,777

Contingent Consideration Arrangements

At March 31, 2022, the Company had two outstanding contingent consideration arrangements related to the acquisitions of Wibbitz Ltd. and WIREWAX Ltd. on November 10, 2021 and December 6, 2021, respectively. The maximum contingent payments related to these arrangements is \$25.0 million.

These contingent consideration arrangements are based upon financial performance and the satisfaction of certain integration milestones. The fair value of each of these contingent consideration arrangements is sensitive to changes in the expected achievement of the financial targets and integration milestones, if applicable. The fair value of each of the contingent consideration arrangements was determined by using probability weighted analyses to determine the amount of estimated payments, discounted to fair value by applying a discount rate that appropriately captures the risk associated with the obligation.

During the three months ended March 31, 2022, the Company recorded measurement period adjustments, based on new information obtained that existed as of the acquisition date, to increase the provisional amounts by approximately \$1.6 million. These changes were recognized as part of the purchase price and therefore, recorded as an increase to "Goodwill" in the accompanying consolidated balance sheet.

The Company will remeasure the fair value of each contingent consideration arrangement each reporting period and any adjustments will be recognized in "General and administrative expense" in the accompanying consolidated statement of operations. The current and non-current contingent consideration liability balances at March 31, 2022 were \$10.5 million and \$3.3 million, respectively. The non-current contingent consideration liability balance at December 31, 2021 was \$12.2 million. The current and non-current contingent consideration liabilities are included in "Accrued expenses and other current liabilities" and "Other long-term liabilities", respectively, in the accompanying consolidated balance sheet.

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

NOTE 5—REVOLVING CREDIT FACILITY

On February 12, 2021, Vimeo OpCo entered into a \$100 million revolving credit facility (the "Credit Facility"), which expires on February 12, 2026. Any borrowings under the Credit Facility are guaranteed by Vimeo's wholly-owned material domestic subsidiaries, if any, and are secured by substantially all assets of Vimeo and any guarantors, subject to certain exceptions. At March 31, 2022, the commitment fee, which is based on the consolidated net leverage ratio most recently reported and the average daily amount of the available revolving commitments, was 20 basis points. Any borrowings under the Credit Facility would bear interest, at Vimeo's option, at either a base rate or LIBOR, in each case plus an applicable margin, which is determined by reference to a pricing grid based on Vimeo's consolidated net leverage ratio. The financial covenants require Vimeo to maintain a minimum liquidity of not less than \$50.0 million until December 31, 2022 and, thereafter, at the end of each quarterly test period, a consolidated net leverage ratio (as defined in the agreement) of not more than 5.5 to 1.0. The Credit Facility also contains customary affirmative and negative covenants, including covenants that would limit Vimeo's ability to pay dividends or make distributions on or repurchase certain equity interests in the event a default has occurred or Vimeo's consolidated net leverage ratio exceeds 4.0 to 1.0. At March 31, 2022, there were no outstanding borrowings under the Credit Facility. In December 2021, Vimeo agreed to cease any borrowings under certain non-USD currencies and certain USD tenors due to the applicable LIBOR benchmark rates no longer being available publicly from and after December 31, 2021 and until an amendment is made to the Credit Facility to replace LIBOR with an alternative benchmark.

NOTE 6—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 Vimeo common stock vote together as a single class with the holders of Vimeo Class B common stock on all matters, including the election of directors; provided, however, that the holders 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 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 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.

Upon completion of the Spin-off, Vimeo amended and restated its certificate of incorporation such that it is authorized to issue 1,600,000,000 shares of Vimeo common stock and 400,000,000 shares of Vimeo Class B common stock.

Description of Preferred Stock

Vimeo's Board of Directors 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.

Sale of Common Stock

In January 2021, Vimeo OpCo raised \$300 million of equity capital via the sale of 6.2 million shares of its Class A Voting common stock for \$200 million, or \$32.41 per share, at a \$5.2 billion pre-money valuation, and 2.8 million shares of its Class A Voting common stock for \$100 million, or \$35.35 per share, at a \$5.7 billion pre-money valuation.

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

Stock Repurchase Program

On February 25, 2022, the Board of Directors 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, 2022.

NOTE 7—ACCUMULATED OTHER COMPREHENSIVE LOSS

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

	Three Months Ended March 31,	
	2022	2021
	(In thousands)	
Balance at beginning of period	\$ (86)	\$ (87)
Other comprehensive loss	(146)	(22)
Balance at end of period	\$ (232)	\$ (109)

At both March 31, 2022 and 2021, there was no tax benefit or provision on the accumulated other comprehensive loss.

NOTE 8—(LOSS) EARNINGS 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. In 2021, Vimeo entered into a Restricted Stock Agreement with Joseph Levin, Chairman of the Vimeo Board of Directors, which provided for a grant of 4,870,500 shares of common stock ("Vimeo Restricted Shares"). The Vimeo Restricted Shares are participating securities because these shares 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. No allocation of undistributed losses has been made as the Vimeo Restricted Shares do not participate in losses of the Company.

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

	Three Months Ended March 31,	
	2022	2021
	(In thousands, except per share data)	
Numerator:		
Net (loss) earnings	\$ (26,558)	\$ 3,313
Denominator: ^(a) ^(b) ^(c)		
Denominator for (loss) earnings per share—weighted average shares	161,312	159,381
(Loss) earnings per share attributable to common stock shareholders:		
(Loss) earnings per share	\$ (0.16)	\$ 0.02

^(a) Vimeo Restricted Shares were included in shares of common stock issued and outstanding at March 31, 2022 in the accompanying consolidated balance sheet, but were excluded from the computation of 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)

- (b) For the three months ended March 31, 2022, approximately 27.2 million potentially dilutive equity awards were excluded from the computation of diluted EPS because the impact would have been anti-dilutive.
- (c) Weighted average basic and dilutive shares outstanding for the three months ended March 31, 2021 reflect Vimeo's outstanding shares immediately after the completion of the Spin-off as described in "[Note 1—Organization and Basis of Presentation](#)."

NOTE 9—FINANCIAL STATEMENT DETAILS

Cash and Cash Equivalents and Restricted Cash

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

	March 31, 2022	December 31, 2021	March 31, 2021	December 31, 2020
	(In thousands)			
Cash and cash equivalents	\$ 291,100	\$ 321,900	\$ 316,305	\$ 110,011
Restricted cash included in other current assets	365	445	223	26
Total cash and cash equivalents and restricted cash as shown in the consolidated statement of cash flows	<u>\$ 291,465</u>	<u>\$ 322,345</u>	<u>\$ 316,528</u>	<u>\$ 110,037</u>

Restricted cash at March 31, 2022 and December 31, 2021 primarily consisted of deposits related to a lease and corporate credit cards.

Restricted cash at March 31, 2021 primarily consisted of a deposit related to a lease.

Restricted cash at December 31, 2020 primarily consisted of a deposit related to corporate credit cards.

Credit Losses

The changes in the allowance for credit losses for the three months ended March 31, 2022 and 2021 are as follows:

	2022	2021
	(In thousands)	
Balance at beginning of period	\$ 1,324	\$ 476
Provision for credit losses	3,123	82
Write-offs charged against the allowance	(378)	(58)
Recoveries collected	146	—
Balance at end of period	<u>\$ 4,215</u>	<u>\$ 500</u>

Accumulated Amortization and Depreciation

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

<u>Asset Category</u>	March 31, 2022	December 31, 2021
	(In thousands)	
Right-of-use assets included in other non-current assets	\$ 10,462	\$ 8,548
Leasehold improvements and equipment	\$ 1,970	\$ 1,591
Intangible assets with definite lives	\$ 40,983	\$ 39,692

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

Other income, net

	Three Months Ended March 31,	
	2022	2021
	(In thousands)	
Other income, net	\$ 341	\$ 10,086

Other income, net generally relates to net foreign exchange gains and losses.

For the three months ended March 31, 2021, Other income, net also included a gain of \$10.2 million related to the sale of Vimeo's retained interest in its former hardware business.

Geographic Concentrations

Geographic information about revenue and long-lived assets is presented below.

Revenue by geography is based on where the customer is located. The United States was the only country for which revenue was greater than 10% of Vimeo's total revenue for the three months ended March 31, 2022 and 2021.

	Three Months Ended March 31,	
	2022	2021
	(In thousands)	
Revenue:		
United States	\$ 53,831	\$ 45,795
All other countries	54,523	43,627
Total	\$ 108,354	\$ 89,422

Long-lived assets, excluding goodwill, intangible assets with definite lives and ROU assets, at March 31, 2022 and December 31, 2021 relate to "Leasehold improvements and equipment, net."

	March 31, 2022	December 31, 2021
	(In thousands)	
Leasehold improvements and equipment, net:		
United States	\$ 2,011	\$ 1,901
All other countries	962	967
Total	\$ 2,973	\$ 2,868

NOTE 10—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.

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

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).

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 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.

Vimeo believes that the allegations in these lawsuits are without merit and will defend vigorously against them.

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

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 EUR 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 Appeal stayed the judgment pending appeal. The appeal is currently pending.

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 EUR 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 Appeal declined to stay the judgment. The appeal is currently pending. On October 26, 2020, RTI commenced a lawsuit against Vimeo in the U.S. District Court for the Southern District of New York to enforce the damages award of 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.

Proceedings in the third and fourth cases (Nos. 59780/2017 and 74775/2017, respectively) are pending before the Civil Court of Rome.

Vimeo believes that the allegations in these lawsuits are without merit and will defend vigorously against them.

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. 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. Vimeo believes that the allegations in this lawsuit are without merit and will defend vigorously against them.

Illinois Biometric Information Privacy Act Litigation

On September 9, 2019, Bradley Acaley filed, on behalf of himself and other similarly situated individuals, a putative class action complaint against Vimeo in the Circuit Court of Cook County, Illinois. Vimeo thereafter removed the case to the U.S. District Court for the Northern District of Illinois, where it is now pending. See *Bradley Acaley v. Vimeo, Inc.*, No. 19 Civ. 7164 (N.D. Ill.). In his complaint, plaintiff asserts that Vimeo's Magisto mobile application collected facial biometric information in a manner that violated his rights under the Illinois Biometric Information Privacy Act ("BIPA"), and he seeks, among other things, injunctive relief and monetary damages.

Vimeo moved to compel arbitration of the case. On June 1, 2020, the district court denied Vimeo's motion. On June 18, 2020, Vimeo filed an appeal to the U.S. Court of Appeals for the Seventh Circuit. The parties subsequently fully briefed the appeal. At a mediation held on January 7, 2022, the parties reached a settlement in principle. The appeal is being held in abeyance pending finalization of the settlement in principle.

Vimeo denies liability in connection with this lawsuit.

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

NOTE 11—RELATED PARTY TRANSACTIONS

Following the Spin-off, the relationship between Vimeo and IAC has been governed by a number of agreements that include: a separation agreement; a tax matters agreement; a transition services agreement; an employee matters agreement; and a data protection agreement. Through December 31, 2021, Vimeo participated in IAC's health and welfare benefit plans. The total related charges for the three months ended March 31, 2022 and 2021 were \$1.3 million and \$2.7 million, respectively. At March 31, 2022 and December 31, 2021, Vimeo had a current payable due to IAC of \$0.1 million and \$6.4 million, respectively, which were included in "Accrued expenses and other current liabilities" in the accompanying consolidated balance sheet and were subsequently paid in April 2022 and January 2022, respectively.

Upon the completion of the Spin-off, Vimeo entered into an operating lease agreement with IAC for the space Vimeo occupies in IAC's headquarters building at 555 West 18th Street in New York City. Additionally, in November 2021 Vimeo entered into a sublease agreement with HomeAdvisor, Inc., an indirect subsidiary of IAC, whereby Vimeo agreed to sublease from HomeAdvisor the 10th floor at 330 West 34th Street in New York City. At March 31, 2022 Vimeo had a current lease liability of \$6.2 million included in "Accrued expenses and other current liabilities" and a non-current lease liability of \$1.9 million included in "Other long-term liabilities" related to these agreements in the accompanying consolidated balance sheet. Prior to the Spin-off, IAC allocated rent expense to Vimeo for the same space that it currently occupies in IAC's headquarters building. The total rent expense for these two locations for the three months ended March 31, 2022 and 2021 was \$1.6 million and \$0.9 million, respectively.

For the three months ended March 31, 2021, Vimeo's consolidated statement of operations also includes \$1.0 million of costs allocated by IAC, including stock-based compensation expense, related to IAC's accounting, treasury, legal, tax, corporate support, financial systems, and internal audit functions. These allocations were based on Vimeo's revenue as a percentage of IAC's total revenue and are reflected in the accompanying consolidated balance sheet within "Additional paid-in-capital." It is not practicable to determine the actual expenses that would have been incurred for these services had Vimeo operated as a standalone entity during the periods presented. Management considers the allocation method to be reasonable.

Debt—Related Party

In January 2021, Vimeo OpCo repaid its outstanding related party debt to IAC in the amount of \$99.5 million, which included accrued interest of \$4.9 million, using a portion of the proceeds from the January 2021 primary equity raise described in ["Note 6—Shareholders' Equity."](#) Each promissory note bore interest at 10% per annum.

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

GENERAL

Spin-off

On May 25, 2021, Vimeo completed its separation from IAC/InterActiveCorp ("IAC") through a series of transactions (which we refer to as the "Spin-off") that resulted in the pre-transaction stockholders of IAC directly owning shares in both IAC and Vimeo, and in Vimeo becoming a separately traded public company.

The Spin-off was structured to include the following steps:

- Certain restructuring transactions, including, among other things, the transfer to Vimeo of IAC's equity interests in Vimeo.com, Inc. ("Vimeo OpCo," formerly known as Vimeo, Inc.), and the repayment by Vimeo OpCo of all outstanding intercompany debt owed to IAC and its subsidiaries (other than Vimeo OpCo's subsidiaries).
- Amending IAC's certificate of incorporation to provide for:
 - the reclassification of each share of IAC common stock, par value \$0.001 into (i) one share of IAC common stock, par value \$0.0001 and (ii) 1/100th of a share of IAC Series 1 mandatorily exchangeable preferred stock that was automatically exchanged for a number of shares of Vimeo common stock equal to an exchange ratio of 1.6235 (the "Spin-off Exchange Ratio," with holders receiving cash in lieu of any fractional shares of Vimeo common stock resulting, after aggregation, from the reclassification); and
 - the reclassification of each share of IAC Class B common stock, par value \$0.001 into (i) one share of IAC Class B common stock, par value \$0.0001 and (ii) 1/100th of a share of IAC Series 2 mandatorily exchangeable preferred stock that was automatically exchanged for a number of shares of Vimeo Class B common stock equal to the Spin-off Exchange Ratio (with holders receiving cash in lieu of any fractional shares of Vimeo Class B common stock resulting, after aggregation, from the reclassification).
- The effectiveness of certain other amendments to IAC's certificate of incorporation.

Prior to the Spin-off, IAC indirectly owned approximately 88% of Vimeo OpCo's outstanding shares, with the remaining Vimeo OpCo shares held by third parties. In connection with the Spin-off, the Vimeo OpCo shareholders agreement required IAC to cause the conversion of the Vimeo OpCo shares held by such non-IAC Vimeo OpCo stockholders into Vimeo common stock, which we refer to as the "Vimeo minority exchange." The shareholders agreement also required that the non-IAC Vimeo OpCo stockholders be compensated (in the form of additional Vimeo equity) for dilution resulting from the issuance of Vimeo options in respect of vested IAC employee option awards that were adjusted in the Spin-off. Each such Vimeo OpCo shareholder was compensated for their ratable portion of 50% of the intrinsic value of the Vimeo options so issued, measured at the time of the Spin-off. The Vimeo Merger, as defined below, was completed pre-market on May 25, 2021 and satisfied these obligations.

On the terms and subject to the conditions of the Agreement and Plan of Merger, as amended and restated on March 12, 2021 (the "Vimeo Merger Agreement"), following the Spin-off on May 25, 2021, Stream Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Vimeo ("Merger Sub") merged with and into Vimeo OpCo, with Vimeo OpCo surviving as a wholly-owned subsidiary of Vimeo (the "Vimeo Merger"). Each share of Vimeo OpCo capital stock held prior to the Vimeo Merger by a non-IAC Vimeo OpCo stockholder was converted into 1.0143 ("Vimeo Merger Exchange Ratio") shares of Vimeo common stock (with holders receiving cash in lieu of any fractional shares of Vimeo common stock resulting, after aggregation, from the Vimeo Merger).

Additionally, each restricted stock unit ("RSU") corresponding to shares of Vimeo OpCo ("Vimeo OpCo RSU") was converted into an RSU corresponding to shares of Vimeo common stock ("Vimeo RSU"), with the number of shares covered by such Vimeo RSU equal to the number of shares covered by the Vimeo OpCo RSU times the Vimeo Merger Exchange Ratio. Each stock appreciation right ("SAR") corresponding to shares of Vimeo OpCo ("Vimeo OpCo SAR") was converted into a SAR corresponding to shares of Vimeo common stock ("Vimeo SAR"), with the number of shares covered by such Vimeo SAR equal to the number of shares covered by the Vimeo OpCo SAR times the Vimeo Merger Exchange Ratio and the per

share exercise price of such Vimeo SAR equal to the per share exercise price of the Vimeo OpCo SAR divided by the Vimeo Merger Exchange Ratio.

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, 2022 included in "[Item 1—Consolidated Financial Statements](#)."

Key Terms:

When the following terms appear in this report, they have the meanings indicated below:

- **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. We count each account with a subscription plan as a subscriber. In the case of sales-assisted customers who maintain multiple accounts across our platforms as part of a single sales-assisted subscription plan, we count only one subscriber. We do 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.
- **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 (including stock-based compensation expense) and other employee-related costs for personnel engaged in customer care functions, traffic acquisition costs, which includes the amortization of in-app purchase fees, outsourced customer care personnel costs, rent expense and facilities costs. In-app purchase fees are monies paid to Apple and Google in connection with the processing of in-app purchases of subscriptions and product features through the in-app payment systems provided by Apple and Google.
- **Research and development expense** - consists primarily of compensation expense (including stock-based compensation expense) and other employee-related costs 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 (including stock-based compensation expense) and other employee-related costs 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 (including stock-based compensation expense) and other employee-related costs for personnel engaged in executive management, finance, legal, tax, information technology and human resources, fees for professional services (including transaction-related costs related to the Spin-off and acquisitions), rent expense, facilities costs, and software license and maintenance costs.
- **Credit Facility** - On February 12, 2021, Vimeo OpCo entered into a \$100 million revolving credit facility, which expires on February 12, 2026. At March 31, 2022, there were no outstanding borrowings under the Credit Facility.

- **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 (loss) earnings to Adjusted EBITDA for the three months ended March 31, 2022 and 2021.

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 self-serve and sales-assisted 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. Vimeo has made, and expects to continue to make, significant investments in online marketing to drive traffic to its websites.

Results of Operations for the three months ended March 31, 2022 compared to the three months ended March 31, 2021

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

	Three Months Ended March 31,	
	2022	2021
	(as a % of revenue)	
Revenue	100 %	100 %
Cost of revenue (exclusive of depreciation shown separately below)	25	28
Gross profit	75	72
Operating expenses:		
Research and development expense	32	24
Sales and marketing expense	40	36
General and administrative expense	26	16
Depreciation	—	—
Amortization of intangibles	1	2
Total operating expenses	100	78
Operating loss	(24)	(6)
Interest expense	—	—
Interest expense—related party	—	(1)
Other income, net	—	11
(Loss) earnings before income taxes	(24)	4
Income tax provision	—	—
Net (loss) earnings	(25)%	4 %

Revenue

	Three Months Ended March 31,			
	2022	2021	Change	% Change
	(In thousands, except ARPU)			
Revenue	\$ 108,354	\$ 89,422	\$ 18,932	21 %
Operating metrics:				
Subscribers	1,689	1,587	102	6 %
Average Subscribers	1,692	1,559	133	9 %
ARPU	\$ 260	\$ 233	\$ 27	12 %

Revenue increased \$18.9 million, or 21%, driven primarily by a 9% increase in Average Subscribers and a 12% increase in ARPU. The growth in Average Subscribers was due to the increase in customers as individuals, businesses and organizations continued to adopt video to communicate. ARPU increased due primarily to the growth in sales-assisted subscribers, for which average annual contract values are much greater than self-serve subscribers. For the three months ended March 31, 2022 compared to March 31, 2021, the number of sales-assisted subscribers increased from more than 4,000 to more than 8,000, and sales-assisted revenue, as a percentage of total revenue, increased from 27% to 33%.

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

	Three Months Ended March 31,			
	2022	2021	Change	% Change
	(In thousands)			
Cost of revenue (exclusive of depreciation shown separately below)	\$ 26,756	\$ 24,956	\$ 1,800	7 %
Gross profit	\$ 81,598	\$ 64,466	\$ 17,132	27 %
Gross profit margin	75%	72%		

Cost of revenue increased \$1.8 million, or 7%, due primarily to increases \$0.9 million in hosting fees and \$0.5 million in customer care personnel costs. Hosting fees increased due to the increase in Average Subscribers. Customer care personnel costs increased due primarily to an increase in headcount, partially offset by a reduction in outsourced costs.

Gross profit margin increased due primarily to the increase in revenue.

Operating Expenses

	Three Months Ended March 31,			
	2022	2021	Change	% Change
	(In thousands)			
Research and development expense	\$ 34,418	\$ 21,475	\$ 12,943	60 %
Sales and marketing expense	43,156	32,069	11,087	35 %
General and administrative expense	28,612	14,518	14,094	97 %
Depreciation	376	115	261	229 %
Amortization of intangibles	1,291	1,887	(596)	(32)%
Total operating expenses	\$ 107,853	\$ 70,064	\$ 37,789	54 %

Research and development expense increased \$12.9 million, or 60%, due primarily to increased investment in products. The increased investment included \$12.5 million in compensation expense (including an increase of \$3.0 million in stock-based compensation expense). The increase in compensation expense was due primarily to increased headcount and the timing of equity awards granted in the first quarter of 2021.

Sales and marketing expense increased \$11.1 million, or 35%, due primarily to increases of \$6.2 million in compensation expense (including an increase of \$0.6 million in stock-based compensation expense), \$3.2 million in advertising costs, and \$0.8 million in software license and maintenance costs. The increase in compensation expense was due primarily to growth in the sales force and the timing of equity awards granted in the first quarter of 2021.

General and administrative expense increased \$14.1 million, or 97%, due primarily to increases of \$10.2 million in compensation expense (including an increase of \$5.5 million in stock-based compensation expense) and \$3.0 million in bad debt expense. The increase in compensation expense was due primarily to increased headcount, the Vimeo Restricted Shares (as described in "[Note 8—\(Loss\) Earnings Per Share](#)") which were granted in the second quarter of 2021, and the timing of equity awards granted in the first quarter of 2021. The increase in bad debt expense was due primarily to the implementation of a new billing system that led to an increase in aged accounts receivable balances.

Depreciation increased \$0.3 million, or 229%, due primarily to the reduction in the estimated useful life of certain leasehold improvements to align with the estimated term of the operating lease agreement, entered into in connection with the Spin-off, for the space we occupy in IAC's headquarters building.

Amortization of intangibles decreased \$0.6 million, or 32%, due primarily to certain intangibles that are amortized using an accelerated method of amortization.

Operating loss

	Three Months Ended March 31,			
	2022	2021	Change	% Change
	(In thousands)			
Operating loss	\$ (26,255)	\$ (5,598)	\$ (20,657)	(369)%

Operating loss increased \$20.7 million or 369%, due to an increase in operating expenses of \$37.8 million, partially offset by an increase in gross profit of \$17.1 million. The increase in operating expenses was due primarily to increases in compensation expense of \$28.9 million (including stock-based compensation of \$9.1 million), advertising costs of \$3.2 million, bad debt expense of \$3.0 million, and software license and maintenance costs of \$1.3 million. The increase in gross profit was due to higher revenue and improved gross profit margin (75% in 2022 compared to 72% in 2021).

Adjusted EBITDA

	Three Months Ended March 31,			
	2022	2021	Change	% Change
	(In thousands)			
Adjusted EBITDA	\$ (10,395)	\$ 1,316	\$ (11,711)	NM
As a percentage of revenue	(10)%	1%		

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

Adjusted EBITDA decreased \$11.7 million to a loss of \$10.4 million, due primarily to increases in compensation and other operating expenses, partially offset by higher revenue and improved gross profit margin.

Non-Operating Expenses

	Three Months Ended March 31,			
	2022	2021	Change	% Change
	(In thousands)			
Interest expense	\$ (121)	\$ (64)	\$ (57)	(89)%
Interest expense—related party	\$ —	\$ (726)	\$ 726	NM
Other income, net	\$ 341	\$ 10,086	\$ (9,745)	(97)%

Interest expense relates to amortization of deferred financing costs and commitment fees associated with the Credit Facility, which commenced on February 12, 2021. See “—Liquidity and Capital Resources—Revolving Credit Facility” for additional information about the Credit Facility.

Interest expense—related party relates to interest expense charged by IAC and its subsidiaries on the related party notes. The notes were repaid to IAC in January 2021.

Other income, net generally relates to net foreign exchange gains and losses. For the three months ended March 31, 2021, Other income, net also included a gain of \$10.2 million, related to the sale of Vimeo’s retained interest in its former hardware business.

Income tax provision

	Three Months Ended March 31,			
	2022	2021	Change	% Change
	(In thousands)			
Income tax provision	\$ (523)	\$ (385)	\$ (138)	36 %
Effective income tax rate	(2)%	10%		

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 primarily relates to international and state taxes for jurisdictions in which Vimeo conducts business. The increase in income tax provision was driven by a net increase in international tax accruals. The difference between the effective income tax rate and the federal statutory rate was due primarily to the impact of stock-based awards and the valuation allowance on deferred tax assets.

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 use of 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 the metric on which our internal budgets are based and also the metric 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 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 loss excluding: (1) stock-based compensation expense; (2) depreciation; and (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. 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 non-cash in nature. Adjusted EBITDA has certain limitations because it excludes the impact of these expenses.

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

	Three Months Ended March 31,	
	2022	2021
	(In thousands)	
Net (loss) earnings	\$ (26,558)	\$ 3,313
Add back:		
Income tax provision	523	385
Other income, net	(341)	(10,086)
Interest expense—related party	—	726
Interest expense	121	64
Operating loss	(26,255)	(5,598)
Add back:		
Stock-based compensation expense	14,193	4,912
Depreciation	376	115
Amortization of intangibles	1,291	1,887
Adjusted EBITDA	\$ (10,395)	\$ 1,316

Non-Cash Expenses 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. Stock-based awards are generally settled on a gross basis in shares of Vimeo common stock such that individual award holders will pay their withholding tax obligation, generally by selling shares of Vimeo common stock (including a portion of the shares received in connection with the applicable exercise).

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.

VIMEO'S FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

Financial Position

	March 31, 2022	December 31, 2021
	(In thousands)	
Cash and cash equivalents:		
United States	\$ 285,542	\$ 317,134
All other countries	5,558	4,766
Total cash and cash equivalents	<u>\$ 291,100</u>	<u>\$ 321,900</u>

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

Cash Flow Information

In summary, Vimeo's cash flows are as follows:

	Three Months Ended March 31,	
	2022	2021
	(In thousands)	
Net cash (used in) provided by		
Operating activities	\$ (26,753)	\$ (22)
Investing activities	\$ 1,117	\$ 7,633
Financing activities	\$ (5,119)	\$ 199,012

Net cash used in operating activities consists of net loss adjusted for non-cash items and the effect of changes in working capital. Non-cash adjustments include stock-based compensation expense, provision for credit losses, non-cash lease expense, amortization of intangibles, and depreciation.

2022

Adjustments to net loss consisted primarily of \$14.2 million of stock-based compensation expense, provision for credit losses of \$3.1 million, non-cash lease expense of \$1.8 million, and \$1.3 million of amortization of intangibles. The decrease from changes in working capital primarily consisted of a decrease in accounts payable and other liabilities of \$11.5 million and an increase in accounts receivable of \$8.7 million. The decrease in accounts payable and other liabilities was due primarily to the payment of 2021 cash bonuses in 2022, the payment of professional fees related to acquisition activities, and the timing of invoice payments. The increase in accounts receivable was due primarily to the implementation of a new billing system.

Net cash provided by investing activities included proceeds of \$1.6 million previously held in escrow related to the sale of Vimeo's retained interest in its former hardware business, partially offset by capital expenditures of \$0.5 million.

Net cash used by financing activities reflected the timing of net withholding taxes paid related to the exercise of equity awards of \$5.1 million.

2021

Adjustments to net earnings consisted primarily of a \$10.2 million gain related to the sale of Vimeo's retained interest in its former hardware business, \$4.9 million of stock-based compensation expense, and \$1.9 million of amortization of intangibles. The decrease from changes in working capital primarily consisted of a decrease in accounts payable and other liabilities of \$7.5 million, an increase in accounts receivable of \$2.3 million, and an increase in prepaid expenses and other assets of \$2.0 million, partially offset by an increase in deferred revenue of \$11.3 million. The decrease in accounts payable and other liabilities was due primarily to a decrease in accrued employee compensation mainly related to the payment of 2020 cash bonuses in 2021 and payment of related-party accrued interest. The increase in accounts receivable was due primarily to timing of cash receipts. The increase in prepaid expenses and other assets was due primarily to an increase in prepaid software license and maintenance costs. The increase in deferred revenue was due primarily to growth in sales of annual subscriptions.

Net cash provided by investing activities included proceeds of \$7.8 million related to the sale of Vimeo's retained interest in its former hardware business.

Net cash provided by financing activities included \$299.8 million in net proceeds from the issuance of 9.0 million shares of Vimeo OpCo's Class A Voting common stock, partially offset by the repayment of related-party debt of \$94.6 million, withholding taxes paid related to the exercise of equity awards of \$4.7 million, and \$1.4 million of deferred financing costs related to the Credit Facility.

Liquidity and Capital Resources

January 2021 Primary Equity Raise and Repayment of Debt Payable to IAC

In January 2021, Vimeo OpCo raised \$300 million of equity capital via the sale of 6.2 million shares of Vimeo OpCo Class A Voting common stock for \$200 million, or \$32.41 per share, at a \$5.2 billion pre-money valuation, and 2.8 million shares of Vimeo OpCo Class A Voting common stock for \$100 million, or \$35.35 per share, at a \$5.7 billion pre-money valuation. A portion of the proceeds from the January 2021 primary equity raise was used to repay the debt payable to IAC, including accrued interest.

Revolving Credit Facility

On February 12, 2021, Vimeo OpCo entered into its \$100 million Credit Facility, which expires on February 12, 2026. Any borrowings under the Credit Facility are guaranteed by Vimeo's wholly-owned material domestic subsidiaries, if any, and are secured by substantially all assets of Vimeo and any guarantors, subject to certain exceptions. At March 31, 2022, the commitment fee, which is based on the consolidated net leverage ratio most recently reported and the average daily amount of the available revolving commitments, was 20 basis points. Any borrowings under the Credit Facility would bear interest, at Vimeo's option, at either a base rate or LIBOR, in each case plus an applicable margin, which is determined by reference to a pricing grid based on Vimeo's consolidated net leverage ratio. The financial covenants require Vimeo to maintain a minimum liquidity of not less than \$50.0 million until December 31, 2022 and, thereafter, at the end of each quarterly test period, a consolidated net leverage ratio (as defined in the agreement) of not more than 5.5 to 1.0. The Credit Facility also contains customary affirmative and negative covenants, including covenants that would limit Vimeo's ability to pay dividends or make distributions on or repurchase certain equity interests in the event a default has occurred or Vimeo's consolidated net leverage ratio exceeds 4.0 to 1.0. At March 31, 2022, there were no outstanding borrowings under the Credit Facility. In December 2021, Vimeo agreed to cease any borrowings under certain non-USD currencies and certain USD tenors due to the applicable LIBOR benchmark rates no longer being available publicly from and after December 31, 2021 and until an amendment is made to the Credit Facility to replace LIBOR with an alternative benchmark.

Outstanding Stock-based Awards

Prior to the Spin-off, equity awards were settled on a net basis, with the award holder entitled to receive shares of IAC common stock with a value equal to the intrinsic value of the Vimeo OpCo award upon settlement less an amount equal to the required cash tax withholding payment, which was paid by IAC on behalf of the employee. Vimeo reimbursed IAC in cash for the withholding taxes remitted on behalf of the Vimeo employees and generally reimbursed IAC for the IAC shares through the issuance of shares of Vimeo common stock.

After the Spin-off, equity awards are settled in shares of Vimeo common stock, generally on a gross basis, such that individual award holders will be required to pay their withholding tax obligation, which they will generally be able to do by selling shares of Vimeo common stock (including a portion of the shares received in connection with the applicable settlement).

Liquidity Assessment

At March 31, 2022, Vimeo had approximately \$291.1 million in cash and cash equivalents and no debt. At March 31, 2022, approximately 87% of Vimeo's subscribers were on annual subscription plans.

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. Vimeo does not currently expect to incur significant capital expenditures. The \$100 million of available borrowings under Vimeo's Credit Facility will be a potential source of additional financial flexibility and liquidity, if needed.

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

Foreign Currency Exchange Risk

International revenue, which is based upon the location of the customer, accounted for 50% and 49% of Vimeo's total revenue for the three months ended March 31, 2022 and 2021, respectively. Vimeo's self-serve subscription plans are generally priced in local currency for international customers and Vimeo's sales-assisted subscription plans are generally priced in U.S. dollars for international customers. Vimeo's investments in foreign subsidiaries that transact business in a functional currency other than the U.S. dollar are not material and, therefore, translation gains and losses are not material.

In addition, foreign currency exchange gains or losses historically have not been material to Vimeo. Vimeo recorded foreign exchange gains of \$0.3 million and losses of \$0.2 million for the three months ended March 31, 2022 and 2021, respectively.

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, 2022 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 10 – 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*

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, 2021, filed with the SEC on March 1, 2022. 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. There have been no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K.

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, 2022.

Issuer Purchases of Equity Securities

Vimeo has not purchased any shares of its common stock during the quarter ended March 31, 2022.

Item 5. *Other Information*

Chief Executive Officer and President & Chief Product Officer Letter Agreements

On May 4, 2022, the Company entered into new letter agreements with each of Anjali Sud, Chief Executive Officer, and Mark Kornfilt, President & Chief Product Officer concerning the terms and conditions of each executive’s at-will employment with the Company.

Ms. Sud’s letter agreement provides for an annual base salary of \$600,000 and Mr. Kornfilt’s letter agreement provides for an annual base salary of \$450,000. Under each letter agreement, Ms. Sud and Mr. Kornfilt are entitled to an annual discretionary target cash bonus opportunity equal to 100% of executive’s base salary, to be determined by the Compensation & Human Capital Management Committee of the Board of Directors.

If Ms. Sud’s or Mr. Kornfilt’s employment is terminated by the Company without cause or if Ms. Sud or Mr. Kornfilt terminates their respective employment with the Company for good reason (as such terms are defined in the Company’s 2021 Stock and Annual Incentive Plan), such executive will be entitled to severance equal to (i) at least twelve months of the executive’s then-current salary and (ii) health benefits coverage for twelve months or, at the Company’s option, COBRA coverage for the same period. In each case, the executive must execute a standard severance agreement and, upon the Company’s request, provide a transition period of at least eight (8) weeks. In addition, if Ms. Sud’s or Mr. Kornfilt’s employment is terminated for any reason, each will have eighteen months following the separation date to exercise any vested Vimeo stock appreciation rights or stock options. Each of Ms. Sud and Mr. Kornfilt has agreed to confidentiality, intellectual property, non-competition and non-solicitation covenants.

The foregoing summary of the above-mentioned letter agreements does not purport to be complete and is qualified in its entirety by reference to the letter agreements, copies of which are filed as exhibits to this Quarterly Report on Form 10-Q.

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#	Transition Agreement by and between Narayan Menon and Vimeo, Inc., dated as of February 4, 2022	Filed herewith.
10.2#	Letter Agreement by and between Gillian Munson and Vimeo, Inc., dated as of April 2, 2022	Filed herewith.
10.3#	Letter Agreement by and between Anjali Sud and Vimeo, Inc., dated as of May 3, 2022	Filed herewith.
10.4#†	Letter Agreement by and between Mark Kornfilt and Vimeo, Inc., dated as of May 3, 2022	Filed herewith.
31.1	Certification of the Interim 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 Interim 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.

Indicates a management contract or compensatory plan or arrangement.

† Certain portions of this exhibit are confidential and have been omitted pursuant to Item 601(b)(10) of Regulation S-K. Vimeo agrees to supplementally furnish to the Securities and Exchange Commission a copy of such omissions upon request.

* 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 Securities Exchange Act of 1934, as amended, 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 5, 2022

Vimeo, Inc.

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



February 4, 2022

By Email

Narayanankutty Menon
c/o Vimeo, Inc.
555 West 18th Street
New York, New York 10011

Dear Narayan:

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Vimeo, Inc., a Delaware corporation (the “Company” or “Vimeo”), and you hereby mutually agree to the severance of your employment with the Company upon the following terms and conditions of this agreement (this “Agreement”). This Agreement will be effective the date that you sign it (the “Effective Date”).

1. (a) You and the Company will announce your intention to resign as the Company’s Chief Financial Officer in the Company’s February 9, 2022 earnings release. The language describing your resignation in such release and any other public announcement, filing or disclosure by the Company shall be mutually approved by both parties, provided that (i) approval may not be unreasonably withheld, conditioned, or delayed; and (ii) the language complies with applicable securities laws. The Company confirms that it is not otherwise terminating your employment and has no basis for any termination for “cause.”

(b) You will remain the Company’s Chief Financial Officer until such date as the Company designates in writing (such date, the “Separation Date”). The Separation Date shall be no later than April 30, 2022, provided, however, that the Company may extend the Separation Date for up to two (2) months by providing written notice to you not later than March 15, 2022. Following the Company’s written notice of the Separation Date, you will deliver to the Company a signed letter of resignation in the form of Exhibit A hereto before the Separation Date. Upon the Separation Date, your employment as Chief Financial Officer and all positions you occupy as an officer, director, or employee of the Company (or any subsidiary, including Vimeo.com, Inc.) will be terminated in all respects.

(c) Beginning on the Separation Date, the Company will retain you as a consultant pursuant to the terms and conditions below and the Consulting Addendum attached as Exhibit B hereto. During the time that you serve as consultant (the “Consultancy Period”), you shall be paid the amounts set forth in paragraph 2(a) below. The Consultancy Period shall end on December 31, 2022, provided, however, that if the Separation Date falls on a date after April 30, 2022, then the Consultancy Period shall automatically be extended by the number of days between April 30, 2022 and the Separation Date.

2. (a) In exchange for the general release in paragraph 9 below and other promises contained herein, you will receive the following benefits:

- (i) The Company will pay you a 2021 bonus equal to \$227,500 (representing 65% of your current annual base salary) in the Company's standard bonus payment cycle in February 2022.
- (ii) Through the Separation Date, the Company will continue to pay you at your current annual base salary (\$350,000) in the Company's standard bi-weekly cycles.
- (iii) For the period between January 1, 2022 and the Separation Date, you shall be eligible for a discretionary bonus. Your target bonus will continue to be 65% of your base salary. The bonus shall be paid on a pro rata basis based upon the time worked as Chief Financial Officer in 2022. The Company shall have the discretion to determine the performance amount consistent with its practices applicable to year-end bonuses for senior executives, with the expectation being that, subject to your continued performance in accordance with past practice, you will be paid at the same level as other continuing executives notwithstanding the termination of your employment. The bonus shall be communicated to you within ten (10) days after the Separation Date and paid within thirty (30) days following the Separation Date.
- (iv) During the Consultancy Period, the Company will continue to pay you at your current annual base salary (\$350,000) in the Company's standard bi-weekly cycles. If the Company terminates the Consultancy Period early, the Company shall pay the remaining amounts (which would have been otherwise due through the end of the original Consultancy Period) in a lump sum within thirty (30) days after providing notice of termination.
- (v) During the Consultancy Period, the Company will, at its option, either continue to provide you with health benefits or provide COBRA coverage for any months that you are not covered by the Company's health benefits. No cash in lieu of benefits will be provided should you not use any of the COBRA benefits provided hereunder.
- (vi) With respect to the third tranche of your Vimeo stock appreciation rights ("SARs") that would ordinarily have vested on January 6, 2023: 342,326 units shall vest on September 6, 2022. For avoidance of doubt, except for the foregoing, no SARs shall continue to vest after the Separation Date and any SARs that are unvested as of the Separation Date shall be deemed forfeited. For convenience, your SARs holdings are illustrated in Exhibit C hereto.
- (vii) You will have twelve (12) months after the Separation Date to exercise your vested SARs.

(b) Your entitlement to the payments and benefits set forth in this Section 2(a) shall be subject to your reasonable and good faith efforts to perform your duties as (i) Chief Financial Officer through the Separation Date; and (ii) consultant during the Consultancy Period.

(c) You hereby agree and acknowledge that the benefits provided in paragraph 2(a) exceed any payments, benefits, or other things of value to which you might otherwise be entitled under any policy, plan, or procedure of the Company or its parents, subsidiaries or affiliates or pursuant to any prior agreement or contract with the Company or its parents, subsidiaries or affiliates.

(d) Company shall be entitled to 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.

3. Except as provided in paragraph 6, the Separation Date shall be the termination date of your employment for purposes of participation in and coverage under all benefit plans and programs sponsored by or through the Company, except as otherwise provided herein, under the terms of the benefit plans, or as required by law.

4. As of the Separation Date, you are entitled to your vested account balance, if any, in the Company's Retirement Savings Plan (e.g., 401(k)), subject to the terms and conditions of such plan. The Company will provide you with a summary of the procedures for all such benefits to be transferred, if you so choose, to a new or existing individual retirement account established by you.

5. Your short-term disability insurance and long-term disability insurance ends on the Separation Date. Long-term disability insurance, to the extent you currently participate in that plan, may be converted to an individual plan (information about that option will be forwarded to you under separate cover). All Group Life and Accidental Death & Dismemberment Insurance, to the extent you currently participate in those plans, may be converted to individual plans (information about those options will be forwarded to you under separate cover).

6. Your coverage under the Company's Health and Welfare Benefits Plan, to the extent you currently participate in that plan, ends on the end of the Consultancy Period. In the event that the Company opts to pay you a lump sum amount in lieu of salary continuance during the Consultancy Period, then it will provide COBRA coverage (paid directly) for any gap months through December 31, 2022. If you wish to continue your participation and that of your eligible dependents in the Company's group health, dental, vision, and flexible spending account plans after the coverage ends, you may do so under applicable federal law (i.e., COBRA) by calling (866) 365-2413.

7. Prior to the Separation Date, you shall continue to use reasonable efforts to comply with the Company's policies as applicable to all officers and employees in the United States and/or New York. Your obligations under any policy to which you were subject during your employment and which by their nature survive a termination of employment shall survive following the Separation Date.

8. Your Vimeo equity awards shall continue to be governed by terms and conditions of the original award notices and the 2021 Vimeo, Inc. Stock Incentive Plan (collectively, the "Equity Agreements") as modified by paragraph 2(a) (and then, only to the extent expressly set forth therein). The termination date under the Equity Agreements shall be the Separation Date, provided that paragraphs 2(a)(vi) and 2(a)(vii) above shall supersede the ordinary operation of any termination of employment under the Equity Agreements. You agree that as a consequence of the foregoing, your SARs that are unvested as of such date (except for the SARs referenced in paragraph 2(a)(vi)) shall be forfeited.

9. (a) For and in consideration of the payments and promises made by the Company herein and other good and valuable consideration, you and your heirs, executors, administrators, trustees, legal representatives and assigns (collectively, the "Releasors") hereby waive, release and forever discharge the Company and its affiliates, and its and their divisions, branches, predecessors, successors, assigns, and its and their past or present directors, officers, employees, agents, partners, members, stockholders, representatives, attorneys, consultants, independent contractors, trustees, administrators, insurers and fiduciaries, in their individual and

representative capacities (collectively, the “Releasees”) of and from any and all actions, causes of action, complaints, charges, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and demands (including attorneys’ fees, costs and disbursements actually incurred), whether known or unknown, at law or in equity, suspected or unsuspected, of every kind and nature whatsoever related to your employment with or termination thereof from the Company, which the Releasors ever had, now have or hereafter can, shall or may have against the Releasees or any of them for, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date that you sign this Agreement.

Without limiting the generality of the foregoing, except as expressly set forth in this Agreement or prohibited by law, the Releasors expressly waive any right or claim under Title VII of the Civil Rights Act; the Civil Rights Act of 1991; the Age Discrimination in Employment Act (if applicable); the Rehabilitation Act; the National Labor Relations Act; the Fair Labor Standards Act; the Americans With Disabilities Act; the Family and Medical Leave Act; the Employee Retirement Income Security Act; the Reconstruction Era Civil Rights Act; the New York State Human Rights Law; and the New York City Human Rights Law; each as amended; and any other claim of discrimination, harassment or retaliation in employment (whether based on federal, state or local law, statutory or decisional); any claim for wrongful or tortious termination, constructive discharge, breach of implied or express employment contracts and/or estoppel, discrimination and/or retaliation, libel, slander, non-payment of wages or other compensation; and any claim for reinstatement of employment, backpay, interest, bonuses, damages, accrued vacation, accrued sick leave, medical, dental, optical or hospitalization benefits, accidental death, and dismemberment coverage, long term disability coverage, life insurance benefits, overtime, severance pay and/or attorneys’ fees or costs with respect to or derivative of such employment with the Company or the severance thereof.

(b) You acknowledge and agree that by virtue of the foregoing, you have waived any relief available to you (including without limitation, monetary damages, equitable relief and reinstatement) under any of the claims and/or causes of action waived in this paragraph 9. Therefore, you agree that you will not seek or accept any award or settlement from any source or proceeding (including but not limited to any proceeding brought by any other person or by any government agency) with respect to any claim or right waived in this Agreement. To the extent that you are nonetheless awarded any amount in a proceeding against the Company, you agree that the amount shall be reduced by the payment you received hereunder.

(c) Notwithstanding anything to the contrary set forth in this paragraph 9, you do not release, waive or discharge the Company from (i) the terms of this Agreement and the Consulting Addendum, including any claim to enforce this Agreement and the Consulting Addendum and the payments owed to you hereunder and thereunder; (ii) any claims for indemnification, contribution or advancement of expenses with respect to any liability incurred by you in your capacity as a director or officer of the Company that are subject to indemnification, contribution, or advancement of expenses under the Company’s charter, by-laws, insurance policies, or under applicable law; (iii) any right of reimbursement with respect to expenses pursuant to the terms hereof and the Company’s expense policies; or (iv) any right to exercise vested equity under any Equity Agreements (as modified herein).

(d) For the purpose of implementing a full and complete release and discharge of the Releasees, you acknowledge that this Agreement is intended to include in its effect, without limitation, all claims or other matters described in this paragraph 9 that neither party knows or suspects to exist in your favor at the time of execution hereof, and that this Agreement contemplates the extinguishment of any and all such claims or other such matters. The Releasees

who are not a party to this Agreement are third party beneficiaries of this Agreement and are entitled to enforce its provisions.

(e) Within ten (10) days after the Separation Date, you shall deliver to the Company a signed release in the form of Exhibit D hereto.

10. (a) The parties agree and acknowledge that this Agreement and its terms must be disclosed in the Company's public filings with the U.S. Securities and Exchange Commission. Notwithstanding the foregoing, Company will withhold your personal contact information (e.g., home address or email address) from any such filing as permitted by applicable law.

(b) You acknowledge that as Chief Financial Officer, have you received significant confidential information concerning the Company, including its finances, operations, strategy, and product roadmap. You shall preserve the confidentiality of all confidential information that you have received as an officer or employee of the Company.

(c) Following the Separation Date, you shall (i) in accordance with normal ethical and professional standards, refrain from taking actions or making statements, written or oral, which could denigrate, disparage or defame the business, goodwill or reputation of the Company or any of its subsidiaries, businesses, divisions and/or affiliates (including its or their respective officers, employees and/or directors), or which are intended to, or may be reasonably expected to, adversely affect the morale of the employees of the Company or any of its subsidiaries, businesses, divisions and/or affiliates; (ii) refrain from making any negative statements to third parties relating to your employment (or any circumstances relating to the termination thereof) or the Agreement; or (iii) not harass or threaten any officer, director or employee of the Company. Similarly, the Company or any of its subsidiaries, businesses, divisions and/or affiliates (including its or their respective officers, employees and/or directors) agrees not to disparage you in any manner which is intended to, or may be reasonably expected to, adversely affect you or your business, business reputation or personal reputation.

(d) Nothing in paragraph 10(c) shall prohibit you from making any true factual statements regarding your employment (or the circumstances surrounding the termination thereof) (i) as may be required in connection with a judicial or other governmental proceeding; or (ii) to potential or subsequent employers, or in the event that you are self-employed, to potential business partners and clients; provided, that any and all of these parties agree to keep such information confidential.

(e) For a period of twelve (12) months following the Separation Date (the "Restricted Period"), you will not, without the Company's prior written consent, directly or indirectly, whether as an officer, director, stockholder, member, manager, investor, partner, proprietor, business associate, employee, consultant or otherwise, promote, market, become or be financially interested in, consult with or for, or associate in a business relationship with, a business that directly competes with the Company (a "Competitive Business"). Notwithstanding the foregoing, this paragraph shall not prohibit you from owning up to 5% of the equity of any publicly traded company, whether or not such company is engaged in whole, or in part, in a Competitive Business.

(f) For a period of twelve (12) months following the Separation Date, you will not, either on your account or for any other party, without the Company's prior written consent: (i) solicit any employee of the Company (or a subsidiary thereof); or (ii) induce or attempt to induce any contractor of the Company to sever that person's (or company's) relationship with Vimeo (or a subsidiary thereof).

11. Within ten (10) days after the Separation Date, you shall return to the Company all property belonging to the Company, including but not limited to (and as applicable) laptop computer, cell phone, keys, card access to buildings and office floors, internal policies and other confidential business information and documents. The Company may, at its option, extend the foregoing requirement to the end of the Consultancy Period. You shall, within ten (10) days after upon the Company's written request, certify compliance with this paragraph.

12. This Agreement and all matters or issues related hereto shall be governed by the laws of the State of New York applicable to contracts entered into and performed therein (without reference to its principles of conflicts of laws). Any action arising out of or relating to this Agreement must be commenced in either the Commercial Division of the New York State Supreme Court for New York County or the United States Federal Court for the Southern District of New York. Each party irrevocably consents to the exclusive jurisdiction of such courts. IN ANY SUCH ACTION, VIMEO AND YOU IRREVOCABLY WAIVE ANY RIGHT TO A TRIAL BY JURY.

13. (a) This Agreement is binding upon, and shall inure to the benefit of, the parties and their respective heirs, executors, administrators, successors and assigns.

(b) This Agreement is not intended, and shall not be construed, as an admission that any of the Releasees has violated any federal, state or local law (statutory or decisional), ordinance or regulation, breached any contract or committed any wrong whatsoever against you.

(c) This Agreement (including all Exhibits) contains the entire understanding of the parties hereto relating to the subject matter contained herein and supersedes all prior agreements or understandings between the parties hereto with respect thereto, and can be changed only by a writing signed by all parties hereto. No waiver shall be effective against any party unless in writing and signed by the party against whom such waiver shall be enforced.

(d) Except for the Releasees, no third parties shall have any rights hereunder.

(e) This Agreement may be executed electronically and in two or more counterparts, all of which shall be considered one and the same agreement.

(f) As both parties have been represented by counsel in the negotiation of this Agreement, the parties agree that in any proceeding involving the enforcement, construction, or interpretation of this Agreement, the rule of *contra proferentem* shall not apply.

14. All notices and other communications hereunder shall be deemed to be sufficient if in writing and delivered in person or by a nationally recognized courier service, addressed, if to you, to the address set forth in Exhibit E hereto;

if to the Company:

Vimeo, Inc.
555 West 18th Street
New York, New York 10011
Attention: General Counsel

or such other address as you or the Company may have furnished to the other parties in writing. Each notice delivered in person or by overnight courier shall be deemed given when delivered or when delivery is attempted and refused.

15. In case any provision or provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect by any court or administrative body with competent jurisdiction, such invalidity, illegality or unenforceability shall not affect the remaining provisions hereof, which shall remain in full force and effect. Any provision(s) so determined to be invalid, illegal or unenforceable shall be reformed so that they are valid, legal and enforceable to the fullest extent permitted by law or, if such reformation is impossible, then this Agreement shall be construed as if such invalid, illegal or unenforceable provision(s) had never been contained herein; provided that, upon a finding by a court of competent jurisdiction that this Agreement is illegal and/or unenforceable, you hereby agree to execute and deliver an agreement in substantially the same form as this Agreement, modified to the extent necessary so as to constitute a legal and enforceable agreement. Additionally, you agree that any breach by you of paragraphs 7, 9, 10, and/or 11 shall constitute a material breach of this Agreement as to which the applicable Releasees may seek all relief available under the law.

16. (a) Prior to the Separation Date, either party may terminate this Agreement in the event of the other party's material breach of this Agreement, provided that the non-breaching party must have provided written notice of the breach and a thirty (30)-day opportunity to cure.

(b) In the event of a material breach by you of this Agreement after the Separation Date and prior to the termination of the Consulting Period, Company may cease providing the benefits set forth in paragraph 2(a) not previously paid or then due and payable and the equity-related provisions in paragraph 2(a) shall be void; provided, that the Company has provided written notice of the breach and a thirty (30)-day opportunity to cure; provided further, that you shall continue to have not less than 90 days thereafter to exercise your vested Company equity.

(c) In the event of a material breach by the Company of this Agreement after the Separation Date, the terms of paragraph 2(a) shall be accelerated and deemed due in full within thirty (30) days after the declaration of termination by you in accordance with this Section 16. In such case, the release set forth above also shall immediately terminate and shall be null and void. In the event of your death or disability, all amounts payable or subject to vesting hereunder shall nonetheless be paid in full.

(d) The rights set forth in Section 16 shall not be construed to limit the parties' rights and remedies, all of which are expressly reserved.

17. The Company shall, on the Effective Date, reimburse the actual fees and out-of-pocket expenses of your legal counsel incurred in connection with the review of this Agreement and the related transactions, not to exceed \$10,000. At your option, the Company will pay your counsel's invoices directly.

18. You have at least twenty-one (21) days to consider this Agreement before executing it, though you may choose to execute it sooner at your own discretion. If you do not execute this Agreement within forty-five (45) days after the date above, the Agreement will be deemed rejected by you and withdrawn by the Company; in such event, the obligation of the Company to provide the payments and benefits in paragraph 2(a) of this Agreement shall immediately become null and void.

BY SIGNING THIS AGREEMENT, YOU STATE THAT:

(A) YOU ARE VOLUNTARILY ENTERING INTO THIS AGREEMENT;

(B) YOU HAVE READ THIS AGREEMENT, HAVE HAD SUFFICIENT TIME TO CONSIDER ITS TERMS, AND YOU AGREE WITH THOSE TERMS;

(C) YOU HAVE BEEN REPRESENTED BY COUNSEL IN NEGOTIATING THE TERMS OF THIS AGREEMENT;

(D) YOU HAVE HAD AN OPPORTUNITY TO CONSULT WITH TAX AND FINANCIAL ADVISORS;

(E) YOU HAVE NOT RELIED UPON ANY REPRESENTATIONS BY THE COMPANY THAT ARE NOT SET FORTH HEREIN; AND

(E) THIS AGREEMENT INCLUDES A RELEASE BY YOU OF ALL KNOWN AND UNKNOWN CLAIMS AS DESCRIBED IN THIS AGREEMENT.

If the foregoing correctly sets forth our understanding, please sign below, whereupon this letter shall constitute a binding agreement between you and the Company.

[Signature page follows]

Yours very truly,

VIMEO, INC.:

/s/ Michael A. Cheah

Michael A. Cheah
General Counsel & Secretary
Vimeo, Inc.

ACCEPTED AND AGREED:

NARAYAN MENON:

/s/ Narayan Menon February 4, 2022
Signature Date

Exhibits:

- Exhibit A: Form of Letter of Resignation
- Exhibit B: Consulting Agreement
- Exhibit C: Table of Stock Appreciation Rights
- Exhibit D: Form of Release
- Exhibit E: Contact Information



Anjali Sud

Chief Executive Officer April 2, 2022

By email

Gillian Munson [*]

[*]

Re: Offer of Employment

Dear Gillian,

We are excited to offer you a senior leadership position at Vimeo, Inc. ("Vimeo," "Company" or "we"). This letter is to confirm the terms of your employment.

POSITION: Your title will be Chief Financial Officer. You will report to the CEO. You will be employed remotely in the United States. ¹ Your start date is April 4, 2022, *provided* that you and Company may mutually agree to an earlier start date. You will receive information regarding your new hire orientation via email.

DUTIES: During your 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.² You will be directly responsible to such person(s) as Company may designate from time to time, and it will be your responsibility to keep such person(s) timely informed of your progress with respect to your duties hereunder. You will be expected to work longer hours if required.

COMPENSATION: Your base salary 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 will be eligible for a discretionary annual bonus. Your bonus target is 80% of your base salary. Any bonus is discretionary and will be determined by the Compensation and Human Capital Management Committee (the "Committee") of the Company's Board of Directors based upon Company's performance overall and your own performance. Bonuses are paid in the first quarter of the year following the

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.

² Company acknowledges that you are a member of the Board of Directors of Duolingo, Inc. and Phreesia, Inc. and that you will continue in those roles.

measurement year (e.g., 2022's bonus will be paid in Q1 2023). Your first year's bonus will be prorated based upon the number of days you work for the Company in 2022.

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.

EQUITY: Subject to approval by the Committee, following your start date, you will be awarded 827,802 Vimeo restricted stock units ("**RSUs**"). The RSUs will vest in three (3) equal installments on an annual basis; vesting will commence on your start date. Your RSU award will be set forth in an award notice in the form of Schedule A hereto. Once granted the RSU award be governed exclusively by the award notice and the Vimeo, Inc. 2021 Stock and Annual Incentive Plan (the "Plan"), and not this offer letter. Except as set forth in your award notice or the Plan, be entitled to each tranche of your Award, you have been continuously employed by Company (or one of its subsidiaries) through its respective vesting date.

SEVERANCE: If your employment is terminated by Company without Cause at any time or by you for Good Reason (as those two terms are defined in Schedule B) during your employment, you will receive severance equal to (A) at least twelve (12) months of your then-current salary, and (B) health benefits coverage for twelve (12) months or, at Company's option, COBRA coverage for the same *period, provided, however*; that no compensation will be paid if you do not use all or part of such benefits (e.g., in the event you find another position). Company, at its option, may provide severance through salary continuance or through a lump sum amount or a combination of both. To be entitled to any severance hereunder, you must

(a) execute Company's standard severance agreement; and (b) if Company so requests, continue working for up to four (4) 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.

BENEFITS: You will be eligible for coverage under Company's then-current healthcare and insurance plans beginning on your start date. You will be automatically enrolled in the 401(k) Retirement Plan approximately 45 days following your start date at a 10% pre-tax deferral rate unless you make an election or opt out of the plan beforehand. You may change the paycheck deduction rate at any time on a prospective basis.

For a full description of the benefits that we offer, including our paid time off policies, please see the Benefits and Perks overview (provided separately). All benefits are governed exclusively by the terms and conditions of their applicable plans or policies.

CODE OF CONDUCT: During your employment, you must comply with Vimeo's Code of Conduct³ 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 C hereto.

CONFIDENTIALITY, INTELLECTUAL PROPERTY, AND NON-SOLICITATION

AGREEMENT: You will execute Company's standard Employee Confidentiality, Intellectual Property, and Non-Solicitation Agreement (attached) upon or before commencing employment.

LEGAL COMPLIANCE: You represent and warrant that you are able to work for Company and will not be breaching any law by doing so.

³ Available at <https://investors.vimeo.com/static-files/51fd1f5a-9ffc-402a-bedb-cf35308c0af3>.

MISCELLANEOUS: This offer letter shall be governed by the law of the State of New York without regard to principles of conflicts of law. This offer letter supersedes all prior and contemporaneous understandings, negotiations, and representations, whether written or oral, relating to the terms of your employment.

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 from any breach of the Employee Confidentiality, Intellectual Property, and non-Solicitation Agreement 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.⁴

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.**

* * *

Please acknowledge your acceptance of these terms by signing where indicated below. If you have any questions at all, please feel free to contact me directly.

Gillian, we look forward to working with you and we are confident that your career with us will be rewarding.

Sincerely,

/s/ Anjali Sud

Anjali Sud, CEO Vimeo, Inc.

I agree and accept the terms of this employment offer:

Signature: /s/ Gillian Munson Date: April 2, 2022

⁴ Available at https://www.adr.org/sites/default/files/EmploymentRules_Web_2.pdf.

Schedule A Template

RSU Award Notice

**NOTICE OF AWARD OF RESTRICTED STOCK UNITS
Granted under the Vimeo, Inc. 2021 Stock and Annual Incentive Plan**

This Notice of Award of Restricted Stock Units ("Award Notice") sets forth an award of restricted stock units ("RSUs") relating to shares of Common Stock of Vimeo, Inc. ("Vimeo" or "Company") to the award recipient named below ("you," "your" or "award recipient") and is subject to the terms and conditions of the Vimeo, Inc. 2021 Stock and Annual Incentive Plan (the "Plan"). Except as set forth herein, capitalized terms used herein have the meanings set forth in the Plan.

Award Recipient:	Gillian Munson
RSU Award:	827,802 RSUs relating to shares of Common Stock of Vimeo (the " <u>Award</u> ").
Award Type:	Three-Year Award with annual cliff vesting
Award Date:	April 4, 2022
Vesting Start Date:	April 4, 2022
Vesting Schedule:	Except as set forth below, subject to your continued employment with Vimeo or one of its subsidiaries, your RSUs shall vest as follows: April 4, 2023: one-third vests April 4, 2024: one-third vests April 4, 2025: one-third vests

Impact of a Termination of Employment:	<p><i>General:</i> Except as set forth in this section, unvested Awards shall be immediately forfeited upon your Termination of Employment.</p> <p><i>Termination for Employment:</i> In the event of your Termination of Employment without Cause or for Good Reason, your next tranche of unvested RSUs shall become fully vested as of the date of such Termination of Employment.</p> <p><i>Termination following Change of Control:</i> In the event of your Termination of Employment without Cause or for Good Reason within the two-year period following a Change of Control of Vimeo, all unvested RSUs held by you shall become fully vested as of the date of such Termination of Employment.</p> <p>For the purpose of this award of RSUs, the terms "<u>Cause</u>" and "<u>Good Reason</u>" shall have the meanings set forth in <u>Schedule B</u> to your offer letter dated April 2, 2022 and such definitions shall replace the definitions of the same terms in the Plan.</p>
Forfeiture of vested RSUs:	As set forth in more detail in Section 5(c)(iii) of the Plan (but using the definition of Cause as set forth herein), vested RSUs are subject to forfeiture upon a termination for Cause for an event or circumstance that caused or is reasonably likely to cause meaningful damage (economic, reputational or otherwise) to Vimeo.
Form of Payout/ Settlement:	Vested RSUs will be paid/settled in the form of shares of Vimeo common stock.
Dividend Rights:	No cash dividends will be paid on RSUs or on the shares of Vimeo common stock underlying the RSUs. Stock dividends, distributions and extraordinary, significant non-recurring cash dividends may result in an adjustment to the number of RSUs, as determined by the Committee.
Transferability:	Except as set forth in the Plan, your RSUs are not transferable.
No Contract of Employment:	This Award Notice does not create a contract of employment and shall not modify your employment relationship with Vimeo (or any subsidiary thereof).
Plan:	You may obtain a copy of the Plan by logging into your Morgan Stanley StockPlan Connect account or by emailing equity@vimeo.com .

Schedule B

Definitions of Cause and Good Reason

"**Cause**" means (A) your willful or gross neglect of your material employment duties (other than a failure arising from your Disability (as defined in the Vimeo, Inc. 2021 Stock and Annual Incentive Plan) which causes material financial harm to the Company; (B) your plea of guilty or nolo contendere to, or conviction for, the commission of a felony offense; (C) your material breach of a fiduciary duty (under Delaware law and as interpreted by the Delaware courts) owed to the Company or any of its subsidiaries; (D) your material breach of any nondisclosure, non-solicitation or non-competition obligation owed to the Company or any of its subsidiaries pursuant to written agreements; or (E) a material violation of any of the Company's "Core Policies," including its insider trading and harassment policies; *provided*, however, that as to (A), (C), (D), and (E), the Company must provide detailed written notice to you of the alleged events constituting Cause within 90 days of the Company's knowledge of the initial existence of such condition and you shall have 30 days following receipt of such written notice during which you may remedy the condition (the "**Cause Cure Period**"), *further provided* that a Cause Cure Period shall apply only if the violation is by its nature curable. In the event that you fail to remedy the condition constituting Cause during the Cause Cure Period, the Company must terminate employment within 30 days after the Cause Cure Period for such termination to constitute a termination for Cause.

"**Good Reason**" means the occurrence of any of the following conditions without your consent: (A) a material diminution of your base salary; (B) the requirement that you relocate more than 50 miles from your designated work location; or (C) a material and adverse diminution of the nature and scope of your job duties, or title, including without limitation reporting to anyone other than the Chief Executive Officer; *provided*, however, you must provide detailed written notice to the Company of the alleged events constituting Good Reason within 90 days of your knowledge of the initial existence of such condition and the Company shall have 30 days following receipt of such written notice during which it may remedy the condition (the "**Good Reason Cure Period**"), *further provided* that a Good Reason Cure Period shall apply only if the violation is by its nature curable. In the event that the Company fails to remedy the condition constituting Good Reason during the Good Reason Cure Period, you must terminate employment within 30 days after the Good Reason Cure Period for such termination to constitute a termination for Good Reason.

Schedule C Restrictive Covenants

In consideration of the cash compensation, equity, and other benefits promised by Company in the foregoing offer letter, Gillian Munson ("Executive") agrees to comply with the covenants set forth below.

1. ACKNOWLEDGEMENT. Executive will be CFO of Vimeo. By virtue of that role, Executive will have access to and possess trade secrets and other non-public information about the Company and its operations ("Confidential Information") including but not limited to:

Company's finances and finance systems
Company's business strategy and plans
Company's product roadmap
Company's M&A strategy
Company employees
Customers and business partners of Company

Executive recognizes that such Confidential Information is of substantial value to the Company in developing its businesses and in securing and retaining customers.

2. RESTRICTED PERIOD. The "Restricted Period" means the period of Executive's employment at Company plus a period of twelve (12) months thereafter. Executive agrees that this period is fair and reasonable given the nature of Executive's role, and the amount and nature of the Confidential Information that Executive will have access to.

3. TERRITORY. The covenants herein apply worldwide. Because Company operates a global business and because its competitors operate globally, Executive agrees that this territory is fair and reasonable.

4. NON-COMPETITION. (a) Executive hereby agrees and covenants that, during the Restricted Period, Executive shall not, without the prior written consent of the Company, directly or indirectly, engage in or become associated with a Competitive Activity.

(b) A "Competitive Activity" means any business or other endeavor whose primary business model involves the hosting, distribution, or creation of video content using software-based online means, regardless of monetization model, distribution method, or target market.

(c) Executive shall be considered to have become "associated with a Competitive Activity" if Executive becomes directly or indirectly involved as an owner, principal, employee, officer, director, independent contractor, representative, stockholder, financial backer, agent, partner, member, advisor, lender, consultant or in any other individual or representative capacity with any individual or entity that is engaged in a Competitive Activity.

(d) Notwithstanding the foregoing, Executive may make and retain investments during the Restricted Period, for investment purposes only, in less than one percent (1%) of the outstanding capital stock of any publicly-traded corporation engaged in a Competitive Activity if the stock of such corporation is either listed on a national stock exchange or on the NASDAQ National Market System if Executive is not otherwise affiliated with such corporation.

5. NON-SOLICITATION OF EMPLOYEES. Executive agrees that, during the Restricted Period, Executive will not, without Company's prior written consent, hire or directly or indirectly solicit or recruit any employee of the Company (or a subsidiary thereof) with whom Executive has had direct contact during Executive's employment, in each case, for the purpose of being employed by Executive or by any individual or entity on whose behalf Executive is acting as an agent, representative or employee and that Executive will not convey any such Confidential Information about employees of the Company (or a subsidiary thereof) to any other person except within the scope of Executive's duties hereunder.

6. NON-SOLICITATION OF CUSTOMERS AND BUSINESS PARTNERS. During the Restricted Period, Executive shall not, without the prior written consent of the Company, persuade or encourage any customers or business partners of the Company (or a subsidiary thereof) with whom Executive has direct contact during Executive's employment, in each case, to cease doing business with the Company (or a subsidiary thereof) or to enter into any transaction with Executive or Executive's new employer or affiliates.

7. GENERAL TERMS.

(a) ENTIRE AGREEMENT. The offer letter and this Schedule shall be read together as a whole agreement (collectively, the "Agreement"). This Agreement constitutes the entire agreement between the parties and it supersedes any and all prior agreements and understandings (whether written or oral) between the parties with respect to the subject matter of this Agreement. To the extent that the Employee Confidentiality and Intellectual Property Agreement contains any non-solicit provisions, the non solicit provisions of this Agreement shall prevail.

(b) SURVIVAL. The restrictive covenants contained herein shall survive the termination or expiration of Executive's employment for the periods set forth herein.

(c) SEVERABILITY. In the event that a court of competent jurisdiction determines that any provision of this Schedule is unreasonable or otherwise in violation of any law or public policy, only the portions of this Agreement that violate such law or public policy shall be stricken. All portions of this Schedule that do not violate any statute or public policy shall continue in full force and effect. Further, any court order striking any portion of this Schedule shall modify the stricken terms as narrowly as possible to give as much effect as possible to the intentions of the parties under this Schedule.

(d) WAIVER; MODIFICATION. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof shall not be deemed a waiver of such term, covenant, or condition, nor shall any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times. This Schedule shall not be modified in any respect except by a writing executed by each party hereto.



May 4, 2022

By email

Anjali Sud
c/o Vimeo, Inc.
555 West 18th Street
New York, New York 10011

Re: Your Employment at Vimeo, Inc.

Dear Anjali,

This letter agreement (“Agreement”) serves to confirm the terms and conditions of your continued employment as Chief Executive Officer of Vimeo, Inc. (“Vimeo,” “Company” or “we”).

POSITION: Your title is Chief Executive Officer (CEO). You will report to the Chairman of the Board. You are employed at Company’s headquarters in New York.¹

DUTIES: During your 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.² You will be directly responsible to such person(s) as Company may designate from time to time, and it will be your responsibility to keep such person(s) timely informed of your progress with respect to your duties hereunder. You will be expected to work longer hours if required.

COMPENSATION: Your base salary for 2022 is \$600,000 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. Bonuses are paid in the first quarter of the year following the measurement year (e.g., 2022’s bonus will be paid in Q1 2023).

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.

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 at least twelve (12) months of your then-current salary, which Company may provide (at its sole option) via a lump sum amount, salary continuance, or a combination thereof; and (2) receive health benefits coverage for twelve (12) months or, at Company’s option, 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

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.

² Company acknowledges that you are a member of the Board of Directors of Dolby, Inc. and that you will continue in that role.

terms “Cause” and “Good Reason” have the meanings set forth in Company’s 2021 Stock and Annual Incentive Plan (the “Plan”), without reference to a change of control.

To be entitled to any severance hereunder, you must (a) execute 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.

EQUITY: If your employment with Company ends for any reason, you will have eighteen (18) months following the separation date to exercise any vested Vimeo stock appreciation rights (“SARs”) or Vimeo stock options that you hold, *provided* that if you resign without Good Reason, you must provide Company with at least eight (8) weeks written notice prior to the separation date.

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.

CODE OF CONDUCT: During your employment, you must comply with Vimeo’s Code of Conduct³ 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: Within 10 days after executing this letter agreement, you will execute Company’s 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. Except as expressly set forth in the “Equity” paragraph, 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 from any breach of the Confidentiality and IP Agreement, the Restrictive Covenant Agreement, 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.⁴

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.**

* * *

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

³ Available at <https://investors.vimeo.com/static-files/51fd1f5a-9ffc-402a-bedb-cf35308c0af3>.

⁴ Available at https://www.adr.org/sites/default/files/EmploymentRules_Web_2.pdf.

Sincerely,

VIMEO, INC.

By: /s/ Michael A. Cheah Title: General Counsel & Secretary
Name: Michael A. Cheah

AGREED AND ACCEPTED:

ANJALI SUD

Signature: /s/ Anjali Sud Date: May 4, 2022

Schedule A

Restrictive Covenant Agreement

In consideration of the compensation and benefits promised by Company in the foregoing letter agreement, you, Anjali Sud, shall comply with the covenants set forth in this Restrictive Covenant Agreement.

1. ACKNOWLEDGEMENT. By virtue of your role as CEO, you have access to and will continue to have access to and possess trade secrets and other non-public information about Company and its operations ("Confidential Information") including but not limited to:

- Company's business strategy and plans
- Company's finances and financial projections
- Company's product roadmap
- Company's M&A strategy
- Company employees
- Customers and business partners of Company

You recognize that such Confidential Information is of substantial value to Company in developing its businesses and in securing and retaining customers.

2. RESTRICTED PERIOD. The "Restricted Period" means the period of your employment at Company plus a period of eighteen (18) months thereafter. You agree that this period is fair and reasonable given the nature of your role, and the amount and nature of the Confidential Information that you will have access to.

3. TERRITORY. The covenants herein apply worldwide. Because Company operates a global business and because its competitors operate globally, you agree that this territory is fair and reasonable.

4. NON-COMPETITION.

(a) You hereby agree and covenant that, during the Restricted Period, you shall not, without the prior written consent of Company, directly or indirectly, engage in or become associated with a Competitive Activity.

(b) A "Competitive Activity," means any business or other endeavor whose primary business model involves the hosting, distribution, or creation of video content using software-based online means, regardless of monetization model, distribution method, or target market.

(c) You shall be considered to have become "associated with a Competitive Activity" if you become directly or indirectly involved as an owner, principal, employee, officer, director, independent contractor, representative, stockholder, financial backer, agent, partner, member, advisor, lender, consultant or in any other individual or representative capacity with any individual or entity that is engaged in a Competitive Activity.

(d) Notwithstanding the foregoing, you may make and retain investments during the Restricted Period, for investment purposes only, in less than one percent (1%) of the outstanding capital stock of any publicly-traded corporation engaged in a Competitive Activity if the stock of such corporation is either listed on a national stock exchange or on the NASDAQ National Market System if you are not otherwise affiliated with such corporation.

5. NON-SOLICITATION OF EMPLOYEES. You agree that, during the Restricted Period, you will not, without Company's prior written consent, hire or directly or indirectly solicit or recruit any employee of Company (or a subsidiary thereof) for the purpose of being employed by you or by any individual or entity on whose behalf you are acting as an agent, representative or employee and that you will not convey any such Confidential Information about employees of Company (or a subsidiary thereof) to any other person except within the scope of your duties hereunder.

6. NON-SOLICITATION OF CUSTOMERS AND BUSINESS PARTNERS. During the Restricted Period, you shall not, without the prior written consent of Company, persuade or encourage any customers or business partners of Company (or a subsidiary thereof) to (a) cease doing business with Company (or a subsidiary thereof); or (b) to enter into any transaction with you or your new employer or affiliates, *provided, however*, that clause (b) shall not apply to (i) vendors; (ii) self-serve customers; or parties that generate less than \$50,000 in revenue per year for Company.

7. GENERAL TERMS.

(a) ENTIRE AGREEMENT. This Restrictive Covenant Agreement forms an integral part of the letter agreement to which it is annexed. To the extent that the Confidentiality and IP Agreement contains any non-solicit provisions, the non-solicit provisions set forth in this Restrictive Covenant Agreement shall control.

(b) SURVIVAL. The restrictive covenants contained herein shall survive the termination or expiration of your employment for the periods set forth herein.

(c) SEVERABILITY. In the event that a court of competent jurisdiction determines that any provision of this Restrictive Covenant Agreement is unreasonable or otherwise in violation of any law or public policy, only the portions of the agreement that violate such law or public policy shall be stricken. All portions of this Restrictive Covenant Agreement that do not violate any statute or public policy shall continue in full force and effect. Further, any court order striking any portion of this Restrictive Covenant Agreement shall modify the stricken terms as narrowly as possible to give as much effect as possible to the intentions of the parties.

(d) WAIVER; MODIFICATION. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof shall not be deemed a waiver of such term, covenant, or condition, nor shall any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times. This Restrictive Covenant Agreement shall not be modified in any respect except by a writing executed by each party hereto.

Certain identified information has been excluded from this exhibit because it is both (i) not material and (ii) would likely cause competitive harm to the registrant if publicly disclosed. [*] indicates that information has been redacted.



May 4, 2022

By email

Mark Kornfilt
c/o Vimeo, Inc.
555 West 18th Street
New York, New York 10011

Re: Your Employment at Vimeo, Inc.

Dear Mark,

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

POSITION: Your title is President and Chief Product Officer. [*] You will report to Company's CEO. [*]¹

DUTIES: During your 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. [*] You will be directly responsible to such person(s) as Company may designate from time to time, and it will be your responsibility to keep such person(s) timely informed of your progress with respect to your duties hereunder. You will be expected to work longer hours if required.

COMPENSATION: Your base salary for 2022 is \$450,000 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. Bonuses are paid in the first quarter of the year following the measurement year (e.g., 2022's bonus will be paid in Q1 2023).

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.

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 at least twelve (12) months of your then-current salary, which Company may provide (at its sole option) via a lump sum amount, salary continuance, or a combination thereof; and (2) receive health benefits coverage for twelve (12) months or, at Company's option, 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

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.

terms “Cause” and “Good Reason” have the meanings set forth in Company’s 2021 Stock and Annual Incentive Plan (the “Plan”), without reference to a change of control.

To be entitled to any severance hereunder, you must (a) execute 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.

EQUITY: If your employment with Company ends for any reason, you will have eighteen (18) months following the separation date to exercise any vested Vimeo stock appreciation rights (“SARs”) or Vimeo stock options that you hold, *provided* that if you resign without Good Reason, you must provide Company with at least eight (8) weeks written notice prior to the separation date.

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.

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: Within 10 days after executing this letter agreement, you will execute Company’s 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. Except as expressly set forth in the “Equity” paragraph, 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 from any breach of the Confidentiality and IP Agreement, the Restrictive Covenant Agreement, 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.**

* * *

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/ Michael A. Cheah Title: General Counsel & Secretary
Name: Michael A. Cheah

AGREED AND ACCEPTED:

MARK KORNFILT

Signature: /s/ Mark Kornfilt Date: May 4, 2022

Schedule A

Restrictive Covenant Agreement

In consideration of the compensation and benefits promised by Company in the foregoing letter agreement, you, Mark Kornfilt, shall comply with the covenants set forth in this Restrictive Covenant Agreement.

1. **ACKNOWLEDGEMENT.** By virtue of your role as President, you have access to and will continue to have access to and possess trade secrets and other non-public information about Company and its operations ("Confidential Information") including but not limited to:

- Company's business strategy and plans
- Company's finances and financial projections
- Company's product roadmap
- Company's M&A strategy
- Company employees
- Customers and business partners of Company

You recognize that such Confidential Information is of substantial value to Company in developing its businesses and in securing and retaining customers.

2. **RESTRICTED PERIOD.** The "Restricted Period" means the period of your employment at Company plus a period of eighteen (18) months thereafter. You agree that this period is fair and reasonable given the nature of your role, and the amount and nature of the Confidential Information that you will have access to.

3. **TERRITORY.** The covenants herein apply worldwide. Because Company operates a global business and because its competitors operate globally, you agree that this territory is fair and reasonable.

4. **NON-COMPETITION.**

(a) You hereby agree and covenant that, during the Restricted Period, you shall not, without the prior written consent of Company, directly or indirectly, engage in or become associated with a Competitive Activity.

(b) A "Competitive Activity" means any business or other endeavor whose primary business model involves the hosting, distribution, or creation of video content using software-based online means, regardless of monetization model, distribution method, or target market.

(c) You shall be considered to have become "associated with a Competitive Activity" if you become directly or indirectly involved as an owner, principal, employee, officer, director, independent contractor, representative, stockholder, financial backer, agent, partner, member, advisor, lender, consultant or in any other individual or representative capacity with any individual or entity that is engaged in a Competitive Activity.

(d) Notwithstanding the foregoing, you may make and retain investments during the Restricted Period, for investment purposes only, in less than one percent (1%) of the outstanding capital stock of any publicly-traded corporation engaged in a Competitive Activity if the stock of such corporation is either listed on a national stock exchange or on the NASDAQ National Market System if you are not otherwise affiliated with such corporation.

5. **NON-SOLICITATION OF EMPLOYEES.** You agree that, during the Restricted Period, you will not, without Company's prior written consent, hire or directly or indirectly solicit or recruit any employee of Company (or a subsidiary thereof) for the purpose of being employed by you or by any

individual or entity on whose behalf you are acting as an agent, representative or employee and that you will not convey any such Confidential Information about employees of Company (or a subsidiary thereof) to any other person except within the scope of your duties hereunder.

6. NON-SOLICITATION OF CUSTOMERS AND BUSINESS PARTNERS. During the Restricted Period, you shall not, without the prior written consent of Company, persuade or encourage any customers or business partners of Company (or a subsidiary thereof) to (a) cease doing business with Company (or a subsidiary thereof); or (b) to enter into any transaction with you or your new employer or affiliates, *provided, however*, that clause (b) shall not apply to (i) vendors; (ii) self-serve customers; or parties that generate less than \$50,000 in revenue per year for Company.

7. GENERAL TERMS.

(a) ENTIRE AGREEMENT. This Restrictive Covenant Agreement forms an integral part of the letter agreement to which it is annexed. To the extent that the Confidentiality and IP Agreement contains any non-solicit provisions, the non-solicit provisions set forth in this Restrictive Covenant Agreement shall control.

(b) SURVIVAL. The restrictive covenants contained herein shall survive the termination or expiration of your employment for the periods set forth herein.

(c) SEVERABILITY. In the event that a court of competent jurisdiction determines that any provision of this Restrictive Covenant Agreement is unreasonable or otherwise in violation of any law or public policy, only the portions of the agreement that violate such law or public policy shall be stricken. All portions of this Restrictive Covenant Agreement that do not violate any statute or public policy shall continue in full force and effect. Further, any court order striking any portion of this Restrictive Covenant Agreement shall modify the stricken terms as narrowly as possible to give as much effect as possible to the intentions of the parties.

(d) WAIVER; MODIFICATION. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof shall not be deemed a waiver of such term, covenant, or condition, nor shall any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times. This Restrictive Covenant Agreement shall not be modified in any respect except by a writing executed by each party hereto.

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

I, Mark Kornfilt, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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. [paragraph omitted in accordance with Exchange Act Rule 13a-14(a)];
 - 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 5, 2022

/s/ Mark Kornfilt

Mark Kornfilt
Interim Chief Executive Officer
(Interim 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 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. [paragraph omitted in accordance with Exchange Act Rule 13a-14(a)];
 - 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 5, 2022

/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 quarterly period ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Mark Kornfilt, as Interim 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 5, 2022

/s/ Mark Kornfilt

Mark Kornfilt
Interim Chief Executive Officer
(Interim 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 quarterly period ended March 31, 2022 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 5, 2022

/s/ Gillian Munson

Gillian Munson
Chief Financial Officer
(Principal Financial Officer)