As filed with the Securities and Exchange Commission on August 2, 2023

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 June 30, 2023
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

VIMEO, INC.
(Exact name of registrant as specified in its charter)

Delaware	**85-4334195**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

330 West 34th Street, 5th Floor New York, New York 10001
(Address of registrant's principal executive offices)
(212) 524-8791
(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbol	Name of Exchange on Which Registered
Common Stock, par value $0.01 per share	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 July 28, 2023, the following shares of the registrant's common stock were outstanding:

Common Stock	157,463,398
Class B common stock	9,399,250
Total	166,862,648

TABLE OF CONTENTS

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

- we have a history of losses,
- our prior rapid growth may not be indicative of future performance,
- 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,
- our total addressable market may prove to be smaller than we expect,
- our ability to read data and make forecasts may be limited,
- we may not have the right product/market fit,
- 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 need additional funding as we continue to grow our business,
- we may experience service interruptions,
- hosting and delivery costs may increase unexpectedly,
- weakened global economic conditions may harm our industry, business and results of operations,
- our business involves hosting large quantities of user content,
- we have been sued for hosting content that allegedly infringed on a third-party copyright,
- we may face liability for hosting a variety of tortious or unlawful materials,
- we have faced negative publicity for removing, or declining to remove, certain content, regardless of whether such content violated any law,
- we collect, store and process large amounts of content and personal information and any loss of or unauthorized access to such data could materially impact our business,
- the continuing effects of the COVID-19 pandemic are highly unpredictable and could be significant, and the duration and extent to which this will impact our future results of operations and overall financial performance remains uncertain,
- 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)

	June 30, 2023	December 31, 2022
	(In thousands, except par value amounts)	
ASSETS		
Cash and cash equivalents	$ 278,445	$ 274,497
Accounts receivable, net	25,857	31,434
Prepaid expenses and other current assets	17,466	18,395
Total current assets	321,768	324,326
Leasehold improvements and equipment, net	1,038	1,355
Goodwill	245,406	245,406
Intangible assets with definite lives, net	3,324	5,468
Other non-current assets	24,525	28,876
TOTAL ASSETS	$ 596,061	$ 605,431
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Accounts payable, trade	$ 4,128	$ 8,415
Deferred revenue	173,995	167,388
Accrued expenses and other current liabilities	49,603	57,151
Total current liabilities	227,726	232,954
Other long-term liabilities	15,442	18,619
Commitments and contingencies		
SHAREHOLDERS' EQUITY:		
Common stock, $0.01 par value; 1,600,000 shares authorized; 157,439 and 157,187 shares issued and outstanding, respectively	1,574	1,572
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	762,000	768,390
Accumulated deficit	(410,194)	(415,367)
Accumulated other comprehensive loss	(581)	(831)
Total shareholders' equity	352,893	353,858
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 596,061	$ 605,431

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 June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(In thousands, except per share data)			
Revenue	$ 101,835	$ 110,977	$ 205,417	$ 219,331
Cost of revenue (exclusive of depreciation shown separately below)	22,845	26,878	46,517	53,634
Gross profit	78,990	84,099	158,900	165,697
Operating expenses:				
Research and development expense	26,676	35,728	57,936	70,146
Sales and marketing expense	39,764	43,080	79,751	86,236
General and administrative expense	6,943	29,710	16,249	58,322
Depreciation	102	1,537	1,030	1,913
Amortization of intangibles	910	1,341	2,144	2,632
Total operating expenses	74,395	111,396	157,110	219,249
Operating income (loss)	4,595	(27,297)	1,790	(53,552)
Interest expense	(877)	(122)	(998)	(243)
Other income, net	2,934	1,172	5,578	1,513
Earnings (loss) before income taxes	6,652	(26,247)	6,370	(52,282)
Income tax provision	(781)	(255)	(1,197)	(778)
Net earnings (loss)	$ 5,871	$ (26,502)	$ 5,173	$ (53,060)
Per share information:				
Basic earnings (loss) per share	$ 0.04	$ (0.16)	$ 0.03	$ (0.33)
Diluted earnings (loss) per share	$ 0.03	$ (0.16)	$ 0.03	$ (0.33)
Stock-based compensation expense by function:				
Cost of revenue	$ 328	$ 237	$ 469	$ 401
Research and development expense	4,583	6,722	9,501	11,421
Sales and marketing expense	3,166	2,443	5,653	3,375
General and administrative expense	(8,661)	9,270	(17,316)	17,668
Total stock-based compensation expense	$ (584)	$ 18,672	$ (1,693)	$ 32,865

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 June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(In thousands)			
Net earnings (loss)	$ 5,871	$ (26,502)	$ 5,173	$ (53,060)
Other comprehensive income (loss):				
Change in foreign currency translation adjustment	378	(406)	250	(552)
Total other comprehensive income (loss)	378	(406)	250	(552)
Comprehensive income (loss)	$ 6,249	$ (26,908)	$ 5,423	$ (53,612)

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

VIMEO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
Three and Six Months Ended June 30, 2023 and 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 March 31, 2023	$ 1,561	156,054	$ 94	9,399	$ 765,662	$ (416,065)	$ (959)	$ 350,293
Net earnings	—	—	—	—	—	5,871	—	5,871
Other comprehensive income	—	—	—	—	—	—	378	378
Stock-based compensation expense	—	—	—	—	(584)	—	—	(584)
Amounts related to settlement of equity awards	13	1,385	—	—	(3,078)	—	—	(3,065)
Balance at June 30, 2023	$ 1,574	157,439	$ 94	9,399	$ 762,000	$ (410,194)	$ (581)	$ 352,893
Balance at December 31, 2022	$ 1,572	157,187	$ 94	9,399	$ 768,390	$ (415,367)	$ (831)	$ 353,858
Net earnings	—	—	—	—	—	5,173	—	5,173
Other comprehensive income	—	—	—	—	—	—	250	250
Stock-based compensation expense	—	—	—	—	(1,693)	—	—	(1,693)
Amounts related to settlement of equity awards	18	1,876	—	—	(4,713)	—	—	(4,695)
Restricted Stock Award	(16)	(1,624)	—	—	16	—	—	—
Balance at June 30, 2023	$ 1,574	157,439	$ 94	9,399	$ 762,000	$ (410,194)	$ (581)	$ 352,893

	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 March 31, 2022	$ 1,569	$ 156,874	$ 94	$ 9,399	$ 718,951	$ (362,334)	$ (232)	$ 358,048
Net loss	—	—	—	—	—	(26,502)	—	(26,502)
Other comprehensive loss	—	—	—	—	—	—	(406)	(406)
Stock-based compensation expense	—	—	—	—	18,672	—	—	18,672
Amounts related to settlement of equity awards	1	103	—	—	(384)	—	—	(383)
Balance at June 30, 2022	$ 1,570	156,977	$ 94	9,399	$ 737,239	$ (388,836)	$ (638)	$ 349,429
Balance at December 31, 2021	$ 1,567	$ 156,708	$ 94	$ 9,399	$ 704,796	$ (335,776)	$ (86)	$ 370,595
Net loss	—	—	—	—	—	(53,060)	—	(53,060)
Other comprehensive loss	—	—	—	—	—	—	(552)	(552)
Stock-based compensation expense	—	—	—	—	32,865	—	—	32,865
Amounts related to settlement of equity awards	3	269	—	—	(422)	—	—	(419)
Balance at June 30, 2022	$ 1,570	156,977	$ 94	9,399	$ 737,239	$ (388,836)	$ (638)	$ 349,429

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
	(In thousands)	
Cash flows from operating activities:		
Net earnings (loss)	$ 5,173	$ (53,060)
Adjustments to reconcile net earnings (loss) to net cash provided by (used in) operating activities:		
Stock-based compensation expense	(1,693)	32,865
Amortization of intangibles	2,144	2,632
Depreciation	1,030	1,913
Provision for credit losses	17	7,015
Loss on the sale of an asset	37	—
Non-cash lease expense	2,267	3,621
Other adjustments, net	1,411	(719)
Changes in assets and liabilities:		
Accounts receivable	3,870	(18,225)
Prepaid expenses and other assets	(57)	(2,870)
Accounts payable and other liabilities	(11,417)	(26,327)
Deferred revenue	8,414	4,445
Net cash provided by (used in) operating activities	11,196	(48,710)
Cash flows from investing activities:		
Acquisitions, net of cash acquired	—	21
Capital expenditures	(107)	(630)
Proceeds from the sale of an asset	639	1,611
Net cash provided by investing activities	532	1,002
Cash flows from financing activities:		
Withholding taxes paid related to equity awards	(4,180)	(5,126)
Proceeds from exercise of stock options	128	18
Contingent consideration payment	(3,297)	—
Other	(266)	(621)
Net cash used in financing activities	(7,615)	(5,729)
Total cash provided (used)	4,113	(53,437)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(154)	(488)
Net increase (decrease) in cash and cash equivalents and restricted cash	3,959	(53,925)
Cash and cash equivalents and restricted cash at beginning of period	274,834	322,345
Cash and cash equivalents and restricted cash at end of period	$ 278,793	$ 268,420

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. 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. For more information regarding the Spin-off, see our Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

Basis of Presentation and Consolidation

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and with the rules and regulations of the Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and notes required by GAAP for complete annual financial statements. In the opinion of management, the accompanying unaudited interim consolidated financial statements include all adjustments considered necessary for a fair presentation. Interim results are not necessarily indicative of the results that may be expected for the full year. The information included in this Form 10-Q should be read in conjunction with the annual audited consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

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 are reflected in the accompanying consolidated statement of cash flows as operating activities. Amounts related to the settlement of equity awards are reflected in the accompanying consolidated statement of cash flows as financing activities.

All related party balances between Vimeo and IAC and its subsidiaries are reflected in the accompanying consolidated balance sheet within "Accrued expenses and other current liabilities" and "Other long-term liabilities".

Accounting Estimates

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

Significant estimates and judgments inherent in the preparation of the accompanying consolidated financial statements include those related to: the carrying value of accounts receivable, including the determination of the allowance for credit losses; the determination of the estimated customer relationship period for certain costs to obtain a contract with a customer; the carrying value of right-of-use assets ("ROU assets"); 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. 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.

Disaggregated revenue is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(In thousands)			
Revenue:				
Self-Serve & Add-Ons	$ 70,821	$ 78,246	$ 142,423	$ 154,337
Vimeo Enterprise	12,899	9,795	24,471	18,896
Other	18,115	22,936	38,523	46,098
Total	$ 101,835	$ 110,977	$ 205,417	$ 219,331

Revenue by geography is based on where the customer is located. The United States was the only country whose revenue constituted greater than 10% of total revenue of the Company for the three and six months ended June 30, 2023 and 2022.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(In thousands)			
Revenue:				
United States	$ 54,184	$ 56,050	$ 108,899	$ 109,881
All other countries	47,651	54,927	96,518	109,450
Total	$ 101,835	$ 110,977	$ 205,417	$ 219,331

Deferred Revenue

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

	June 30, 2023	December 31, 2022
	(In thousands)	
Deferred revenue	$ 173,995	$ 167,388
Other long-term liabilities	1,404	1,286

During the six months ended June 30, 2023, Vimeo recognized $126.3 million of revenue that was included in the deferred revenue balance at December 31, 2022. During the six months ended June 30, 2022, Vimeo recognized $141.3 million of revenue that was included in the deferred revenue balance at December 31, 2021.

Practical Expedients and Exemptions

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.

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

Vimeo has determined that 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 balances of capitalized costs to obtain a contract with a customer are included in the accompanying consolidated balance sheet as follows:

	June 30, 2023	December 31, 2022
	(In thousands)	
Prepaid expenses and other current assets	$ 4,828	$ 4,168
Other non-current assets	8,404	7,988

NOTE 3—INCOME TAXES

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

For the three months ended June 30, 2023 and 2022, Vimeo recorded an income tax provision of $0.8 million and $0.3 million, respectively. For the six months ended June 30, 2023 and 2022, Vimeo recorded an income tax provision of $1.2 million and $0.8 million, respectively. Vimeo's largest deferred tax assets are tax attribute carryforwards as well as capitalized research and development expenses. Vimeo has recorded a valuation allowance for the majority of its net deferred tax assets because it has concluded that it is more likely than not that the tax benefit will not be realized.

At June 30, 2023 and December 31, 2022, unrecognized tax benefits were $2.9 million and $2.5 million, respectively. If unrecognized tax benefits at June 30, 2023 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 June 30, 2024. 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.

NOTE 4—FAIR VALUE MEASUREMENTS

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

	June 30, 2023			
	Quoted Market Prices for Identical Assets in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value Measurements
	(In thousands)			
Assets:				
Money market funds	$ 248,602	$ —	$ —	$ 248,602
Time deposits	—	1,586	—	1,586
Total	$ 248,602	$ 1,586	$ —	$ 250,188
Liabilities:				
Contingent consideration arrangements	$ —	$ —	$ 2,977	$ 2,977

	December 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:				
Money market funds	$ 249,422	$ —	$ —	$ 249,422
Time deposits	—	847	—	847
Total	$ 249,422	$ 847	$ —	$ 250,269
Liabilities:				
Contingent consideration arrangements	$ —	$ —	$ 7,845	$ 7,845

Money market funds and time deposits are included in "Cash and cash equivalents" in the accompanying consolidated balance sheet. Contingent consideration is included in “Accrued expenses and other current liabilities” in the accompanying consolidated balance sheet.

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 June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(In thousands)			
Balance at beginning of period	$ 2,977	$ 13,777	$ 7,845	$ 12,200
Total net losses:				
Included in operating income (loss)	—	(669)	104	(669)
Measurement period adjustments	—	—	—	1,577
Settlements	—	—	(4,972)	—
Balance at end of period	$ 2,977	$ 13,108	$ 2,977	$ 13,108

Contingent Consideration Arrangements

At June 30, 2023, the Company had an outstanding contingent consideration arrangement related to Wibbitz Ltd., the acquisition of which the Company completed on November 10, 2021. The maximum contingent payments related to this arrangement at the time of the acquisition was $15.0 million. The Company remeasures the fair value of the contingent consideration arrangement each reporting period with any adjustments are recognized in "General and administrative expense" in the accompanying consolidated statement of operations.

The contingent consideration arrangement for Wibbitz is primarily dependent upon the amount of annual recurring revenue ("ARR") from Wibbitz subscribers as of December 31, 2022 who are expected to migrate to the Vimeo platform by June 30, 2023. There was no change to the estimated fair value of this contingent consideration liability during the three and six months ended June 30, 2023 as the Company and former Wibbitz shareholders are reviewing the final earnout amount which may differ from the estimated fair value as of June 30, 2023.

The contingent consideration arrangement for WIREWAX Ltd., the acquisition of which the Company completed on December 6, 2021, was based upon achievement of an integration milestone and attainment of certain ARR thresholds within two years of the acquisition. In the first quarter of 2023, WIREWAX achieved the ARR threshold that resulted in a payment of $5.0 million to its former shareholders and a $0.1 million loss was recorded in the three months ended March 31, 2023, which was recorded within "General and administrative expense" in the accompanying consolidated statement of operations. In the accompanying consolidated statement of cash flows, the final $5.0 million payment is presented within "Contingent consideration payment" within financing activities and "Accounts payable and other liabilities" within operating activities for $3.3 million and $1.7 million, respectively. Additionally, the integration milestone was met in the third quarter of 2022, resulting in a payment of $4.8 million, which was consistent with the fair value estimated as of the acquisition date.

NOTE 5—REVOLVING CREDIT FACILITY

Effective June 30, 2023, Vimeo.com, Inc. terminated the $100 million revolving credit facility (the “Credit Facility”) set to expire February 12, 2026, under, and in accordance with the terms of, that certain credit agreement, dated as of February 12, 2021, among Vimeo.com, Inc., as borrower, the lenders and issuing banks party thereto and JPMorgan Chase Bank, N.A., as administrative agent. In connection with such termination, a letter of credit issued under the Credit Facility was cash collateralized, all other outstanding obligations were paid off in full and all liens securing the Credit Facility were released.

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.

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 six months ended June 30, 2023.

NOTE 7—ACCUMULATED OTHER COMPREHENSIVE LOSS

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(In thousands)			
Balance at beginning of period	$ (959)	$ (232)	$ (831)	$ (86)
Other comprehensive income (loss)	378	(406)	250	(552)
Balance at end of period	$ (581)	$ (638)	$ (581)	$ (638)

At both June 30, 2023 and 2022, there was no tax benefit or provision on accumulated other comprehensive loss.

NOTE 8—STOCK-BASED COMPENSATION

Vimeo Restricted Shares

On March 23, 2023, the Company announced in a Current Report on Form 8-K filed with the SEC that Joseph Levin, Chairman and member of the Vimeo Board of Directors (the “Board”) and IAC's Chief Executive Officer, submitted his resignation as Chairman and member of the Board, effective immediately. Mr. Levin’s resignation was not the result of any dispute or disagreement with the Company or the Board. Mr. Levin now serves as Special Advisor to the Board.

In connection with Mr. Levin's resignation, the Company entered into an amended and restated Restricted Stock Agreement, dated as of March 20, 2023 (the “Amended RSA”) to the Restricted Stock Agreement, dated as of June 7, 2021, by and between the Company and Mr. Levin (the “RSA”). Pursuant to the Amended RSA, the RSA will continue in connection with Mr. Levin’s service as Special Advisor to the Board. In consideration of Mr. Levin’s reduced services as Special Advisor in comparison to his services previously provided as Chairman and Board member, the Amended RSA reduces the total number of shares of Vimeo common stock underlying the RSA by one-third, to a total of 3,247,000 shares ("Vimeo Restricted Shares"), that cliff vest on November 5, 2030 based on satisfaction of certain Vimeo stock price targets and Mr. Levin’s continuous service as a Special Advisor through the vesting date.

Mr. Levin may elect to accelerate vesting of the Vimeo Restricted Shares, effective on November 5, 2026 and each year thereafter through November 5, 2029, in which case performance will be measured through such date, and Mr. Levin will receive a pro-rated portion of the award and any remaining shares will be forfeited. The applicable stock price goals are proportionately lower on the earlier vesting dates.

The Company accounted for these changes as a modification of the Vimeo Restricted Shares because the service condition of the RSA was not met due to Mr. Levin's resignation as Chairman of the Board, but the RSA will continue in connection with Mr. Levin's reduced services as Special Advisor. Accordingly, in the three months ended March 31, 2023, the Company reversed $14.8 million of stock-based compensation expense which represents the cumulative amount of such stock-based compensation expense recognized in "General and administrative expense" in the accompanying consolidated statement of operations since entering into the RSA with Mr. Levin. The fair value of the Vimeo Restricted Shares underlying the Amended RSA on the modification date was $2.3 million and is expected to be recognized over the remaining requisite service period through November 5, 2030, subject to Mr. Levin’s continued service as Special Advisor. The fair value of the Vimeo Restricted Shares was determined using a lattice model that incorporated a Monte Carlo simulation of Vimeo's stock price as this award contains a market condition.

CEO Market-Based Award

On March 21, 2023, the Company and Anjali Sud, Vimeo's CEO, entered into an Amended and Restated Restricted Stock Unit Award Agreement (the “Amended RSU Agreement”), which amended and restated the existing Restricted Stock Unit Award Agreement between the Company and Ms. Sud dated March 25, 2022 (the “Original Award Agreement”) to revise the vesting schedule and stock performance targets of the Original Award Agreement. The Company accounted for these changes as a modification, which was originally expected to result in incremental stock-based compensation expense of $2.2 million. On July 5, 2023, the Company announced in a Current Report on Form 8-K filed with the SEC that Ms. Sud notified the Company on June 30, 2023 of her intention to step down from her role as CEO effective as of August 31, 2023, and therefore this award is no longer expected to vest.

NOTE 9—EARNINGS (LOSS) PER SHARE

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(In thousands, except per share data)			
Basic EPS:				
Numerator:				
Net earnings (loss)	$ 5,871	$ (26,502)	$ 5,173	$ (53,060)
Less: Net earnings attributed to participating security	(115)	—	(123)	—
Net earnings (loss) attributable to common stock shareholders	$ 5,756	$ (26,502)	$ 5,050	$ (53,060)
Denominator: [a]				
Weighted average basic common shares outstanding	162,733	161,455	162,285	161,384
Earnings (loss) per share attributable to common stock shareholders:				
Earnings (loss) per share	$ 0.04	$ (0.16)	$ 0.03	$ (0.33)
Diluted EPS:				
Numerator:				
Net earnings (loss)	$ 5,871	$ (26,502)	$ 5,173	$ (53,060)
Less: Net earnings attributed to participating security	(113)	—	(121)	—
Net earnings (loss) attributable to common stock shareholders	$ 5,758	$ (26,502)	$ 5,052	$ (53,060)
Denominator: [a]				
Weighted average basic common shares outstanding	$ 162,733	$ 161,455	$ 162,285	$ 161,384
Dilutive securities	2,255	—	2,133	—
Weighted average diluted common shares outstanding	$ 164,988	$ 161,455	$ 164,418	$ 161,384
Antidilutive securities	23,543	32,760	23,981	32,760
Earnings (loss) per share attributable to common stock shareholders:				
Earnings (loss) per share	$ 0.03	$ (0.16)	$ 0.03	$ (0.33)

[a] Vimeo Restricted Shares were included in shares of common stock issued and outstanding at June 30, 2023 and December 31, 2022 in the accompanying consolidated balance sheet, but were excluded from the computation of average basic common shares outstanding for EPS purposes because the number of shares that ultimately vest is subject to the satisfaction of certain market-based conditions.

NOTE 10—FINANCIAL STATEMENT DETAILS

Cash and Cash Equivalents and Restricted Cash

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

	June 30, 2023	December 31, 2022	June 30, 2022	December 31, 2021
	(In thousands)			
Cash and cash equivalents	$ 278,445	$ 274,497	$ 268,078	$ 321,900
Restricted cash included in Prepaid expenses and other current assets	348	337	342	445
Total cash and cash equivalents and restricted cash as shown in the accompanying consolidated statement of cash flows	$ 278,793	$ 274,834	$ 268,420	$ 322,345

Restricted cash primarily consisted of deposits related to a lease and corporate credit cards.

Credit Losses

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

	Six Months Ended June 30,	
	2023	2022
	(In thousands)	
Balance at beginning of period	$ 5,183	$ 1,324
Provision for credit losses	17	7,015
Write-offs charged against the allowance	(2,693)	(917)
Recoveries collected	516	578
Currency translation adjustment	9	(10)
Balance at end of period	$ 3,032	$ 7,990

Accumulated Amortization and Depreciation

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

Asset Category	June 30, 2023	December 31, 2022
	(In thousands)	
ROU assets included in Other non-current assets	$ 12,354	$ 10,087
Leasehold improvements and equipment	$ 1,168	$ 784
Intangible assets with definite lives	$ 46,936	$ 44,792

Other income, net

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

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
	(In thousands)			
Foreign exchange (losses) gains, net	$ (58)	$ 755	$ (63)	$ 1,055
Interest income	2,992	417	5,678	458
Loss on sale of an asset	—	—	(37)	—
Other income, net	$ 2,934	$ 1,172	$ 5,578	$ 1,513

Geographic Concentrations

Long-lived assets, excluding goodwill, intangible assets with definite lives and ROU assets, at June 30, 2023 and December 31, 2022 relate to "Leasehold improvements and equipment, net."

	June 30, 2023	December 31, 2022
	(In thousands)	
Leasehold improvements and equipment, net:		
United States	$ 563	$ 537
All other countries	475	818
Total	$ 1,038	$ 1,355

NOTE 11—CONTINGENCIES

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

EMI/Capitol Records Copyright Infringement Litigation

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

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. The appeal has been fully briefed.

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

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 Appeals stayed the judgment pending appeal. On August 10, 2022, the Rome Court of Appeals affirmed the judgment. Vimeo is now appealing to the Italian Supreme Court of Cassation. On June 1, 2023 RTI filed an action in the Supreme Court of New York, New York County to enforce the Civil Court's judgment of EUR 8,500,000 (No. 652646/2023). The case was removed to federal court and is now pending in the Southern District of New York. See Reti Televisive Italiane S.p.A. v. Vimeo.com, Inc, 1:23-cv-05488-ER (S.D.N.Y.).

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.

On April 7, 2023 the Civil Court of Rome published a decision finding in favor of Vimeo and dismissing the third case (No. 59780/2017) in its entirety.

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

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. The parties have exchanged briefs, and the next hearing is scheduled for December 18, 2023. 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. See *Bradley Acaley v. Vimeo, Inc., Acaley v. Vimeo.com, Inc.*, Case No. 2019 CH10873 (Ill. Cir. Ct.). 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.

On May 29, 2022, the parties entered into a settlement agreement that, subject to court approval, will result in certain payments to class members in exchange for releases to Vimeo. On June 6, 2022, the case was, pursuant to the parties' stipulation, remanded from federal court back to the Circuit Court of Cook County, Illinois. On July 22, 2022, plaintiffs' counsel filed a motion for preliminary approval of the settlement agreement, and the court issued an order granting preliminary approval of the $2.3 million settlement on January 20, 2023.

Vimeo denies liability in connection with this lawsuit.

NOTE 12—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. The total related charges for the three and six months ended June 30, 2023 and 2022 were both less than $0.1 million, and $1.0 million and $2.3 million, respectively. At June 30, 2023, Vimeo had a current payable due to IAC of less than $0.1 million which was included in "Accrued expenses and other current liabilities" in the accompanying consolidated balance sheet and was subsequently paid in July 2023. At December 31, 2022, there was no amount due to IAC.

Upon the completion of the Spin-off, Vimeo entered into an operating lease agreement with IAC for the space Vimeo had previously occupied in IAC's headquarters building at 555 West 18th Street in New York City. Vimeo exited this space on June 30, 2022. Additionally in November 2021 Vimeo entered into a sublease agreement with a subsidiary of Angi Inc., which is also an indirect subsidiary of IAC, whereby Vimeo agreed to sublease the 10th floor at 330 West 34th Street ("West 34th Street Sublease") in New York City. In July 2022, Vimeo extended the terms of the West 34th Street Sublease, and added a sublease of a portion of the fifth floor, both through April 2028. At June 30, 2023 Vimeo had a current lease liability of $2.2 million included in "Accrued expenses and other current liabilities" and a non-current lease liability of $11.9 million included in "Other long-term liabilities" related to the West 34th Street Sublease in the accompanying consolidated balance sheet. Rent expense for the three and six months ended June 30, 2023 and 2022 were $0.8 million and $1.7 million, and $1.4 million and $3.0 million, respectively.

NOTE 13—RESTRUCTURING

During the quarter ended March 31, 2023, the Company completed an evaluation to a sufficient level of detail to commit to a restructuring plan that resulted in a reduction to its workforce of approximately 11% of its employees. One-time termination benefits provided as part of the restructuring plan include severance, continuation of health insurance coverage and other benefits for a specified period of time, which resulted in $4.9 million of restructuring costs for the six months ended June 30, 2023. These costs have been recognized in the accompanying consolidated statement of operations as follows:

	Six Months Ended June 30, 2023 (In thousands)
Restructuring costs:	
Cost of revenue	$ 298
Research and development expense	2,813
Sales and marketing expense	1,078
General and administrative expense	699
Total	$ 4,888

As of June 30, 2023, all payments under the restructuring plan have been made.

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

GENERAL

Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the Vimeo consolidated financial statements for the three and six months ended June 30, 2023 included in "Item 1—Consolidated Financial Statements."

Operating Metrics and Key Terms:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	% Change	2023	2022	% Change
	(In thousands, except ARPU)					
Self-Serve & Add-Ons:						
Subscribers	1,432.0	1,565.8	(9)%	1,432.0	1,565.8	(9)%
Average Subscribers	1,455.2	1,566.3	(7)%	1,468.5	1,560.3	(6)%
ARPU	$ 195	$ 200	(3)%	$ 196	$ 199	(2)%
Bookings	$ 74,789	$ 80,891	(8)%	$ 146,163	$ 157,166	(7)%
Vimeo Enterprise:						
Subscribers	2.8	1.9	44 %	2.8	1.9	44 %
Average Subscribers	2.6	1.9	42 %	2.5	1.8	41 %
ARPU	$ 19,672	$ 21,220	(7)%	$ 19,727	$ 21,523	(8)%
Bookings	$ 18,205	$ 10,575	72 %	$ 31,736	$ 18,935	68 %
Other:						
Subscribers	77.6	114.8	(32)%	77.6	114.8	(32)%
Average Subscribers	80.6	117.8	(32)%	85.5	126.8	(33)%
ARPU	$ 901	$ 781	15 %	$ 909	$ 733	24 %
Bookings	$ 11,296	$ 15,881	(29)%	$ 24,151	$ 34,517	(30)%

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

- **Self-Serve & Add-Ons** relates to our subscription plans sold directly online, and any add-on services tied to those online subscriptions. This includes our Starter, Standard, and Advanced subscription plans, and add-on services such as bandwidth charges, which are sold through our sales force to subscribers of one of our plans if they exceed a certain threshold of bandwidth.

- **Vimeo Enterprise** relates to our video offering designed for teams and organizations, which includes the same capabilities of Self-Serve & Add-Ons plus enterprise-grade features such as advanced security, custom user permissions, single-sign on for employees, interactive video tools, and marketing software integrations. Vimeo Enterprise is sold through our sales force and is often an upgrade from Vimeo's Self-Serve & Add-Ons as the number of users or use cases in an organization grow.

- **Other** relates to products and services we offer outside of Self-Serve & Add-Ons and Vimeo Enterprise, primarily our over-the-top ("OTT") video monetization solution that allows customers to launch and run their own video streaming channel directly to their audience through a branded web portal, mobile apps and Internet-enabled TV apps. Other also includes Magisto, Livestream, WIREWAX, and Wibbitz.

- **Subscribers** is the number of users who have an active subscription to one of Vimeo's paid plans measured at the end of the relevant period. Vimeo counts each account with a subscription plan as a subscriber. In the case of customers who maintain accounts across Self-Serve & Add-Ons, Vimeo Enterprise, and Other, Vimeo counts them as one subscriber for each of the components in which they maintain a subscription. Vimeo does not count team members who have access to a subscriber's account as additional subscribers.

- **Average Subscribers** is the sum of the number of Subscribers at the beginning and at the end of the relevant measurement period divided by two.

- **Average Revenue per User ("ARPU")** is the annualized revenue for the relevant period divided by Average Subscribers. For periods that are less than a full year, annualized revenue is calculated by dividing the revenue for that particular period by the number of calendar days in the period and multiplying this value by the number of days in that year.

- **Bookings** consists of fixed fees for SaaS services, measured at the end of the relevant period, that subscribers have paid or committed to pay during their subscription period or 12 months, whichever is shorter, less refunds and chargebacks during the same period.

- **Gross Margin** is revenue less cost of revenue, divided by revenue.

- **Cost of revenue** consists primarily of hosting fees, credit card processing fees, compensation expense and other employee-related costs and stock-based compensation expense for personnel engaged in customer care functions, traffic acquisition costs, which includes 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 and other employee-related costs and stock-based compensation expense that are not capitalized for personnel engaged in the design, development, testing and enhancement of product offerings and related technology, software license and maintenance costs, rent expense and facilities costs.

- **Sales and marketing expense** consists primarily of advertising expenditures, which include online marketing, including fees paid to search engines, social media sites, e-mail campaigns, display advertising, video advertising and affiliate marketing, and offline marketing, which includes conferences and events, compensation expense and other employee-related costs and stock-based compensation expense for Vimeo's sales force and marketing personnel, software license and maintenance costs, rent expense and facilities costs.

- **General and administrative expense** consists primarily of compensation expense and other employee-related costs and stock-based compensation expense for personnel engaged in executive management, finance, legal, tax, information technology and human resources, provision for credit losses, fees for professional services, rent expense, facilities costs, and software license and maintenance costs.

- **Vimeo Restricted Shares** consist of 3,247,000 shares of Vimeo common stock underlying the Amended and Restated Restricted Stock Agreement entered into between the Company and Mr. Levin, Special Advisor to the Vimeo Board and former Chairman of the Board, on March 20, 2023.

- **Credit Facility** is the $100 million revolving credit facility entered into on February 12, 2021 by Vimeo.com, Inc., which was terminated in accordance with its terms effective June 30, 2023.

- **Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")** is a non-GAAP financial measure. See "Principles of Financial Reporting" for the definition of Adjusted EBITDA and a reconciliation of net earnings (loss) to Adjusted EBITDA, for the three and six months ended June 30, 2023 and 2022.

MANAGEMENT OVERVIEW

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

Sources of Revenue

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

Distribution, Marketing and Advertiser Relationships

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

Vimeo also markets and offers its services and products through branded websites, allowing customers to transact directly with it in a convenient manner. Vimeo has made significant investments, and expects to scale investments, in online marketing to drive traffic to its websites.

Results of Operations for the three and six months ended June 30, 2023 compared to the three and six months ended June 30, 2022

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(as a % of revenue)			
Revenue	100 %	100 %	100 %	100 %
Cost of revenue (exclusive of depreciation shown separately below)	22	24	23	24
Gross profit	78	76	77	76
Operating expenses:				
Research and development expense	26	32	28	32
Sales and marketing expense	39	39	39	39
General and administrative expense	7	27	8	27
Depreciation	—	1	1	1
Amortization of intangibles	1	1	1	1
Total operating expenses	73	100	76	100
Operating income (loss)	5	(25)	1	(24)
Interest expense	(1)	—	—	—
Other income, net	3	1	3	1
Earnings (loss) before income taxes	7	(24)	3	(24)
Income tax provision	(1)	—	(1)	—
Net earnings (loss)	6 %	(24)%	3 %	(24)%

Revenue

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023	2022	Change	% Change	2023	2022	Change	% Change
	(In thousands)							
Self-Serve & Add-Ons	$ 70,821	$ 78,246	$ (7,425)	(9)%	$ 142,423	$ 154,337	$ (11,914)	(8)%
Vimeo Enterprise	12,899	9,795	3,104	32 %	24,471	18,896	5,575	29 %
Other	18,115	22,936	(4,821)	(21)%	38,523	46,098	(7,575)	(16)%
Total revenue	$ 101,835	$ 110,977	$ (9,142)	(8)%	$ 205,417	$ 219,331	$ (13,914)	(6)%

For the three months ended June 30, 2023 compared to the three months ended June 30, 2022

Revenue decreased $9.1 million, or 8%, due primarily to decreases of $7.4 million or 9% in Self-Serve & Add-Ons and $4.8 million or 21% in Other, partially offset by an increase of $3.1 million or 32% in Vimeo Enterprise.

The decrease in Self-Serve & Add-Ons was due primarily to decreases of 7% and 3%, in Average Subscribers and ARPU, respectively. The decrease in Other was due primarily to a decrease of 32% in Average Subscribers as the Company is actively deprecating the consumer-facing portion of the Magisto business. The increase in Vimeo Enterprise was primarily due to an increase of 42% in Average Subscribers, partially offset by a decrease of 7% in ARPU.

For the six months ended June 30, 2023 compared to the six months ended June 30, 2022

Revenue decreased $13.9 million, or 6%, due primarily to decreases of $11.9 million or 8% in Self-Serve & Add-Ons and $7.6 million or 16% in Other, partially offset by an increase of $5.6 million or 29% in Vimeo Enterprise.

The decrease in Self-Serve & Add-Ons was due primarily to decreases of 6% and 2%, in Average Subscribers and ARPU, respectively. The decrease in Other was due primarily to a decrease of 33% in Average Subscribers as the Company is actively deprecating the consumer-facing portion of the Magisto business. The increase in Vimeo Enterprise was primarily due to an increase of 41% in Average Subscribers, partially offset by a decrease of 8% in ARPU.

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

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023	2022	Change	% Change	2023	2022	Change	% Change
				(In thousands)				
Cost of revenue (exclusive of depreciation shown separately below)	$ 22,845	$ 26,878	$ (4,033)	(15)%	$ 46,517	$ 53,634	$ (7,117)	(13)%
Gross profit	$ 78,990	$ 84,099	$ (5,109)	(6)%	$ 158,900	$ 165,697	$ (6,797)	(4)%
Gross margin	78%	76%			77%	76%		

For the three months ended June 30, 2023 compared to the three months ended June 30, 2022

Cost of revenue decreased $4.0 million, or 15%, due primarily to decreases of $2.2 million in hosting fees driven by cost optimization initiatives, $0.7 million in customer care personnel costs driven by lower outsourced costs, $0.5 million in credit card processing fees driven by lower Bookings from Self-Serve & Add-Ons, and $0.5 million in in-app purchase fees as the Company is actively deprecating the consumer-facing portion of the Magisto business.

Gross profit decreased $5.1 million or 6% due primarily to the decrease in revenue, partially offset by cost optimization initiatives for hosting which as a percentage of revenue decreased.

For the six months ended June 30, 2023 compared to the six months ended June 30, 2022

Cost of revenue decreased $7.1 million, or 13%, due primarily to decreases of $3.5 million in hosting fees driven by cost optimization initiatives, $1.5 million in customer care personnel costs driven by lower outsourced costs, $1.0 million in credit card processing fees driven by lower Bookings from Self-Serve & Add-Ons, and $0.9 million in in-app purchase fees as the Company is actively deprecating the consumer-facing portion of the Magisto business.

Gross profit decreased $6.8 million or 4% due primarily to the decrease in revenue, partially offset by cost optimization initiatives for hosting which as a percentage of revenue decreased.

Operating Expenses

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023	2022	Change	% Change	2023	2022	Change	% Change
				(In thousands)				
Research and development expense	$ 26,676	$ 35,728	$ (9,052)	(25)%	$ 57,936	$ 70,146	$ (12,210)	(17)%
Sales and marketing expense	39,764	43,080	(3,316)	(8)	79,751	86,236	(6,485)	(8)
General and administrative expense	6,943	29,710	(22,767)	(77)	16,249	58,322	(42,073)	(72)
Depreciation	102	1,537	(1,435)	(93)	1,030	1,913	(883)	(46)
Amortization of intangibles	910	1,341	(431)	(32)	2,144	2,632	(488)	(19)
Total operating expenses	$ 74,395	$ 111,396	$ (37,001)	(33)%	$ 157,110	$ 219,249	$ (62,139)	(28)%

For the three months ended June 30, 2023 compared to the three months ended June 30, 2022

Research and development expense decreased $9.1 million, or 25%, due primarily to decreases of $6.4 million in compensation expense and other employee-related costs and $2.1 million in stock-based compensation expense, both driven by a decrease in headcount.

Sales and marketing expense decreased $3.3 million, or 8%, due primarily to a decrease of $3.3 million in advertising costs as we focus on higher-efficiency customer acquisition channels.

General and administrative expense decreased $22.8 million, or 77%, due primarily to decreases of $17.9 million in stock-based compensation expense driven by the expected forfeiture of unvested equity awards held by Vimeo's CEO in connection with her intent to step down from her role as CEO and $3.8 million in provision for credit losses driven by a decrease in aged accounts receivable balances as a result of improved cash collections.

Depreciation decreased $1.4 million due primarily to fully depreciating certain leasehold improvements and equipment in the second quarter of 2022 in connection with the Company's decision to not renew its lease for the office space it occupied in IAC's headquarters.

Amortization of intangibles decreased $0.4 million due primarily to certain intangible assets related to the 2019 acquisition of Magisto reaching the end of their estimated useful lives in the second quarter of 2023.

For the six months ended June 30, 2023 compared to the six months ended June 30, 2022

Research and development expense decreased $12.2 million, or 17%, due primarily to decreases of $11.7 million in compensation expense and other employee-related costs and $1.9 million in stock-based compensation expense, both driven by a decrease in headcount, partially offset by restructuring costs of $2.8 million associated with the reduction-in-force completed in the first quarter of 2023.

Sales and marketing expense decreased $6.5 million, or 8%, due primarily to decreases of $9.8 million in advertising costs, partially offset by increases in stock-based compensation expense of $2.3 million driven by changes in the executive leadership of the marketing organization implemented in 2022 and restructuring costs of $1.1 million associated with the reduction-in-force completed in the first quarter of 2023.

General and administrative expense decreased $42.1 million, or 72%, due primarily to decreases of $35.0 million in stock-based compensation expense and $7.0 million in provision for credit losses driven by a decrease in aged accounts receivable balances as a result of improved cash collections. The decrease in stock-based compensation expense was driven by the resignation of Vimeo's former Chairman of the Board and corresponding modification of the Vimeo Restricted Shares and the expected forfeiture of unvested equity awards held by Vimeo's CEO in connection with her intent to step down from her role as CEO.

Depreciation decreased $0.9 million due primarily to fully depreciating certain leasehold improvements and equipment in the second quarter of 2022 in connection with the Company's decision to not renew its lease for the office space it occupied in IAC's headquarters, partially offset by costs associated with an asset retirement obligation incurred in the first quarter of 2023.

Amortization of intangibles decreased $0.5 million due primarily to the factor described in the three-month discussion.

Operating income (loss)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023	2022	Change	% Change	2023	2022	Change	% Change
	(In thousands)							
Operating income (loss)	$ 4,595	$ (27,297)	$ 31,892	NM	$ 1,790	$ (53,552)	$ 55,342	NM

For the three months ended June 30, 2023 compared to the three months ended June 30, 2022

Operating income (loss) increased $31.9 million due to a decrease in gross profit of $5.1 million, more than offset by a decrease in operating expenses of $37.0 million. The decrease in gross profit was due to lower revenue, partially offset by improved gross margin (78% in 2023 compared to 76% in 2022). The decrease in operating expenses was due primarily to decreases in stock-based compensation expense of $19.3 million, compensation expense and other employee-related costs of $7.7 million, provision for credit losses of $3.8 million, and advertising costs of $3.3 million.

For the six months ended June 30, 2023 compared to the six months ended June 30, 2022

Operating income (loss) increased $55.3 million due to a decrease in gross profit of $6.8 million, more than offset by a decrease in operating expenses of $62.1 million. The decrease in gross profit was due to lower revenue, partially offset by improved gross margin (77% in 2023 compared to 76% in 2022). The decrease in operating expenses was due primarily to decreases in stock-based compensation expense of $34.6 million, compensation and other employee-related costs of $11.8 million, advertising costs of $9.8 million, and provision for credit losses of $7.0 million, partially offset by restructuring costs of $4.6 million associated with the reduction-in-force completed in the first quarter of 2023.

Adjusted EBITDA

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023	2022	Change	% Change	2023	2022	Change	% Change
	(In thousands)							
Adjusted EBITDA	$ 5,023	$ (6,416)	$ 11,439	NM	$ 8,263	$ (16,811)	$ 25,074	NM
As a percentage of revenue	5%	(6)%			4%	(8)%		

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

For the three months ended June 30, 2023 compared to the three months ended June 30, 2022

Adjusted EBITDA increased $11.4 million to $5.0 million, primarily due to a decrease in gross profit, more than offset by decreases in compensation expense and other employee-related costs, provision for credit losses, and advertising costs.

For the six months ended June 30, 2023 compared to the six months ended June 30, 2022

Adjusted EBITDA increased $25.1 million to $8.3 million, primarily due to a decrease in gross profit, more than offset by decreases in compensation expense and other employee-related costs, advertising costs, and provision for credit losses.

Non-Operating Expenses

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023	2022	Change	% Change	2023	2022	Change	% Change
	(In thousands)							
Interest expense	$ (877)	$ (122)	$ (755)	NM	$ (998)	$ (243)	$ (755)	NM
Foreign exchange (losses) gains, net	$ (58)	$ 755	$ (813)	NM	$ (63)	$ 1,055	$ (1,118)	NM
Interest income	2,992	417	2,575	NM	5,678	458	5,220	NM
Loss on sale of an asset	—	—	—	NM	(37)	—	(37)	NM
Other income, net	$ 2,934	$ 1,172	$ 1,762	NM	$ 5,578	$ 1,513	$ 4,065	NM

Interest expense increased $0.8 million for both the three and six months ended June 30, 2023, respectively, due to the recognition of the unamortized deferred financing costs associated with the termination of the Credit Facility in the second quarter of 2023.

Other income, net increased $1.8 million and $4.1 million for the three and six months ended June 30, 2023, respectively, due primarily to the increase in Interest income driven by an increase in interest rates on the Company's money market funds.

Income tax provision

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023	2022	Change	% Change	2023	2022	Change	% Change
	(In thousands)							
Income tax provision	$ (781)	$ (255)	$ (526)	NM	$ (1,197)	$ (778)	$ (419)	54 %

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 and increased as a result of a valuation allowance recorded on net deferred tax assets of Vimeo's international entities. 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 this non-GAAP financial measure is useful to investors as an additional tool to evaluate ongoing operating results and trends and in comparing our financial results with other companies in our industry, many of which present a similar non-GAAP financial measure. However, our presentation of this non-GAAP financial measure may differ from the presentation of similarly titled measures by other companies. Adjusted EBITDA is one of the metrics on which our internal budgets are based and also one of the metrics by which management is compensated. We believe that investors should have access to, and we are obligated to provide, the same set of tools that we use in analyzing our results. This non-GAAP measure should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. We endeavor to compensate for the limitations of the non-GAAP measure presented by providing the comparable GAAP measure with equal or greater prominence and descriptions of the reconciling items, including quantifying such items, to derive the non-GAAP measure. We encourage investors to examine the reconciling adjustments between the GAAP and corresponding non-GAAP measure, which we discuss below.

Definition of Non-GAAP Measure

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(In thousands)			
Net earnings (loss)	$ 5,871	$ (26,502)	$ 5,173	$ (53,060)
Add back:				
Income tax provision	781	255	1,197	778
Other income, net	(2,934)	(1,172)	(5,578)	(1,513)
Interest expense	877	122	998	243
Operating income (loss)	4,595	(27,297)	1,790	(53,552)
Add back:				
Stock-based compensation expense	(584)	18,672	(1,693)	32,865
Depreciation	102	1,537	1,030	1,913
Amortization of intangibles	910	1,341	2,144	2,632
Contingent consideration	—	(669)	104	(669)
Restructuring costs	—	—	4,888	—
Adjusted EBITDA	$ 5,023	$ (6,416)	$ 8,263	$ (16,811)

Items That Are Excluded From Non-GAAP Measure

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

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

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

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

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

VIMEO'S FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

Financial Position

	June 30, 2023		December 31, 2022	
	(In thousands)			
Cash and cash equivalents:				
United States	$	265,054	$	265,252
All other countries		13,391		9,245
Total cash and cash equivalents	$	278,445	$	274,497

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

Cash Flow Information

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

	Six Months Ended June 30,			
	2023		2022	
	(In thousands)			
Net cash provided by (used in)				
Operating activities	$	11,196	$	(48,710)
Investing activities	$	532	$	1,002
Financing activities	$	(7,615)	$	(5,729)

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

2023

Adjustments to net earnings consisted primarily of non-cash lease expense of $2.3 million and amortization of intangibles of $2.1 million. The increase from changes in working capital consisted of an increase in deferred revenue of $8.4 million, a decrease in accounts receivable of $3.9 million, partially offset by a decrease in accounts payable and other liabilities of $11.4 million. The increase in deferred revenue was due primarily to growth in Vimeo Enterprise bookings. The decrease in accounts receivable was due primarily to a decrease in aged accounts receivable balances driven by improved cash collections. The decrease in accounts payable and other liabilities was due primarily to the payment of 2022 cash bonuses in 2023, the timing of invoice payments, and payment of the WIREWAX contingent consideration arrangement (the portion that was in excess of the amount recorded in purchase accounting and as described in "Note 4—Fair Value Measurements"), partially offset by accruals for 2023 cash bonuses.

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

Net cash used in financing activities included withholding taxes paid related to the exercise of equity awards of $4.2 million and $3.3 million related to the WIREWAX contingent consideration arrangement (the portion up to the amount recorded in purchase accounting as described in "Note 4—Fair Value Measurements").

2022

Adjustments to net loss consisted primarily of $32.9 million of stock-based compensation expense, provision for credit losses of $7.0 million, non-cash lease expense of $3.6 million, $2.6 million of amortization of intangibles, and $1.9 million of depreciation. The decrease from changes in working capital primarily consisted of a decrease in accounts payable and other liabilities of $26.3 million and an increase in accounts receivable of $18.2 million. The decrease in accounts payable and other liabilities was due primarily to the timing of invoice payments, the payment of 2021 cash bonuses in 2022, and the payment of professional fees related to acquisition activities. 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 $0.6 million.

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

Liquidity and Capital Resources

Outstanding Stock-based Awards

Stock-based awards are settled in shares of Vimeo common stock and may be settled on a gross or net basis based upon factors deemed relevant at the time. Since the Spin-off and through December 31, 2022, stock-based awards were generally settled on a gross basis, such that individual award holders were required to pay their withholding tax obligation, which they were generally able to do by selling shares of Vimeo common stock (including a portion of the shares received in connection with the applicable settlement). Beginning in the first quarter of 2023, stock-based awards have been generally settled on a net basis, such that individual award holders received shares of Vimeo common stock, in each case, net of a number of shares of Vimeo common stock equal to the required cash tax withholding payment, which was paid by Vimeo on the employee's behalf.

Liquidity Assessment

At June 30, 2023, Vimeo had $278.4 million in cash and cash equivalents and no debt. Vimeo believes its existing cash and cash equivalents will be sufficient to fund its normal operating requirements, including capital expenditures, and other commitments for the foreseeable future. Vimeo does not currently expect to incur significant capital expenditures.

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

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes in our market risk as compared to the disclosures in Part II, Item 7A in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on February 27, 2023 as well as in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, filed with the SEC on May 4, 2023.

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 June 30, 2023 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 11—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, 2022, filed with the SEC on February 27, 2023. 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 June 30, 2023.

Issuer Purchases of Equity Securities

Vimeo has not purchased any shares of its common stock during the quarter ended June 30, 2023.

Item 5. *Other Information*

During our fiscal quarter ended June 30, 2023, none of Vimeo's directors or officers (as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended) entered into, modified (as to amount, price or timing of trades) or terminated (i) contracts, instructions or written plans for the purchase or sale of our securities that are intended to satisfy the conditions specified in Rule 10b5-1(c) under the Exchange Act for an affirmative defense against liability for trading in securities on the basis of material nonpublic information or (ii) non-Rule 10b5-1 trading arrangements (as defined in Item 408(c) of Regulation S-K).

Item 6. *Exhibits*

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

Exhibit Number	Description	Location
10.1#	Memorandum of Understanding between Anjali Sud and the Company, dated July 5, 2023	Filed herewith.
10.2#	Offer Letter between Adam Gross and the Company, dated July 4, 2023	Filed herewith.
10.3#	Vimeo, Inc. 2021 Stock and Annual Incentive Plan, as amended and restated	Filed herewith.
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act	Filed herewith.
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act	Filed herewith.
32.1*	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act	Furnished herewith.
32.2*	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act	Furnished herewith.
101.INS	Inline XBRL Instance	Filed herewith. The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema	Filed herewith.
101.CAL	Inline XBRL Taxonomy Extension Calculation	Filed herewith.
101.DEF	Inline XBRL Taxonomy Extension Definition	Filed herewith.
101.LAB	Inline XBRL Taxonomy Extension Labels	Filed herewith.
101.PRE	Inline XBRL Taxonomy Extension Presentation	Filed herewith.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	Filed herewith.

Management contract or compensatory plan or arrangement

* The certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the 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:	August 2, 2023	**Vimeo, Inc.**	
		By:	/s/ Gillian Munson
			Gillian Munson
			Chief Financial Officer *(Principal Financial Officer)*

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made between Anjali Sud ("Executive") and Vimeo, Inc. ("Vimeo" or the "Company") as of July 5, 2023 (the "Effective Date").

WHEREAS, Executive is presently Chief Executive Officer (CEO) and director of the Company;

WHEREAS, Executive and the Company are parties to a letter agreement dated as of May 4, 2022, as amended March 22, 2023 (the "Letter Agreement");

WHEREAS, on June 30, 2023, Executive tendered her voluntary resignation to the Company effective as of August 31, 2023;

WHEREAS, the parties wish to make certain arrangements concerning Executive's departure from the Company as set forth below,

NOW, THEREFORE, for good and valuable consideration, including the mutual promises made below, the parties agree as follows:

1. Resignation. Executive hereby submits, and the Company accepts, Executive's voluntary resignation as the Company's Chief Executive Officer as documented by the resignation letter set forth in Schedule A hereto. Executive's resignation from the Company and each subsidiary thereof shall be effective as of August 31, 2023 (the "Separation Date"). Except as otherwise provided in this MOU, the Separation Date shall be the end or termination date for the purposes of all benefit plans and equity awards applicable to Executive. Executive and the Company agree and acknowledge that Executive's decision to leave the Company is neither a termination by the Company (for any reason) nor a resignation for "Good Reason" by Executive (as defined in the Letter Agreement).

2. Limited Non-Compete Waiver. As consideration for Executive's timely execution of the First Release of Claims set forth in Schedule D-1 hereto, the Company hereby grants to Executive a one-time, limited waiver of the non-competition covenant set forth in section 4 of Schedule A to the Letter Agreement solely to permit Executive to join the entity listed in Schedule B hereto as its chief executive officer following the Separation Date and to undertake limited (in terms of time and nature) pre-employment activities in furtherance of the foregoing up until the Separation Date, provided that such pre-employment activities do not interfere with Executive's duties and responsibilities at the Company. Executive acknowledges and agrees that the Company is not waiving, and has not waived, any of its other rights.

3. Compensation through and following the Separation Date.

(a) Executive will continue to receive her base salary and standard Company benefits for services rendered through the Separation Date.

(b) Subject to Executive's completion of continuous services through the Separation Date and Executive's timely execution and non-revocation of the Second Release of Claims set forth in Schedule D-2 hereto, Executive will be eligible to receive a one-time discretionary bonus for 2023 with a target amount of $400,000 (representing two-thirds (⅔) of the $600,000 annual target amount set forth in the Letter Agreement based upon actual service days in 2023) (the "Discretionary Bonus"). The Discretionary Bonus shall be determined by the Board of Directors (or a committee thereof) in its good faith discretion based upon Executive's performance and the Company's performance through the Separation Date and paid within 30 days following the Separation Date.

(c) Subject to Executive's completion of continuous services through the Separation Date and Executive's timely execution and non-revocation of the Second Release of Claims set forth in Schedule D-2 hereto, Executive will be entitled to receive the Non-Discretionary Bonus (as that term is defined in the Letter Agreement), if earned according to its terms, multiplied by two-thirds (⅔). Except as expressly set forth herein, the Non-Discretionary Bonus shall be calculated according to the terms of the Letter Agreement and the March 19, 2023 meeting minutes of the Company's Compensation and Human Capital Management Committee, relevant excerpts of which are reprinted in Schedule C-1 hereto.

(d) All compensation payable to Executive pursuant to this MOU shall be subject to any applicable statutory withholding taxes and such other taxes as are required or permitted under applicable law and such other deductions or withholdings as authorized by Executive to be collected with respect to compensation paid to Executive.

4. Equity Awards. All outstanding equity awards held by Executive shall continue to vest through the Separation Date and otherwise be treated in accordance with the terms of such awards and the Vimeo, Inc. Stock and Annual Incentive Plan (the "Equity Plan"). For the avoidance of doubt, the post-termination exercise periods specified for certain stock options or stock appreciation rights as set forth in the Letter Agreement shall continue in full force and effect and are reprinted in Schedule C-2 for convenience.

5. Non-Disparagement. At all times following the Separation Date, Executive shall (a) refrain from taking actions or making statements, written or oral (including through electronic or printed means), or from causing actions to be taken or statements to be made, which, in each case, do or could denigrate, disparage or defame the business, goodwill or reputation of the Company or any of the Releasees (as defined in Schedules D-1 and D-2 hereto), 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; (b) refrain from making, or from causing to be made (including through electronic or printed means) any negative statements to third parties relating to Executive's employment (or any circumstances relating to the termination thereof) or the MOU; and (c) not harass or threaten any officer, director or employee of the Company or any of its subsidiaries, businesses, divisions and/or affiliates.

6. Permitted Disclosures. Nothing herein or in any other agreement or arrangement between Executive and the Company shall limit (a) Executive's right to voluntarily communicate with an attorney whom Executive retains, a law enforcement agency, the Equal Employment Opportunity Commission, the New York State Division of Human Rights, any local human rights commission or other similar federal, state or local administrative agency or self-regulatory organization regarding possible violations of law (including disclosure of the underlying facts or circumstances relating to claims of discrimination, in violation of laws prohibiting discrimination, against the Company); (b) Executive's right to otherwise initiate, testify, assist, comply with a subpoena from or participate in any manner with an investigation conducted by such government or regulatory agency or entity, in each case without advance notice to the Company; (c) Executive's right to disclose any information (including confidential information of the Company) to a court or legislative body in response to a subpoena, court order or written request (with advance notice to the Company prior to any such disclosure to the extent legally permitted; (d) Executive's right to recover a SEC whistleblower award as provided under Section 21F of the Securities Exchange Act of 1934; or (e) Executive from filing or disclosing any facts necessary to receive unemployment insurance, Medicaid or other public benefits to which Executive is entitled.

7. Defend Trade Secrets Act. Executive is hereby advised that pursuant to the Defend Trade Secrets Act of 2016 (18 U.S.C. §1833(b)), Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret of the Company

where the disclosure is made (a) in confidence to a federal, state, or local government official, either directly or indirectly, or to Executive's attorney, and solely for the purpose of reporting or investigating a suspected violation of law; (b) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney and use the trade secret information in the court proceeding, if Executive (i) files any document containing the trade secret under seal, and (ii) does not disclose the trade secret, except pursuant to court order. Nothing in this MOU is intended to conflict with 18 U.S.C. §1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section.

8. Other Obligations. Executive will continue to comply with the post-employment terms and conditions of her Letter Agreement (including the restrictive covenants set forth therein, except to the extent waived by the Company herein) and Employee Proprietary Information and Inventions Agreement ("Employee Inventions Agreement," the standard form of which is attached as Schedule E for reference) for their duration.

9. Indemnification. For the avoidance of doubt, the indemnification provisions provided for officers or directors of the Company in Article VIII of the Company's Amended and Restated Certificate of Incorporation and Article XII of the Company's by-laws shall apply to Executive with respect to Executive's time served as a director and officer of the Company.

10. Governing Law. This MOU shall be governed by the laws of the State of New York without regard to conflicts of laws principles. Any dispute arising out of this MOU or Executive's former employment shall be governed by the dispute resolution clause set forth in the Letter Agreement, which are incorporated by reference herein as if executed anew.

11. General. This MOU is binding upon, and shall inure to the benefit of, the parties and their respective heirs, executors, administrators, successors, and assigns. This MOU sets forth the complete understanding of the parties relating to the subject matter thereof and supersedes all prior negotiations, understanding, and agreements relating to such subject matter, *provided* that the post-employment obligations of both parties set forth in the Letter Agreement or the Employee Inventions Agreement shall continue in full force except as expressly modified herein. This MOU may be executed in one or more counterparts, each of which shall be deemed an original of this MOU, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. The headings in this MOU are for reference only and shall not affect the interpretation of this MOU.

AGREED AND ACCEPTED:

EXECUTIVE:

/s/ Anjali Sud

Anjali Sud

VIMEO, INC.

By: /s/ Glenn Schiffman

Name: Glenn Schiffman

Title: Chairman

[Signature Page to Memorandum of Understanding]

July 4, 2023

By email

Adam Gross
[*]
[*]

Re: Your Appointment as Interim CEO

Dear Adam,

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

POSITION: Effective as of September 1, 2023 (the "Effective Date") you will serve as Interim CEO. You will report to the Chairman of the Board. You will be employed remotely from California.

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 the Chairman of the Board 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 also assist the Board of Directors in conducting a search for a permanent CEO. During your employment, you will also be able to take reasonable paid time off for vacation and other personal reasons, subject to any guidelines or policies approved by the Board from time to time.

TERM: Your employment shall continue until the earlier of the following events: (i) the start date of a permanent CEO; (ii) the 12 month anniversary of the Effective Date; or (iii) 30 days after either you or the Company provides written notice of termination of your employment to the other party (for any reason).

SALARY: During your employment, your base salary 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).

PERFORMANCE-BASED BONUS: You shall be entitled to receive, on a one-time basis, one third of the Non-Discretionary Bonus promised to Anjali Sud in the letter agreement between Ms. Sud and the Company dated March 22, 2023 (the "Sud Agreement"). Except as expressly set forth herein, the Non-Discretionary Bonus shall be calculated according to the terms of the Sud Agreement and the March 19, 2023 meeting minutes of the Company's Compensation and Human Capital Management Committee, relevant excerpts of which are annexed in Schedule A hereto, and paid within the time set forth in Schedule A.

EQUITY: In lieu of a discretionary annual bonus, you shall receive a one-time equity grant described in this section. Within five (5) business days following the Effective Date, you will receive a grant of Vimeo, Inc. restricted stock units ("RSUs"). The number of RSUs shall be determined in accordance with the formula: (x) $600,000 divided by (y) the greater of $4.00 per share or the volume weighted average price (VWAP) of Vimeo's common stock for the 20 days ended on the day immediately before the Effective Date, (z) rounded down to the nearest whole unit.

The RSU award will vest on a monthly basis in twelve (12) equal installments beginning on the first day of the calendar month that follows the month of the Effective Date. Notwithstanding any provision of the

Stock Plan (defined below), to be entitled to vest in each monthly tranche, you must be continuously providing service to Company (or one of its subsidiaries) as a director, officer, or consultant through the applicable vesting date. Any unvested portion of the RSU award will be forfeited upon the termination of such service.

The RSU award will be set forth in a formal award notice consistent with the terms hereof. Once granted, the RSU award will be governed exclusively by the award notice and the Vimeo, Inc. 2021 Stock and Annual Incentive Plan (the "Stock Plan"), and not this offer letter.

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.

DIRECTOR SERVICE: You will continue to serve as a member of the Company's Board of Directors while you serve as an executive offer of the Company, and your term as a member of the Board will not be shortened or lengthened merely because you serve as the Interim CEO. However, while you are serving as an executive officer of the Company, you will not be entitled to any compensation to which a non-executive director is entitled. You agree to resign from the Audit Committee. A termination of your employment under the terms hereof shall not terminate your directorship. Nothing in this offer letter shall in any way impact any equity awards that you have received in your capacity as director of the Company.

SPECIAL DIRECTOR FEE: Beginning on July 5, 2023 and through August 31, 2023, you will, in your capacity as a director, make yourself available to meet with members of Vimeo's management and begin preparing for a leadership transition. Company will pay you a flat fee of $100,000 (to be paid by August 31, 2023) for your time and reimburse your reasonable travel expenses.

BENEFITS: During your employment, 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 Conduct[1] and other policies and procedures as they may exist from time to time.

CONFIDENTIALITY, INTELLECTUAL PROPERTY, AND NON-SOLICITATION AGREEMENT: Within five (5) business days after your start date, 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.

REVIEW BY COUNSEL: You represent that you reviewed this letter agreement with counsel before executing it.

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, or a claim by you of sexual assault or harassment, shall be fully and finally resolved by

[1] Available at https://investors.vimeo.com/static-files/51fd1f5a-9ffc-402a-bedb-cf35308c0af3.

MANDATORY, BINDING ARBITRATION conducted by the American Arbitration Association in New York County, New York pursuant to its then-current Employment Dispute Resolution Rules.[2]

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.

Sincerely,

VIMEO, INC.

By: /s/ Glenn Schiffman
Glenn Schiffman, Chairman

AGREED AND ACCEPTED:

ADAM GROSS

Signature: /s/ Adam Gross Date: July 4, 2023

---

[2] Available at https://www.adr.org/sites/default/files/EmploymentRules_Web_2.pdf.

VIMEO, INC.
2021 STOCK AND ANNUAL INCENTIVE PLAN

(as amended and restated as of June 6, 2023)

Section 1. PURPOSE; DEFINITIONS

The purposes of this Plan are to give the Company a competitive advantage in attracting, retaining and motivating officers, employees, directors and/or consultants and to provide the Company and its Subsidiaries and Affiliates with a stock and incentive plan providing incentives directly linked to stockholder value. Certain terms used herein have definitions given to them in the first place in which they are used. In addition, for purposes of this Plan, the following terms are defined as set forth below:

(a) "*Adjusted Award*" means (i) any equity-based award granted by IAC that is converted into an equity-based award relating to the Company upon the occurrence of a separation of the Company from IAC, or (ii) any equity-based award granted by Vimeo, Inc. that is converted into an equity-based award relating to the Company in connection with a separation of the Company from IAC.

(b) "*Affiliate*" means a corporation or other entity controlled by, controlling or under common control with, the Company.

(c) "*Affiliated Persons*" means, with respect to any specified Person, (i) such specified Person's parents, spouse, siblings, descendants, step children, step grandchildren, nieces and nephews and their respective spouses, (ii) the estate, legatees and devisees of such specified Person and each of the Persons referred to in clause (i), and (iii) any company, partnership, trust or other entity or investment vehicle controlled by any of the Persons referred to in clause (i) or (ii) or the holdings of which are for the primary benefit of any of such Persons.

(d) "*Applicable Exchange*" means the NASDAQ or such other securities exchange as may at the applicable time be the principal market for the Common Stock.

(e) "*Award*" means an Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, other stock-based award or Cash-Based Award granted or assumed pursuant to the terms of this Plan.

(f) "*Award Agreement*" means a written or electronic document or agreement setting forth the terms and conditions of a specific Award.

(g) "*Board*" means the Board of Directors of the Company.

(h) "*Cash-Based Award*" means an Award denominated in a dollar amount.

(i) "*Cause*" means, unless otherwise provided in an Award Agreement, (i) "Cause" as defined in any Individual Agreement to which the applicable Participant is a party, or (ii) if there is no such Individual Agreement or if it does not define Cause: (A) the willful or gross neglect by a Participant of his employment duties; (B) the plea of guilty or nolo contendere to, or conviction for, the commission of a felony offense by a Participant; (C) a material breach by a Participant of a fiduciary duty owed to the Company or any of its subsidiaries; (D) a material breach by a Participant of any nondisclosure, non-solicitation or non-competition obligation owed to the Company or any of its Affiliates; (E) a material violation of any of the Company's "Core Policies," including its insider trading and harassment policies; or (F) before a Change in Control, such other events as shall be determined by the Committee and set forth in a Participant's Award Agreement. Notwithstanding the general rule of Section 2(c), following a Change in Control, any determination by the Committee as to whether "Cause" exists shall be subject to de novo review.

(j) "*Change in Control*" has the meaning set forth in Section 10(a).

(k) "*Code*" means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto, the Treasury Regulations thereunder and other relevant interpretive guidance issued by the Internal Revenue Service or the Treasury Department. Reference to any specific section of the Code shall be deemed to include such regulations and guidance, as well as any successor provision of the Code.

(l) "*Commission*" means the Securities and Exchange Commission or any successor agency.

(m) "*Committee*" has the meaning set forth in Section 2(a).

(n) "*Common Stock*" means common stock, par value $0.01 per share, of the Company.

(o) "*Company*" means Vimeo, Inc., a Delaware corporation, or its successor.

(p) "*Disability*" means (i) "Disability" as defined in any Individual Agreement to which the Participant is a party, or (ii) if there is no such Individual Agreement or it does not define "Disability," (A) permanent and total disability as determined under the Company's long-term disability plan applicable to the Participant, or (B) if there is no such plan applicable to the Participant or the Committee determines otherwise in an applicable Award Agreement, "Disability" as determined by the Committee. Notwithstanding the above, with respect to an Incentive Stock Option, Disability shall mean Permanent and Total Disability as defined in Section 22(e)(3) of the Code and, with respect to all Awards, to the extent required by Section 409A of the Code, Disability shall mean "disability" within the meaning of Section 409A of the Code.

(q) "*Disaffiliation*" means a Subsidiary's or Affiliate's ceasing to be a Subsidiary or Affiliate for any reason (including, without limitation, as a result of a public offering, or a spinoff or sale by the Company, of the stock of the Subsidiary or Affiliate) or a sale of a division of the Company and its Affiliates.

(r) "*Eligible Individuals*" means directors, officers, employees and consultants of the Company or any of its Subsidiaries or Affiliates, and prospective directors, officers, employees and consultants who have accepted offers of employment or consultancy from the Company or its Subsidiaries or Affiliates.

(s) "*Exchange Act*" means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto.

(t) "*Fair Market Value*" means, unless otherwise determined by the Committee, the closing price of a share of Common Stock on the Applicable Exchange on the date of measurement, or if Shares were not traded on the Applicable Exchange on such measurement date, then on the next preceding date on which Shares were traded, all as reported by such source as the Committee may select. If the Common Stock is not listed on a national securities exchange, Fair Market Value shall be determined by the Committee in its good faith discretion, provided that such determination shall be made in a manner consistent with any applicable requirements of Section 409A of the Code.

(u) "*Free-Standing SAR*" has the meaning set forth in Section 5(b).

(v) "*Grant Date*" means (i) the date on which the Committee by resolution selects an Eligible Individual to receive a grant of an Award and determines the number of Shares to be subject to such Award or the formula for earning a number of shares or cash amount, (ii) such later date as the Committee shall provide in such resolution, and (iii) the initial date on which a Adjusted Award was granted by IAC or Vimeo, Inc., as applicable.

(w) "*IAC*" means IAC/InterActiveCorp, a Delaware corporation.

(x) "*Incentive Stock Option*" means any Option that is designated in the applicable Award Agreement as an "*incentive stock option*" within the meaning of Section 422 of the Code, and that in fact so qualifies.

(y) "*Individual Agreement*" means an employment, consulting or similar agreement between a Participant and the Company or one of its Subsidiaries or Affiliates.

(z) "*NASDAQ*" means the National Association of Securities Dealers Inc. Automated Quotation System.

(aa) "*Nonqualified Option*" means any Option that is not an Incentive Stock Option.

(ab) "*Option*" means an Award described under Section 5.

(ac) "*Participant*" means an Eligible Individual to whom an Award is or has been granted.

(ad) "*Permitted Holders*" means any one or more of (i) Barry Diller, (ii) each of the respective Affiliated Persons of Barry Diller and (iii) any Person a majority of the aggregate voting power of all the outstanding classes or series of the equity securities of which are beneficially owned by any one or more of the Persons referred to in clauses (i) or (ii).

(ae) "*Performance Goals*" means the performance goals established by the Committee in connection with the grant of an Award.

(af) "*Person*" means any individual, corporation, partnership, limited liability company, joint venture, incorporated or unincorporated association, joint-stock company, trust, unincorporated organization or government or other agency or political subdivision thereof or other entity of any kind.

(ag) "*Plan*" means this Vimeo, Inc. 2021 Stock and Annual Incentive Plan, as set forth herein and as hereafter amended from time to time.

(ah) "*Restricted Stock*" means an Award described under Section 6.

(ai) "*Restricted Stock Units*" means an Award described under Section 7.

(aj) "*Retirement*" means retirement from active employment with the Company, a Subsidiary or Affiliate at or after the Participant's attainment of age 65.

(ak) "*RS Restriction Period*" has the meaning set forth in Section 6(b)(ii).

(al) "*RSU Restriction Period*" has the meaning set forth in Section 7(b)(ii).

(am) "*Share*" means a share of Common Stock.

(an) "*Stock Appreciation Right*" has the meaning set forth in Section 5(b).

(ao) "*Subsidiary*" means any corporation, partnership, joint venture, limited liability company or other entity during any period in which at least a 50% voting or profits interest is owned, directly or indirectly, by the Company or any successor to the Company.

(ap) "*Tandem SAR*" has the meaning set forth in Section 5(b).

(aq) "*Term*" means the maximum period during which an Option or Stock Appreciation Right may remain outstanding, subject to earlier termination upon Termination of Employment or otherwise, as specified in the applicable Award Agreement.

(ar) "*Termination of Employment*" means the termination of the applicable Participant's employment with, or performance of services for, the Company and any of its Subsidiaries or Affiliates. Unless otherwise determined by the Committee, if a Participant's employment with, or membership on a board of directors of, the Company and its Affiliates terminates but such Participant continues to provide services to the Company and its Affiliates in a non-employee director capacity or as an employee, as applicable, such change in status shall not be deemed a Termination of Employment. A Participant employed by, or performing services for, a Subsidiary or an Affiliate or a division of the Company and its Affiliates shall be deemed to incur a Termination of Employment if, as a result of a Disaffiliation, such Subsidiary, Affiliate, or division ceases to be a Subsidiary, Affiliate or division, as the case may be, and the Participant does not immediately thereafter become an employee of (or service provider for), or member of the board of directors of, the Company or another Subsidiary or Affiliate. Temporary absences from employment because of illness, vacation or leave of absence and transfers among the Company and its Subsidiaries and Affiliates shall not be considered Terminations of Employment. Notwithstanding the foregoing, with respect to any Award that constitutes "nonqualified deferred compensation" within the meaning of Section 409A of the Code, "Termination of Employment" shall mean a "separation from service" as defined under Section 409A of the Code.

Section 2. ADMINISTRATION

Committee. The Plan shall be administered by the Compensation and Human Resources Committee of the Board or such other committee of the Board as the Board may from time to time designate (the "*Committee*"), which committee shall be composed of not less than two directors, and shall be appointed by and serve at the pleasure of the Board. The Committee shall, subject to Section 11, have plenary authority to grant Awards pursuant to the terms of the Plan to Eligible Individuals. Among other things, the Committee shall have the authority, subject to the terms of the Plan:

(i) to select the Eligible Individuals to whom Awards may from time to time be granted;

(ii) to determine whether and to what extent Incentive Stock Options, Nonqualified Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, other stock-based awards, Cash-Based Awards or any combination thereof, are to be granted hereunder;

(iii) to determine the number of Shares to be covered by each Award granted hereunder or the amount of any Cash-Based Award;

(iv) to determine the terms and conditions of each Award granted hereunder, based on such factors as the Committee shall determine;

(v) subject to Section 12, to modify, amend or adjust the terms and conditions of any Award, at any time or from time to time;

(vi) to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall from time to time deem advisable;

(vii) to accelerate the vesting or lapse of restrictions of any outstanding Award, based in each case on such considerations as the Committee in its sole discretion determines;

(viii) to interpret the terms and provisions of the Plan and any Award issued under the Plan (and any agreement relating thereto);

(ix) to establish any "blackout" period that the Committee in its sole discretion deems necessary or advisable;

(x) to decide all other matters that must be determined in connection with an Award; and

(xi) to otherwise administer the Plan.

Procedures. The Committee may act only by a majority of its members then in office, except that the Committee may, except to the extent prohibited by applicable law or the listing standards of the Applicable Exchange and subject to Section 11, allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it.

(i) Any authority granted to the Committee may also be exercised by the full Board. To the extent that any permitted action taken by the Board conflicts with action taken by the Committee, the Board action shall control.

Discretion of Committee. Subject to Section 1(i), any determination made by the Committee or by an appropriately delegated officer pursuant to delegated authority under the provisions of the Plan with respect to any Award shall be made in the sole discretion of the Committee or such delegate at the time of the grant of the Award or, unless in contravention of any express term of the Plan, at any time thereafter. All decisions made by the Committee or any appropriately delegated officer pursuant to the provisions of the Plan shall be final and binding on all persons, including the Company, Participants, and Eligible Individuals.

Award Agreements. The terms and conditions of each Award (other than any Cash-Based Award), as determined by the Committee, shall be set forth in an Award Agreement, which shall be delivered to the Participant receiving such Award upon, or as promptly as is reasonably practicable following, the grant of such Award. The effectiveness of an Award shall not be subject to the Award Agreement's being signed by the Company and/or the

Participant receiving the Award unless specifically so provided in the Award Agreement. Award Agreements may be amended only in accordance with Section 12 hereof.

Section 3. COMMON STOCK SUBJECT TO PLAN

Plan Maximums. The maximum number of Shares that may be delivered pursuant to Awards under the Plan shall be the sum of (i) the number of Shares that may be issuable upon exercise, vesting or settlement of Adjusted Awards and (ii) 20,000,000. The maximum number of Shares that may be granted pursuant to Options intended to be Incentive Stock Options shall be 10,000,000 Shares. Shares subject to an Award under the Plan may be authorized and unissued Shares or may be treasury Shares.

Individual Limits. During a calendar year, no single Participant (excluding non-employee directors of the Company) may be granted:

(i) Options or Stock Appreciation Rights covering in excess of 3,000,000 Shares in the aggregate; or

(ii) Restricted Stock, Restricted Stock Units or other stock-based awards (other than Options or Stock Appreciation Rights) covering in excess of 2,000,000 Shares in the aggregate.

Rules for Calculating Shares Delivered.

(i) With respect to Awards other than Adjusted Awards, to the extent that any Award is forfeited, terminates, expires or lapses without being exercised, or any Award is settled for cash, the Shares subject to such Award not delivered as a result thereof shall again be available for Awards under the Plan.

(ii) With respect to Awards other than Adjusted Awards, if the exercise price of any Option and/or the tax withholding obligations relating to any Award are satisfied by delivering Shares to the Company (by either actual delivery or by attestation), only the number of Shares issued net of the Shares delivered or attested to shall be deemed delivered for purposes of the limits set forth in Section 3(a).

(iii) With respect to Awards other than Adjusted Awards, to the extent any Shares subject to an Award are withheld to satisfy the exercise price (in the case of an Option) and/or the tax withholding obligations relating to such Award, such Shares shall not be deemed to have been delivered for purposes of the limits set forth in Section 3(a).

Adjustment Provisions.

(i) In the event of a merger, consolidation, acquisition of property or shares, stock rights offering, liquidation, Disaffiliation (other than a spinoff), or similar event affecting the Company or any of its Subsidiaries (each, a “*Corporate Transaction*”), the Committee or the Board may in its discretion make such substitutions or adjustments as it deems appropriate and equitable to (A) the aggregate number and kind of Shares or other securities reserved for issuance and delivery under the Plan, (B) the various maximum limitations set forth in Sections 3(a) and 3(b) upon certain types of Awards and upon the grants to individuals of certain types of Awards, (C) the number and kind of Shares or other securities subject to outstanding Awards; and (D) the exercise price of outstanding Options and Stock Appreciation Rights.

(ii) In the event of a stock dividend, stock split, reverse stock split, separation, spinoff, reorganization, extraordinary dividend of cash or other property, share combination, or recapitalization or similar event affecting the capital structure of the Company (each, a “*Share Change*”), the Committee or the Board shall make such substitutions or adjustments as it deems appropriate and equitable to (A) the aggregate number and kind of Shares or other securities reserved for issuance and delivery under the Plan, (B) the various maximum limitations set forth in Sections 3(a) and 3(b) upon certain types of Awards and upon the grants to individuals of certain types of Awards, (C) the number and kind of Shares or other securities subject to outstanding Awards; and (D) the exercise price of outstanding Options and Stock Appreciation Rights.

(iii) In the case of Corporate Transactions, the adjustments contemplated by clause (i) of this paragraph (d) may include, without limitation, (A) the cancellation of outstanding Awards in exchange for payments of cash, property or a combination thereof having an aggregate value equal to the value of such Awards, as determined by the Committee or the Board in its sole discretion (it being understood that in the case of a Corporate Transaction with respect to which holders of Common Stock receive consideration other than publicly traded equity securities of the ultimate surviving entity, any such determination by the Committee that the value of an Option or Stock Appreciation Right shall for this purpose be deemed to equal the excess, if any, of the value of the consideration being paid for each Share pursuant to such Corporate Transaction over the exercise price of such Option or Stock Appreciation Right shall conclusively be deemed valid); (B) the substitution of other property (including, without limitation, cash or other securities of the Company and securities of entities other than the Company) for the Shares subject to outstanding Awards; and (C) in connection with any Disaffiliation, arranging for the assumption of Awards, or replacement of Awards with new awards based on other property or other securities (including, without limitation, other securities of the Company and securities of entities other than the Company), by the affected Subsidiary, Affiliate, or division or by the entity that controls such Subsidiary, Affiliate, or division following such Disaffiliation (as well as any corresponding adjustments to Awards that remain based upon Company securities). The Committee may adjust the Performance Goals applicable to any Awards to reflect any Share Change and any Corporate Transaction and any unusual or non-recurring events and other extraordinary items, impact of charges for restructurings, discontinued operations, and the cumulative effects of accounting or tax changes, each as defined by generally accepted accounting principles or as identified in the Company's financial statements, notes to the financial statements, management's discussion and analysis or the Company's other filings with the Commission. Any adjustments made pursuant to this Section 3(d) to Awards that are considered "deferred compensation" within the meaning of Section 409A of the Code shall be made in compliance with the requirements of Section 409A of the Code. Any adjustments made pursuant to this Section 3(d) to Awards that are not considered "deferred compensation" subject to Section 409A of the Code shall be made in such a manner as to ensure that after such adjustment, the Awards either (A) continue not to be subject to Section 409A of the Code or (B) comply with the requirements of Section 409A of the Code.

(iv) Any adjustment under this Section 3(d) need not be the same for all Participants.

Section 4. ELIGIBILITY

Awards may be granted under the Plan to Eligible Individuals; *provided*, *however*, that Incentive Stock Options may be granted only to employees of the Company and its subsidiaries or parent corporation (within the meaning of Section 424(f) of the Code).

Section 5. OPTIONS AND STOCK APPRECIATION RIGHTS

With respect to Adjusted Awards, the provisions below will be applicable only to the extent that they are not inconsistent with the terms of the applicable Adjusted Award.

Types of Options. Options may be of two types: Incentive Stock Options and Nonqualified Options. The Award Agreement for an Option shall indicate whether the Option is intended to be an Incentive Stock Option or a Nonqualified Option.

Types and Nature of Stock Appreciation Rights. Stock Appreciation Rights may be "Tandem SARs," which are granted in conjunction with an Option, or "Free-Standing SARs," which are not granted in conjunction with an Option. Upon the exercise of a Stock Appreciation Right, the Participant shall be entitled to receive an amount in cash, Shares, or both, in value equal to the product of (i) the excess of the Fair Market Value of one Share over the exercise price of the applicable Stock Appreciation Right, multiplied by (ii) the number of Shares in respect of which the Stock Appreciation Right has been exercised. The applicable Award Agreement shall specify whether such payment is to be made in cash or Common Stock or both, or shall reserve to the Committee or the Participant the right to make that determination prior to or upon the exercise of the Stock Appreciation Right.

Tandem SARs. A Tandem SAR may be granted at the Grant Date of the related Option. A Tandem SAR shall be exercisable only at such time or times and to the extent that the related Option is exercisable in accordance with the provisions of this Section 5, and shall have the same exercise price as the related Option. A Tandem SAR shall terminate or be forfeited upon the exercise or forfeiture of the related Option, and the related Option shall terminate or be forfeited upon the exercise or forfeiture of the Tandem SAR.

Exercise Price. The exercise price per Share subject to an Option or Stock Appreciation Right shall be determined by the Committee and set forth in the applicable Award Agreement, and shall not be less than the Fair Market Value of a share of the Common Stock on the applicable Grant Date. In no event may any Option or Stock Appreciation Right granted under this Plan be amended, other than pursuant to Section 3(d), to decrease the exercise price thereof, be cancelled in exchange for cash or other Awards or in conjunction with the grant of any new Option or Stock Appreciation Right with a lower exercise price or otherwise be subject to any action that would be treated under the Applicable Exchange listing standards or for accounting purposes, as a "repricing" of such Option or

Stock Appreciation Right, unless such amendment, cancellation, or action is approved by the Company's stockholders.

Term. The Term of each Option and each Stock Appreciation Right shall be fixed by the Committee, but shall not exceed ten years from the Grant Date.

Vesting and Exercisability. Except as otherwise provided herein, Options and Stock Appreciation Rights shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee. If the Committee provides that any Option or Stock Appreciation Right will become exercisable only in installments, the Committee may at any time waive such installment exercise provisions, in whole or in part, based on such factors as the Committee may determine. In addition, the Committee may at any time accelerate the exercisability of any Option or Stock Appreciation Right.

Method of Exercise. Subject to the provisions of this Section 5, Options and Stock Appreciation Rights may be exercised, in whole or in part, at any time during the applicable Term by giving written notice of exercise to the Company or through the procedures established with the Company's appointed third-party Plan administrator specifying the number of Shares as to which the Option or Stock Appreciation Right is being exercised; *provided*, *however*, that, unless otherwise permitted by the Committee, any such exercise must be with respect to a portion of the applicable Option or Stock Appreciation Right relating to no less than the lesser of the number of Shares then subject to such Option or Stock Appreciation Right or 100 Shares. In the case of the exercise of an Option, such notice shall be accompanied by payment in full of the aggregate purchase price (which shall equal the product of such number of Shares subject to such Option multiplied by the applicable per Share exercise price) by certified or bank check or such other instrument as the Company may accept. If approved by the Committee, payment, in full or in part, may also be made as follows:

(i) Payment may be made in the form of unrestricted Shares already owned by Participant (by delivery of such Shares or by attestation) of the same class as the Common Stock subject to the Option (based on the Fair Market Value of the Common Stock on the date the Option is exercised); *provided*, *however*, that, in the case of an Incentive Stock Option, the right to make a payment in the form of already owned Shares of the same class as the Common Stock subject to the Option may be authorized only at the time the Option is granted.

(ii) To the extent permitted by applicable law, payment may be made by delivering a properly executed exercise notice to the Company, together with a copy of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale proceeds necessary to pay the purchase price, and, if requested, the amount of any federal, state, local or foreign withholding taxes. To facilitate the foregoing, the Company may, to the extent permitted by applicable law, enter into agreements for coordinated procedures with one or more brokerage firms. To the extent permitted by applicable law, the Committee may also provide for Company loans to be made for purposes of the exercise of Options.

(iii) Payment may be made by instructing the Company to withhold a number of Shares having a Fair Market Value (based on the Fair Market Value of the Common Stock on the date the applicable Option is exercised) equal to the product of (A) the exercise price per Share multiplied by (B) the number of Shares in respect of which the Option shall have been exercised.

Delivery; Rights of Stockholders. No Shares shall be delivered pursuant to the exercise of an Option until the exercise price therefor has been fully paid and applicable taxes have been withheld. The applicable Participant shall have all of the rights of a stockholder of the Company holding the class or series of Common Stock that is subject to the Option or Stock Appreciation Right (including, if applicable, the right to vote the applicable Shares and the right to receive dividends), when the Participant (i) has given written notice of exercise, (ii) if requested, has given the representation described in Section 14(a), and (iii) in the case of an Option, has paid in full for such Shares.

Terminations of Employment. Subject to Section 10(b), a Participant's Options and Stock Appreciation Rights shall be forfeited upon such Participant's Termination of Employment, except as set forth below:

(i) Upon a Participant's Termination of Employment by reason of death, any Option or Stock Appreciation Right held by the Participant that was exercisable immediately before the Termination of Employment may be exercised at any time until the earlier of (A) the first anniversary of the date of such death and (B) the expiration of the Term thereof;

(ii) Upon a Participant's Termination of Employment by reason of Disability or Retirement, any Option or Stock Appreciation Right held by the Participant that was exercisable immediately before the

Termination of Employment may be exercised at any time until the earlier of (A) the first anniversary of such Termination of Employment and (B) the expiration of the Term thereof;

(iii) Upon a Participant's Termination of Employment for Cause, any Option or Stock Appreciation Right held by the Participant shall be forfeited, effective as of such Termination of Employment;

(iv) Upon a Participant's Termination of Employment for any reason other than death, Disability, Retirement or for Cause, any Option or Stock Appreciation Right held by the Participant that was exercisable immediately before the Termination of Employment may be exercised at any time until the earlier of (A) the 90th day following such Termination of Employment and (B) expiration of the Term thereof; and

(v) Notwithstanding the above provisions of this Section 5(i), if a Participant dies after such Participant's Termination of Employment but while any Option or Stock Appreciation Right remains exercisable as set forth above, such Option or Stock Appreciation Right may be exercised at any time until the later of (A) the earlier of (1) the first anniversary of the date of such death and (2) expiration of the Term thereof and (B) the last date on which such Option or Stock Appreciation Right would have been exercisable, absent this Section 5(i)(v).

Notwithstanding the foregoing, the Committee shall have the power, in its discretion, to apply different rules concerning the consequences of a Termination of Employment; *provided*, *however*, that if such rules are less favorable to the Participant than those set forth above, such rules are set forth in the applicable Award Agreement. If an Incentive Stock Option is exercised after the expiration of the exercise periods that apply for purposes of Section 422 of the Code, such Option will thereafter be treated as a Nonqualified Option.

Nontransferability of Options and Stock Appreciation Rights. No Option or Stock Appreciation Right shall be transferable by a Participant other than (i) by will or by the laws of descent and distribution, or (ii) in the case of a Nonqualified Option or Stock Appreciation Right, pursuant to a qualified domestic relations order or as otherwise expressly permitted by the Committee including, if so permitted, pursuant to a transfer to the Participant's family members or to a charitable organization, whether directly or indirectly or by means of a trust or partnership or otherwise. For purposes of this Plan, unless otherwise determined by the Committee, "family member" shall have the meaning given to such term in General Instructions A.1(a)(5) to Form S-8 under the Securities Act of 1933, as amended, and any successor thereto. A Tandem SAR shall be transferable only with the related Option as permitted by the preceding sentence. Any Option or Stock Appreciation Right shall be exercisable, subject to the terms of this Plan, only by the applicable Participant, the guardian or legal representative of such Participant, or any person to whom such Option or Stock Appreciation Right is permissibly transferred pursuant to this Section 5(j), it being understood that the term "Participant" includes such guardian, legal representative and other transferee; *provided*, *however*, that the term "Termination of Employment" shall continue to refer to the Termination of Employment of the original Participant.

Section 6. RESTRICTED STOCK

With respect to Adjusted Awards, the provisions below will be applicable only to the extent that they are not inconsistent with the terms of the applicable Adjusted Award.

Nature of Awards and Certificates. Shares of Restricted Stock are actual Shares issued to a Participant, and shall be evidenced in such manner as the Committee may deem appropriate, including book-entry registration or issuance of one or more stock certificates. Any certificate issued in respect of Shares of Restricted Stock shall be registered in the name of the applicable Participant and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Award, substantially in the following form:

> "The transferability of this certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) of the Vimeo, Inc. 2021 Stock and Annual Incentive Plan and an Award Agreement. Copies of such Plan and Agreement are on file at the offices of Vimeo, Inc."

The Committee may require that the certificates evidencing such shares be held in custody by the Company until the restrictions thereon shall have lapsed and that, as a condition of any Award of Restricted Stock, the applicable Participant shall have delivered a stock power, endorsed in blank, relating to the Common Stock covered by such Award.

Terms and Conditions. Shares of Restricted Stock shall be subject to the following terms and conditions:

(i) The Committee shall, prior to or at the time of grant, condition the vesting or transferability of an Award of Restricted Stock upon the continued service of the applicable Participant or the attainment of Performance Goals, or the attainment of Performance Goals and the continued service of the applicable Participant. The conditions for grant, vesting, or transferability and the other provisions of Restricted Stock Awards (including without limitation any Performance Goals) need not be the same with respect to each Participant.

(ii) Subject to the provisions of the Plan and the applicable Award Agreement, so long as a Restricted Stock Award remains subject to the satisfaction of vesting conditions (the "*RS Restriction Period*"), the Participant shall not be permitted to sell, assign, transfer, pledge or otherwise encumber Shares of Restricted Stock.

(iii) Except as provided in this Section 6 and in the applicable Award Agreement, the applicable Participant shall have, with respect to the Shares of Restricted Stock, all of the rights of a stockholder of the Company holding the class or series of Common Stock that is the subject of the Restricted Stock, including, if applicable, the right to vote the Shares and the right to receive any cash dividends. If so determined by the Committee in the applicable Award Agreement and subject to Section 14(e), (A) cash dividends on the class or series of Common Stock that is the subject of the Restricted Stock Award shall be automatically reinvested in additional Restricted Stock, held subject to the vesting of the underlying Restricted Stock, and (B) subject to any adjustment pursuant to Section 3(d), dividends payable in Common Stock shall be paid in the form of Restricted Stock of the same class as the Common Stock with which such dividend was paid, held subject to the vesting of the underlying Restricted Stock.

(iv) Except as otherwise set forth in the applicable Award Agreement and subject to Section 10(b), upon a Participant's Termination of Employment for any reason during the RS Restriction Period or before the applicable Performance Goals are satisfied, all Shares of Restricted Stock still subject to restriction shall be forfeited by such Participant; *provided*, *however*, that the Committee shall have the discretion to waive, in whole or in part, any or all remaining restrictions with respect to any or all of such Participant's Shares of Restricted Stock.

(v) If and when any applicable Performance Goals are satisfied and the RS Restriction Period expires without a prior forfeiture of the Shares of Restricted Stock for which legended certificates have been issued, unlegended certificates for such Shares shall be delivered to the Participant upon surrender of the legended certificates.

Section 7. RESTRICTED STOCK UNITS

With respect to Adjusted Awards, the provisions below will be applicable only to the extent that they are not inconsistent with the terms of the applicable Adjusted Award.

Nature of Awards. Restricted Stock Units are Awards denominated in Shares that will be settled, subject to the terms and conditions of the Restricted Stock Units, in an amount in cash, Shares or both, based upon the Fair Market Value of a specified number of Shares.

Terms and Conditions. Restricted Stock Units shall be subject to the following terms and conditions:

(i) The Committee shall, prior to or at the time of grant, condition the grant, vesting, or transferability of Restricted Stock Units upon the continued service of the applicable Participant or the attainment of Performance Goals, or the attainment of Performance Goals and the continued service of the applicable Participant. The conditions for grant, vesting or transferability and the other provisions of Restricted Stock Units (including without limitation any Performance Goals) need not be the same with respect to each Participant.

(ii) Subject to the provisions of the Plan and the applicable Award Agreement, so long as an Award of Restricted Stock Units remains subject to the satisfaction of vesting conditions (the "*RSU Restriction Period*"), the Participant shall not be permitted to sell, assign, transfer, pledge or otherwise encumber Restricted Stock Units.

(iii) The Award Agreement for Restricted Stock Units shall specify whether, to what extent and on what terms and conditions the applicable Participant shall be entitled to receive current or delayed payments of cash, Common Stock or other property corresponding to the dividends payable on the Common Stock (subject to Section 14(e) below).

(iv) Except as otherwise set forth in the applicable Award Agreement, and subject to Section 10(b), upon a Participant's Termination of Employment for any reason during the RSU Restriction Period or before the applicable Performance Goals are satisfied, all Restricted Stock Units still subject to restriction shall be forfeited by such Participant; *provided*, *however*, that the Committee shall have the discretion to waive, in whole or in part, any or all remaining restrictions with respect to any or all of such Participant's Restricted Stock Units.

(v) Except to the extent otherwise provided in the applicable Award Agreement, an award of Restricted Stock Units shall be settled as and when the Restricted Stock Units vest (but in no event later than March 15 of the calendar year following the end of the calendar year in which the Restricted Stock Units vest).

Section 8. OTHER STOCK-BASED AWARDS

Other Awards of Common Stock and other Awards that are valued in whole or in part by reference to, or are otherwise based upon or settled in, Common Stock, including (without limitation), unrestricted stock, performance units, dividend equivalents, and convertible debentures, may be granted under the Plan.

Section 9. CASH-BASED AWARDS

Cash-Based Awards may be granted under this Plan. Cash-Based Awards may be paid in cash or in Shares (valued at Fair Market Value as of the date of payment) as determined by the Committee.

Section 10. CHANGE IN CONTROL PROVISIONS

Definition of Change in Control. Except as otherwise may be provided in an applicable Award Agreement, for purposes of the Plan, a "*Change in Control*" shall mean any of the following events:

(i) The acquisition by any individual entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act), other than a Permitted Holder, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of equity securities of the Company representing more than 50% of the voting power of the then outstanding equity securities of the Company entitled to vote generally in the election of directors (the "*Outstanding Company Voting Securities*"); *provided*, *however*, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition by the Company, (B) any acquisition directly from the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (D) any acquisition pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (iii); or

(ii) Individuals who, as of the Effective Date, constitute the Board (the "*Incumbent Board*") cease for any reason to constitute at least a majority of the Board; *provided*, *however*, that any individual becoming a director subsequent to the Effective Date, whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the purchase of assets or stock of another entity (a "*Business Combination*"), in each case, unless immediately following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Company Voting Securities immediately prior to such Business Combination will beneficially own, directly or indirectly, more than 50% of the then outstanding combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors (or equivalent governing body, if applicable) of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Voting

Securities, (B) no Person (excluding a Permitted Holder, any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) will beneficially own, directly or indirectly, more than a majority of the combined voting power of the then outstanding voting securities of such entity except to the extent that such ownership of the Company existed prior to the Business Combination and (C) at least a majority of the members of the board of directors (or equivalent governing body, if applicable) of the entity resulting from such Business Combination will have been members of the Incumbent Board at the time of the initial agreement, or action of the Board, providing for such Business Combination; or

(iv) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

Impact of Event/Double Trigger. Unless otherwise provided in the applicable Award Agreement, subject to Sections 3(d), 10(d) and 14(k), notwithstanding any other provision of this Plan to the contrary, upon a Participant's Termination of Employment, during the two-year period following a Change in Control, by the Company other than for Cause or Disability or by the Participant for Good Reason (as defined below):

(i) any Options and Stock Appreciation Rights outstanding as of such Termination of Employment which were outstanding as of the date of such Change in Control shall be fully exercisable and vested and shall remain exercisable until the later of (i) the last date on which such Option or Stock Appreciation Right would be exercisable in the absence of this Section 10(b) and (ii) the earlier of (A) the first anniversary of such Change in Control and (B) expiration of the Term of such Option or Stock Appreciation Right;

(ii) all Restricted Stock outstanding as of such Termination of Employment which were outstanding as of the date of such Change in Control shall become free of all restrictions and become fully vested and transferable; and

(iii) all Restricted Stock Units outstanding as of such Termination of Employment which were outstanding as of the date of such Change in Control shall be considered to be earned and payable in full, and any restrictions shall lapse and such Restricted Stock Units shall be settled as promptly as is practicable (but in no event later than March 15 of the calendar year following the end of the calendar year in which the Restricted Stock Units vest).

For the avoidance of doubt, a spin-off (or other separation) of the Company from IAC shall not constitute a Change in Control.

(a) For purposes of this Section 10, "*Good Reason*" means (i) "Good Reason" as defined in any Individual Agreement or Award Agreement to which the applicable Participant is a party, or (ii) if there is no such Individual Agreement or if it does not define Good Reason, without the Participant's prior written consent: (A) a material reduction in the Participant's rate of annual base salary from the rate of annual base salary in effect for such Participant immediately prior to the Change in Control, (B) a relocation of the Participant's principal place of business more than 35 miles from the city in which such Participant's principal place of business was located immediately prior to the Change in Control or (C) a material and demonstrable adverse change in the nature and scope of the Participant's duties from those in effect immediately prior to the Change in Control. In order to invoke a Termination of Employment for Good Reason, a Participant shall provide written notice to the Company of the existence of one or more of the conditions described in clauses (A) through (C) within 90 days following the Participant's knowledge of the initial existence of such condition or conditions, and the Company shall have 30 days following receipt of such written notice (the "*Cure Period*") during which it may remedy the condition. In the event that the Company fails to remedy the condition constituting Good Reason during the Cure Period, the Participant must terminate employment, if at all, within 90 days following the Cure Period in order for such Termination of Employment to constitute a Termination of Employment for Good Reason.

(b) Notwithstanding the foregoing, if any Award is subject to Section 409A of the Code, this Section 10 shall be applicable only to the extent specifically provided in the Award Agreement or in the Individual Agreement.

Section 11. SECTION 16(b)

The provisions of this Plan are intended to ensure that no transaction under the Plan is subject to (and all such transactions will be exempt from) the short-swing recovery rules of Section 16(b) of the Exchange Act ("*Section 16(b)*"). Accordingly, the composition of the Committee shall be subject to such limitations as the Board deems appropriate to permit transactions pursuant to this Plan to be exempt (pursuant to Rule 16b-3 promulgated under the

Exchange Act) from Section 16(b), and no delegation of authority by the Committee shall be permitted if such delegation would cause any such transaction to be subject to (and not exempt from) Section 16(b).

Section 12. TERM, AMENDMENT AND TERMINATION

Effectiveness. The Plan shall be effective as of May 17, 2021 (the "*Effective Date*").

Termination. The Plan will terminate on the tenth anniversary of the Effective Date. Awards outstanding as of such date shall not be affected or impaired by the termination of the Plan.

Amendment of Plan. The Board may amend, alter, or discontinue the Plan, but no amendment, alteration or discontinuation shall be made which would materially impair the rights of the Participant with respect to a previously granted Award without such Participant's consent, except such an amendment made to comply with applicable law (including without limitation Section 409A of the Code), stock exchange rules or accounting rules. In addition, no such amendment shall be made without the approval of the Company's stockholders to the extent such approval is required by applicable law or the listing standards of the Applicable Exchange.

Amendment of Awards. Subject to Section 5(d), the Committee may unilaterally amend the terms of any Award theretofore granted, but no such amendment shall, without the Participant's consent, materially impair the rights of any Participant with respect to an Award, except such an amendment made to cause the Plan or Award to comply with applicable law, stock exchange rules or accounting rules.

Section 13. UNFUNDED STATUS OF PLAN

It is intended that the Plan constitute an "unfunded" plan. Solely to the extent permitted under Section 409A, the Committee may authorize the creation of trusts or other arrangements to meet the obligations created under the Plan to deliver Common Stock or make payments; *provided*, *however*, that the existence of such trusts or other arrangements is consistent with the "unfunded" status of the Plan.

Section 14. GENERAL PROVISIONS

Conditions for Issuance. The Committee may require each person purchasing or receiving Shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the Shares without a view to the distribution thereof. The certificates for such Shares may include any legend which the Committee deems appropriate to reflect any restrictions on transfer. Notwithstanding any other provision of the Plan or agreements made pursuant thereto, the Company shall not be required to issue or deliver any certificate or certificates for Shares under the Plan prior to fulfillment of all of the following conditions: (i) listing or approval for listing upon notice of issuance, of such Shares on the Applicable Exchange; (ii) any registration or other qualification of such Shares of the Company under any state or federal law or regulation, or the maintaining in effect of any such registration or other qualification which the Committee shall, in its absolute discretion upon the advice of counsel, deem necessary or advisable; and (iii) obtaining any other consent, approval, or permit from any state or federal governmental agency which the Committee shall, in its absolute discretion after receiving the advice of counsel, determine to be necessary or advisable.

Additional Compensation Arrangements. Nothing contained in the Plan shall prevent the Company or any Subsidiary or Affiliate from adopting other or additional compensation arrangements for its employees.

No Contract of Employment. The Plan shall not constitute a contract of employment, and adoption of the Plan shall not confer upon any employee any right to continued employment, nor shall it interfere in any way with the right of the Company or any Subsidiary or Affiliate to terminate the employment of any employee at any time.

Required Taxes. No later than the date as of which an amount first becomes includible in the gross income of a Participant for federal, state, local or foreign income or employment or other tax purposes with respect to any Award under the Plan, such Participant shall pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount (not to exceed the maximum amount statutorily that is required by statute to be withheld). If determined by the Company, withholding obligations may be settled with Common Stock, including Common Stock that is part of the Award that gives rise to the withholding requirement. The obligations of the Company under the Plan shall be conditional on such payment or arrangements, and the Company and its Affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to such Participant. The Committee may establish such procedures as it deems appropriate, including making irrevocable elections, for the settlement of withholding obligations with Common Stock.

Limitation on Dividend Reinvestment and Dividend Equivalents. Reinvestment of dividends in additional Restricted Stock at the time of any dividend payment, and the payment of Shares with respect to dividends to Participants holding Awards of Restricted Stock Units, shall only be permissible if sufficient Shares are available under Section 3 for such reinvestment or payment (taking into account then outstanding Awards). In the event that sufficient Shares are not available for such reinvestment or payment, such reinvestment or payment shall be made in the form of a grant of Restricted Stock Units equal in number to the Shares that would have been obtained by such payment or reinvestment, the terms of which Restricted Stock Units shall provide for settlement in cash and for dividend equivalent reinvestment in further Restricted Stock Units on the terms contemplated by this Section 14(e).

Designation of Death Beneficiary. The Committee shall establish such procedures as it deems appropriate for a Participant to designate a beneficiary to whom any amounts payable in the event of such Participant's death are to be paid or by whom any rights of such eligible Individual, after such Participant's death, may be exercised.

Subsidiary Employees. In the case of a grant of an Award to any employee of a Subsidiary, the Company may, if the Committee so directs, issue or transfer the Shares, if any, covered by the Award to the Subsidiary, for such lawful consideration as the Committee may specify, upon the condition or understanding that the Subsidiary will transfer the Shares to the employee in accordance with the terms of the Award specified by the Committee pursuant to the provisions of the Plan. All Shares underlying Awards that are forfeited or canceled shall revert to the Company.

Governing Law; Venue and Interpretation. The Plan and all Awards made and actions taken thereunder shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws. Any disputes arising out of or relating to the Plan or any Award shall be commenced shall be commenced exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any federal or state court of competent jurisdiction located in the State of Delaware. The captions of this Plan are not part of the provisions hereof and shall have no force or effect.

Non-Transferability. Except as otherwise provided in Section 5(j) or by the Committee, Awards under the Plan are not transferable except by will or by laws of descent and distribution.

Foreign Employees and Foreign Law Considerations. The Committee may grant Awards to Eligible Individuals who are foreign nationals, who are located outside the United States or who are not compensated from a payroll maintained in the United States, or who are otherwise subject to (or could cause the Company to be subject to) legal or regulatory provisions of countries or jurisdictions outside the United States, on such terms and conditions different from those specified in the Plan as may, in the judgment of the Committee, be necessary or desirable to foster and promote achievement of the purposes of the Plan, and, in furtherance of such purposes, the Committee may make such modifications, amendments, procedures, or subplans as may be necessary or advisable to comply with such legal or regulatory provisions.

Section 409A of the Code. It is the intention of the Company that no Award shall be "deferred compensation" subject to Section 409A of the Code, unless and to the extent that the Committee specifically determines otherwise as provided in this Section 14(k), and the Plan and the terms and conditions of all Awards shall be interpreted accordingly. The terms and conditions governing any Awards that the Committee determines will be subject to Section 409A of the Code, including any rules for elective or mandatory deferral of the delivery of cash or Shares pursuant thereto and any rules regarding treatment of such Awards in the event of a Change in Control, shall be set forth in the applicable Award Agreement, and shall comply in all respects with Section 409A of the Code. Notwithstanding any other provision of the Plan to the contrary, with respect to any Award that constitutes a "nonqualified deferred compensation plan" subject to Section 409A of the Code, if the Participant is a "specified employee" within the meaning of Section 409A of the Code, any payments (whether in cash, Shares or other property) to be made with respect to the Award upon the Participant's Termination of Employment shall be delayed until the earlier of (A) the first day of the seventh month following the Participant's Termination of Employment and (B) the Participant's death. Each payment under any Award shall be treated as a separate payment for purposes of Section 409A of the Code. In no event may a Participant, directly or indirectly, designate the calendar year of any payment to be made under any Award.

Adjusted Awards. Notwithstanding anything in this Plan to the contrary, to the extent that the terms of this Plan are inconsistent with the terms of an Adjusted Award, the terms of the Adjusted Award shall be governed by the applicable plan under which the Adjusted Award was granted and the award agreement thereunder (in each case, as amended prior to the occurrence of the separation). Any reference to a "change in control," "change of control" or similar definition in an Award Agreement or the applicable plan for any Adjusted Award shall be deemed to refer to a "change in control," "change of control" or similar transaction with respect to the Company (as successor to the originally-referenced entity) for such Adjusted Award.

(m) *Termination for Cause*. Notwithstanding anything herein to the contrary, if a Participant incurs a Termination of Employment for Cause, a Participant resigns in anticipation of being terminated by the Company for Cause or following any termination of a Participant's employment with the Company for any reason, the Company becomes aware that during the two (2) years prior to such Termination of Employment with the Company there was an event or circumstance that would have been grounds for Termination of Employment for Cause, and the basis of any such termination (x) causes, caused or is reasonable likely to cause significant business or reputational harm to the Company or any of its Affiliates (as determined in the good faith discretion of the Board) or (y) involves or involved fraudulent misconduct that relates to or harms the Company or any of its Affiliates (the circumstances of either (x) or (y), the "*Underlying Event*"), then (A) all Options and SARs, whether or not vested, and all other unvested Awards held by such Participant shall be immediately forfeited by the Participant without consideration and cancelled and (B) if any portion of the Participant's Awards were exercised and/or settled after the Underlying Event, the Company shall be entitled to recover from the Participant at any time within two (2) years after such exercise or settlement, and the Participant shall pay over to the Company, any amounts realized as a result of the exercise or settlement. This remedy shall be without prejudice to, or waiver of, any other remedies the Company or its subsidiaries or Affiliates may have in such event.

Exhibit 31.1

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

I, Anjali Sud, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2023 of Vimeo, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 2, 2023

/s/ Anjali Sud
Anjali Sud
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

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

I, Gillian Munson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2023 of Vimeo, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 2, 2023

/s/ Gillian Munson

Gillian Munson
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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

In connection with the Quarterly Report on Form 10-Q of Vimeo, Inc. (the “Company”) for the period ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Anjali Sud, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of 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: August 2, 2023

/s/ Anjali Sud
Anjali Sud
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

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

In connection with the Quarterly Report on Form 10-Q of Vimeo, Inc. (the “Company”) for the period ended June 30, 2023 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:	August 2, 2023	/s/ Gillian Munson
		Gillian Munson Chief Financial Officer *(Principal Financial Officer)*