Safe Harbor Statement

Forward-Looking Statements. This presentation and the accompanying oral presentation may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. The use of words such as “estimated,” “expects,” “will,” “planned,” and “believed,” among others, generally identify forward-looking statements. These forward-looking statements include, among others, statements relating to Vimeo’s future financial performance, business prospects and strategy and anticipated trends in the online video market. These forward-looking statements are based on management’s current expectations and assumptions about future events, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict.

Actual results could differ materially from those contained in these forward-looking statements for a variety of reasons, including, among others: changes in regulatory landscape; in particular changes in laws that might increase the liability of online intermediaries for user-generated content; reputational damage caused by problematic user content or our decisions to remove (or not remove) it; changes in policies implemented by third party platforms upon which we rely for traffic and distribution of mobile apps; increased competition in the online video category; our ability to convert visitors into uplanders and uplanders into paying subscribers; our ability to retain paying subscribers by maintaining and improving our value proposition; our ability to provide video storage and streaming in a cost-effective manner; our ability to successfully scale our enterprise business; our ability to protect sensitive data from unauthorized access; our ability to expand successfully into international markets; the impact of the outbreak of the COVID-19 coronavirus on our business; and adverse changes in economic conditions.

Certain of these and other risks and uncertainties are discussed in our parent company’s IAC SEC filings, including the registration statement on Form S-4 filed on December 23, 2020, as amended. You may access these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Other unknown or unpredictable factors that could also adversely affect our business, financial condition and results of operations may arise from time to time.

In light of these risks and uncertainties, these forward-looking statements may not prove to be accurate. Accordingly, you should not place undue reliance on these forward-looking statements, which only reflect the views of IAC and Vimeo management as of the date of this presentation.

Market and Industry Data. This presentation also contains estimates and other statistical data made by independent parties and by Vimeo relating to market size and growth and other data about Vimeo’s industry and business. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Vimeo has not independently verified the statistical and other industry data generated by independent parties and contained in this presentation, and accordingly cannot guarantee their accuracy or completeness. The views, information, or opinions of third parties expressed in this presentation are those of the individuals involved and do not represent the opinions of any other party.

Vimeo Metrics. Except as otherwise noted, Vimeo financial and metrics are for fiscal years 2019 and 2020 and include Livestream, Magisto and Enterprise. We do not undertake any obligation to update, alter or otherwise revise any metrics or forward-looking statements after the date of this presentation, except as required by law.

Non-GAAP Metrics. This presentation contains certain non-GAAP financial information including Adjusted EBITDA and Gross Margin. These non-GAAP financial measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP. We provide the definitions of these items and their reconciliation to the most directly comparable GAAP measures at the end of this presentation.
Participants in the Solicitation. IAC, Vimeo, Holdings and IAC’s directors and executive officers may be deemed to be participants in the solicitation of proxies from IAC’s stockholders in favor of the proposed Spin-off and the solicitation of consents from Vimeo’s stockholders in favor of the proposed Merger under the rules of the SEC. Information about IAC’s directors and executive officers is available in the joint registration statement on Amendment No. 1 to Form S-4 which was filed with the SEC by IAC and Holdings on February 2, 2021. Additional information regarding participants in the solicitations and a description of their direct and indirect interests will be included in the proxy statement/consent solicitation statement/prospectus and the other relevant documents filed with the SEC when they become available.

In connection with the Spin-off and the Merger, IAC and Holdings intend to file relevant materials with the Securities and Exchange Commission (the “SEC”), and have filed a joint registration statement on Form S-4 that includes a preliminary proxy statement of IAC and a preliminary consent solicitation statement of Vimeo. The information in the preliminary proxy statement/consent solicitation statement/prospectus is not complete and may be changed. IAC will deliver the definitive proxy statement and Vimeo will deliver the definitive consent solicitation statement to their respective stockholders as required by applicable law. This communication is not a substitute for any proxy statement, consent solicitation statement or any other document that may be filed with the SEC in connection with the Spin-off or the Merger.

INVESTORS AND SECURITY HOLDERS OF IAC AND VIMEO ARE URGED TO READ THE DEFINITIVE PROXY STATEMENT/CONSENT SOLICITATION STATEMENT/PROSPECTUS AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED SPIN-OFF AND MERGER.

Investors and security holders will be able to obtain these materials (when they are available) and other documents filed with the SEC free of charge on the SEC’s website, www.sec.gov. Copies of documents filed with the SEC by IAC (when they become available) may be obtained free of charge on IAC’s website at www.iac.com.
Early 2000’s
Video is social and democratized
Self-made creators
Consumers

Right Now
Video is essential for every business
SMBs
Enterprises
Professional quality video for all.
We believe that we can empower every professional, team and organization to use video, with tools that are far easier and more effective than ever before.
“Our first town hall was a pivotal moment. We reached more store associates than we had in a decade of in-person events.”

Peter Strella

Rite Aid
“My team is recording and sharing product demos internally. It adds a personal touch that you just can’t replicate with email or a chatroom message.”

Trevor Wolf
Mailchimp
“Video has transformed our business. We’ve grown our reach exponentially, far beyond the four walls of our studios.”

Lauren Roxborough
Y7 Studio
“We don’t have the time or money to outsource marketing videos, so being able to create them quickly and beautifully was a game changer for us.”

Hilah Stahl
Spoak Decor
The world’s leading all-in-one video solution

- **Large Market**: $70B (Video solutions market in 2024 est.)
- **Validated Momentum**: 44% (2020 Revenue growth)
- **Consumer Scale**: 200M+ (Registered free users)
- **Self-Propelling Funnel**: 60% (Subscribers start as free users)
- **Defensible Position**: 16+ (Years as an industry leader)
Every professional, team and organization in the world can be a Vimeo customer.
We built a solution that removes friction

Videos Uploaded
(millions)

4Q19 1Q20 2Q20 3Q20 4Q20
17 18 20 29 31

Live Streams
(thousands)

4Q19 1Q20 2Q20 3Q20 4Q20
105 120 210 641 932

Videos Created
(thousands)

4Q19 1Q20 2Q20 3Q20 4Q20
36 177 369 561
Enterprise software at consumer scale

65%
Enterprise customers start as free and self-serve users

60%
Self-serve subscribers start as free users
Virtuous cycle of expanding user adoption

Create → Share → View & Collaborate

* Image of various icons such as YouTube, Facebook, Twitter, and Instagram logos.
Differentiated value, defensible position

Technology
Player, encoding, live streaming, AI

Cross-Platform
Reach audiences everywhere

Breadth
All-in-one video solution across VOD and Live

Scale
200M+ free users
1 trillion video events

Brand
Consumer UX
16+ years brand equity

Community
Video pros, agencies & creatives
Our All-in-One Solution

Mark Kornfilt
President & Chief Product Officer
Video Tools for Creators

- Showcase a portfolio
- Host, review and publish videos

The Rise of Video for Business

- Secure Video Portal
- Training and Onboarding
- Customer Service Videos
- Town Halls
- Video Messaging

- Virtual Events
- Monetizing Content
- Video Storefront
- Lead Generation
- Brand Marketing
- Video Ads

Enterprises

SMBs

2004 • 2017 • Now
Professional quality video is too hard
Our 16 years of video innovation are our foundation. In the last 3 years, we have transformed our offering.

<table>
<thead>
<tr>
<th>Acquisitions</th>
<th>Vimeo Plans</th>
<th>Vimeo Features</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2004</strong></td>
<td>Vimeo Founded</td>
<td></td>
</tr>
<tr>
<td><strong>2007</strong></td>
<td>HD Video</td>
<td></td>
</tr>
<tr>
<td><strong>2008</strong></td>
<td>Plus Tier</td>
<td>Player Embed Customization</td>
</tr>
<tr>
<td><strong>2012</strong></td>
<td>Vimeo Mobile Apps</td>
<td>Vimeo APIs</td>
</tr>
<tr>
<td><strong>2013</strong></td>
<td>Vimeo VOD</td>
<td>Pro Tier</td>
</tr>
<tr>
<td><strong>2016</strong></td>
<td>Video Management</td>
<td>Business Tier</td>
</tr>
<tr>
<td><strong>2017</strong></td>
<td>Review Tools</td>
<td>Livestream Acquisition</td>
</tr>
<tr>
<td><strong>2018</strong></td>
<td>Premium Tier</td>
<td>PasteLink To Social (FB, YT, Twitter)</td>
</tr>
<tr>
<td><strong>2019</strong></td>
<td>Secure File Transfer</td>
<td>Showcase</td>
</tr>
<tr>
<td><strong>2020</strong></td>
<td>Vimeo Create</td>
<td>eZON For Enterprise</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Live Interactivity Tools</td>
</tr>
<tr>
<td></td>
<td></td>
<td>HEVC Video</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pinterest Integration</td>
</tr>
<tr>
<td></td>
<td></td>
<td>GoDaddy Integration</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Vimeo Record</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Shopify Integration</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Vimeo Stock</td>
</tr>
<tr>
<td></td>
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<td>Vimeo Stock</td>
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<td></td>
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<td>Vimeo Stock</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Vimeo Stock</td>
</tr>
</tbody>
</table>
Our solution was built to enable any business, of any size, to grow with video.

**Creation**
- Make better videos, faster and cheaper
- **Create** and edit videos
- **Stream** live
- **Record** camera and screen

**Collaboration**
- Share videos privately with teams and clients
- **Manage** video libraries
- **Share** videos securely
- **Measure** across platforms

**Communication**
- Engage your customers and employees
- **Market** to customers
- **Broadcast** to audience
- **Monetize** content

**Video Platform**
- APIs & Integrations
- Security
- Video Technology
# SMBs Deep Dive

<table>
<thead>
<tr>
<th>Company</th>
<th>Buyer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WHAT THEY'RE TRYING TO SOLVE</strong></td>
<td><strong>PERSONA</strong>&lt;br&gt;Solopreneur, owner/CEO or small marketing team</td>
</tr>
<tr>
<td><strong>WHAT VIMEO REPLACES</strong></td>
<td><strong>HOW THEY FIND US</strong>&lt;br&gt;Organic and paid traffic</td>
</tr>
<tr>
<td><strong>USE-CASES</strong>&lt;br&gt;- Social marketing videos&lt;br&gt;- Product explainers&lt;br&gt;- Brand announcements&lt;br&gt;- E-learning</td>
<td><strong>HOW THEY BUY</strong>&lt;br&gt;Starts on free product, upgrades to paid product</td>
</tr>
</tbody>
</table>
Case Study
Spoak Decor
Making their business stand out with video

Why Vimeo
- Simple, affordable and easy to use tools
- All-in-one solution
- Drive tangible ROI

How They Use Vimeo
- Video creation from templates
- Embed tools
- Social distribution
- Analytics

Success with Video
- 35X higher engagement on video assets than static assets
- 30% more registrations
# Enterprises Deep Dive

<table>
<thead>
<tr>
<th>Company</th>
<th>Buyer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WHAT THEY'RE TRYING TO SOLVE</strong></td>
<td><strong>PERSONA</strong> Head of IT, CTO, Head of Communications, Head of HR, CMO</td>
</tr>
<tr>
<td><strong>WHAT VIMEO REPLACES</strong></td>
<td><strong>HOW THEY FIND US</strong> SEO, existing self-serve user</td>
</tr>
<tr>
<td><strong>USE-CASES</strong></td>
<td><strong>HOW THEY BUY</strong> Sold through Vimeo's sales force</td>
</tr>
<tr>
<td>Improve employee and customer communication</td>
<td>Enterprise video platform and point solutions</td>
</tr>
<tr>
<td>Enterprise video platform and point solutions</td>
<td>● Training and onboarding</td>
</tr>
<tr>
<td>● Training and onboarding</td>
<td>● Internal town halls</td>
</tr>
<tr>
<td>● Internal town halls</td>
<td>● Video portal</td>
</tr>
<tr>
<td>● Video portal</td>
<td>● Video messaging</td>
</tr>
<tr>
<td>● Video messaging</td>
<td>● Virtual events and webinars</td>
</tr>
</tbody>
</table>
Case Study
Rite Aid
Uniting its team with video-first communications

Why Vimeo
- Centralized video solution
- Scalable, reliable video delivery
- Simple UX that employees want to use

How They Use Vimeo
- Live streaming
- Audience engagement tools
- Internal company video portal
- SSO and advanced team permissioning

Success with Video
- Average watch time of 58 minutes
- Uses Vimeo for multiple use cases: town halls, trainings, marketing launches
## Powerful Go-to-Market

<table>
<thead>
<tr>
<th>Plan</th>
<th>Price</th>
<th>Storage</th>
<th>Users</th>
<th>Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plus</td>
<td>$7/mo</td>
<td>250GB</td>
<td>Single</td>
<td>3 team members, Video creation, Review and approval, Privacy controls, Limited video creation</td>
</tr>
<tr>
<td>Pro</td>
<td>$20/mo</td>
<td>1TB</td>
<td>3 team</td>
<td>Everything in Plus + Video creation, Review and approval, Private team projects, Customizable Showcase sites</td>
</tr>
<tr>
<td>Business</td>
<td>$50/mo</td>
<td>5TB</td>
<td>10 team</td>
<td>Everything in Pro + Video creation with custom branding, Player calls-to-action, Lead generation, Showcase SEO, Google Analytics</td>
</tr>
<tr>
<td>Premium</td>
<td>$75/mo</td>
<td>7TB</td>
<td>Unlimited</td>
<td>Everything in Business + Unlimited live viewers, Live stream to multiple destinations, Live Q&amp;A, graphics and polls, Audience chat</td>
</tr>
</tbody>
</table>

| Free   | 5GB total storage | Basic embedding features, Basic video analytics |

Enterprise Solutions

- Security
- Service-level Agreements
- Dedicated support
Our Key Product Tenets Differentiate us for the Long Term

- Simplicity
- All-in-One
- Quality
- Integrated
Company Priorities

Anjali Sud
CEO
Our Principles

Start with Users
Understand our users’ goals, and make them your own. Solve for what users need, not what they ask for.

Ask Why
Respectfully challenge ideas and embrace open debate. Validate intuitions with evidence.

Aim High
Be willing to take risks to deliver outsized impact. Greatness only comes from making bold decisions.

Own It
Commit to targets. Take the initiative, follow through and own the outcome. If processes are slowing you down, introduce better ones.

Be Real
Seek feedback and give it generously. Be direct. Be candid. Most of all, be you.
Our leadership

Anjali Sud
CEO

Mark Kornflit
President & CPO

Narayan Menon
CFO

Michael Cheah
General Counsel

Courtney Sanchez
COO

Harris Beber
CMO

Josh Normand
SVP, Sales

Kathleen Barrett
SVP, Enterprise & Creator Success
Our team

700+ Employees globally
2021 Priorities

Expand in the Enterprise

- Make Video a Daily Habit
- Scale Salesforce Globally
- Organization-wide Expansion

Simplify Video for SMBs

- Free Adoption
- Product Innovation
- Power Video Everywhere

Make Video a Daily Habit
Scale Salesforce Globally
Organization-wide Expansion
Free Adoption
Product Innovation
Power Video Everywhere

Organization-wide Expansion
Free Adoption
Product Innovation
Power Video Everywhere
Financials

Narayan Menon
CFO
Business Highlights

- **Large Market**: $70B
  - Video solutions market in 2024 (est.)

- **Strong Growth**: 54%
  - Q4'20 Revenue growth

- **Excellent Unit Economics**: 4.8x
  - Q4'20 LTV/CAC

- **Land & Expand**: 113%
  - Q4'20 Enterprise NRR

- **Predictable Revenue Model**: 80%+
  - Q4'20 Subs on annual plans
# Detailed portfolio overview

<table>
<thead>
<tr>
<th>Plan</th>
<th>Price</th>
<th>Storage</th>
<th>Features</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plus</strong></td>
<td>$7/mo</td>
<td>250GB every year</td>
<td>Single user, Player customization, Privacy controls, Limited video creation</td>
</tr>
<tr>
<td><strong>Pro</strong></td>
<td>$20/mo</td>
<td>1TB every year</td>
<td>3 team members, Everything in Plus, Video creation, Review and approval, Private team projects, Customizable Showcase sites</td>
</tr>
<tr>
<td><strong>Business</strong></td>
<td>$50/mo</td>
<td>5TB total storage</td>
<td>10 team members, Everything in Pro, Creation with custom branding, Player calls-to-action, Lead generation, Showcase SEO, Google Analytics</td>
</tr>
<tr>
<td><strong>Premium</strong></td>
<td>$75/mo</td>
<td>7TB total storage</td>
<td>Unlimited live viewers, Everything in Business, Unlimited live events, Live stream to multiple destinations, Live Q&amp;A, graphics and polls, Audience chat</td>
</tr>
</tbody>
</table>

**Free**
- 5GB total storage
- Basic embedding features
- Basic video analytics

**Enterprise Solutions**
- Security
- Service-level Agreements
- Dedicated support

**SALES**

**SELF-SERVE**
Revenue growth has accelerated

2020 Revenue growth of 35%

2020 Revenue growth of 89%

Note: Legacy hardware revenue included in Self-Serve.
Our subscriber base has grown significantly

(in thousands)

Self-Serve Subscribers
- 2020 Subscriber growth rate of 24%
- Growth accelerated in 2020 after adjusting for Magisto acquisition in 2019

Enterprise Subscribers
- 2020 Subscriber growth rate of 87%
- Year-over-year growth rate increased in each quarter during 2020
Subscribers have consistently increased spend

**Self-Serve Average Revenue Per User**
40% ARPU growth from 2017 to 2020 driven by mix shift to higher tier plans and launch of new tiers

**Enterprise Net Revenue Retention**
Over 100% NRR driven by higher usage and product expansion
A clear playbook to drive efficient acquisition

Self-Serve LTV/CAC
2021 Priorities: Creation, mobile app, live streaming, partnerships

Enterprise LTV/CAC
2021 Priorities: Expand corporate video use cases, international expansion

Note: LTV/CAC based on Non-GAAP S&M Expense
And strong unit economics drove higher EBITDA

(in millions)

Gross Margin

3Q19  4Q19  1Q20  2Q20  3Q20  4Q20
60%  64%  68%  68%  70%  70%

Adjusted EBITDA

3Q19  4Q19  1Q20  2Q20  3Q20  4Q20
($8.3) ($8.5) ($12.0) ($5.3) $2.7  $0.7

Note: Excludes Stock Based Compensation, Depreciation & Amortization
We are continuing to invest for growth

(All amounts are in millions)

**Research & Development Spend**

2021 investment priorities:
- Innovation in virtual events
- Enterprise use case expansion
- Simplifying video creation
- Partnerships & ecosystem development

**Sales & Marketing Spend**

2021 investment priorities:
- Sales force expansion
- International expansion
- SEO & organic acquisition
- Mobile acquisition
## Growth and profitability accelerated in 2020

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>Y/Y Growth</th>
<th>Medium Term Goals (5+ Years) (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ending Subscribers</td>
<td>1.2M</td>
<td>1.5M</td>
<td>24%</td>
<td>~15% CAGR</td>
</tr>
<tr>
<td>ARPU</td>
<td>$180</td>
<td>$205</td>
<td>14%</td>
<td>~15% CAGR</td>
</tr>
<tr>
<td>Revenue</td>
<td>$196M</td>
<td>$283M</td>
<td>44%</td>
<td>30%+ CAGR</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>60%</td>
<td>69%</td>
<td>819 bps</td>
<td>75%+</td>
</tr>
<tr>
<td>Adj. EBITDA</td>
<td>($45M)</td>
<td>($14M)</td>
<td>$31M</td>
<td></td>
</tr>
<tr>
<td>Adj. EBITDA Margin</td>
<td>(23%)</td>
<td>(5%)</td>
<td>1,796 bps</td>
<td>20%+</td>
</tr>
</tbody>
</table>

(1) Ex-acquisitions
And in summary

1. Strong tailwinds in a ~$70B video solutions market
2. Platform strength and technology vision
3. Excellent unit economics and margin profile
4. Disciplined approach to M&A and investments
5. Strong balance sheet with $300M cash & $100M revolver*

*As of February 2021
Reconciliations

Reconciliation of Net Loss to Adjusted EBITDA

<table>
<thead>
<tr>
<th>Series</th>
<th>3Q19</th>
<th>4Q19</th>
<th>1Q20</th>
<th>2Q20</th>
<th>3Q20</th>
<th>4Q20</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Loss</td>
<td>(15.8)</td>
<td>(14.0)</td>
<td>(20.3)</td>
<td>(14.0)</td>
<td>(9.8)</td>
<td>(5.0)</td>
<td>(45.0)</td>
<td>(75.6)</td>
<td>(50.6)</td>
</tr>
<tr>
<td>Add back (deduct):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income tax provision (Benefit)</td>
<td>0.1</td>
<td>0.1</td>
<td>0.6</td>
<td>(3.1)</td>
<td>0.2</td>
<td>0.2</td>
<td>0.1</td>
<td>0.3</td>
<td>0.8</td>
</tr>
<tr>
<td>Other expense (income), net</td>
<td>0.0</td>
<td>0.1</td>
<td>0.1</td>
<td>0.2</td>
<td>0.1</td>
<td>0.2</td>
<td>0.0</td>
<td>0.4</td>
<td>0.1</td>
</tr>
<tr>
<td>Interest expense – related party</td>
<td>2.4</td>
<td>2.5</td>
<td>2.5</td>
<td>2.4</td>
<td>2.2</td>
<td>2.1</td>
<td>0.2</td>
<td>0.5</td>
<td>0.1</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(13.4)</td>
<td>(12.3)</td>
<td>(17.3)</td>
<td>(12.3)</td>
<td>(7.5)</td>
<td>(3.7)</td>
<td>(39.9)</td>
<td>(50.0)</td>
<td>(40.9)</td>
</tr>
<tr>
<td>Add back:</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Stock-based compensation expense</td>
<td>1.9</td>
<td>0.5</td>
<td>2.0</td>
<td>4.0</td>
<td>3.5</td>
<td>2.1</td>
<td>4.5</td>
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<td>Depreciation</td>
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<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.2</td>
<td>1.2</td>
<td>0.5</td>
<td>0.8</td>
</tr>
<tr>
<td>Amortization of intangibles</td>
<td>3.1</td>
<td>3.1</td>
<td>3.1</td>
<td>2.9</td>
<td>6.6</td>
<td>2.1</td>
<td>6.3</td>
<td>9.7</td>
<td>14.7</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>(5.3)</td>
<td>(5.0)</td>
<td>(10.3)</td>
<td>(5.3)</td>
<td>2.7</td>
<td>0.7</td>
<td>(27.9)</td>
<td>(44.0)</td>
<td>(33.8)</td>
</tr>
</tbody>
</table>

Reconciliation of Gross Margin

<table>
<thead>
<tr>
<th>Series</th>
<th>3Q19</th>
<th>4Q19</th>
<th>1Q20</th>
<th>2Q20</th>
<th>3Q20</th>
<th>4Q20</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Revenue (GAAP)</td>
<td>20.7</td>
<td>19.8</td>
<td>16.4</td>
<td>22.9</td>
<td>22.0</td>
<td>25.0</td>
<td>69.4</td>
<td>77.7</td>
<td>89.1</td>
</tr>
<tr>
<td>Less: Stock-based compensation expense</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Non-GAAP Cost of Revenue</td>
<td>20.7</td>
<td>19.8</td>
<td>16.4</td>
<td>22.9</td>
<td>22.0</td>
<td>25.0</td>
<td>69.4</td>
<td>77.7</td>
<td>89.0</td>
</tr>
<tr>
<td>Revenue</td>
<td>52.1</td>
<td>54.6</td>
<td>57.0</td>
<td>67.3</td>
<td>75.1</td>
<td>83.8</td>
<td>159.6</td>
<td>196.0</td>
<td>233.2</td>
</tr>
<tr>
<td>Less: Cost of Revenue (GAAP)</td>
<td>(20.7)</td>
<td>(19.8)</td>
<td>(16.4)</td>
<td>(22.9)</td>
<td>(22.0)</td>
<td>(25.0)</td>
<td>(69.4)</td>
<td>(77.7)</td>
<td>(89.1)</td>
</tr>
<tr>
<td>GAAP Gross Profit</td>
<td>31.4</td>
<td>34.8</td>
<td>40.6</td>
<td>44.4</td>
<td>53.3</td>
<td>58.8</td>
<td>90.2</td>
<td>118.3</td>
<td>144.1</td>
</tr>
<tr>
<td>As a % of Revenue</td>
<td>60%</td>
<td>64%</td>
<td>68%</td>
<td>70%</td>
<td>70%</td>
<td>70%</td>
<td>57%</td>
<td>60%</td>
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<td>159.6</td>
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<td>(19.8)</td>
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<td>69%</td>
</tr>
</tbody>
</table>

$ in millions, rounding differences may occur.
Adjusted EBITDA — is operating income excluding: (1) stock-based compensation expense; (2) depreciation; and (3) acquisition-related items consisting of amortization of intangible assets and impairments of goodwill and intangible assets, if applicable.

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

Gross Margin — is revenue less cost of revenue, divided by revenue.

Subscribers — are the number of users who have an active subscription to one of Vimeo’s paid plans measured at the end of the relevant period (including the addition of subscribers related to Magisto’s mobile app-based video creation and editing tools, which was acquired on May 28, 2019).

LTV/CAC — is an efficiency measure for acquiring new subscribers. Lifetime value (LTV) is calculated by estimating a subscriber’s total expected lifetime revenue, which includes assumptions for future renewals and upgrades based on historical data, and multiplying that by the current gross margin. Customer acquisition cost (CAC) is calculated by dividing total sales and marketing expenses in a period by the number of new subscribers acquired.

Net Revenue Retention (NRR) — is a metric we track for our enterprise subscribers that is calculated by taking the sum of (a) annualized subscription revenue for enterprise subscribers at the end of the period that also existed twelve months prior and (b) the variable revenue attributed to these same subscribers over the preceding twelve months and dividing that by the annualized subscription revenue for all subscribers that existed twelve months prior plus the variable revenue attributed to this same set of subscribers over the twelve months prior to that date.
Customer videos
Analyst Q&A
Thank You