Risk Factors Comparison 2024-02-22 to 2023-02-27 Form: 10-K

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Investing in our securities involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Annual Report on Form 10- K, including the section titled " Management' s Discussion and Analysis of Financial Condition and Results of Operations " and our consolidated financial statements and related notes, before making a decision to invest in our securities. The risks and uncertainties described below may not be the only ones we face. If any of the risks actually occur, our business, financial condition or results of operations could be materially and adversely affected. In that event, the market price of our common stock could decline, and you could lose part or all of your investment. **Below is a high- level summary of the key risks and uncertainties associated with our business. It does not contain all of the information that may be important to you, and should be read together with the more detailed discussion of risks following this summary.** Risks Related to Our Business and Strategy **• Our prior rapid growth may not be indicative of future performance, and our revenue has declined. • Competition in our market is intense. • We may not be able to scale our business effectively. • We may experience service interruptions. • Our success depends on our ability to reach customers and acquire subscribers through digital app stores. • We depend on key third- party vendors to provide core services. • Weakened global economic conditions may harm our industry, business and results of operations. • Failure to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes- Oxley Act could have a material adverse effect on our business, results of operations or financial condition. Risks Related to Human Capital • Our success will depend upon our continued ability to identify, hire, develop, motivate and retain highly skilled individuals worldwide. • Prolonged economic uncertainties and geopolitical tensions, including the Russian invasion of Ukraine and the ongoing conflict between Israel and Hamas, have impacted our teams and business operations. Risks Related to User Content and Personal Information • We may face liability for hosting a variety of tortious or unlawful materials. •** We have ~~a history~~ **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** ~~losses~~ -- **loss of or unauthorized access to such data could materially impact our business. • Our success depends, in part, on the integrity of our information technology systems and infrastructures and on our ability to enhance, expand and adapt these systems and infrastructures in a timely and cost- effective manner. • As a highly visible brand, we continue to be the target of cyberattacks by malicious actors, and our actual or perceived failure to adequately protect personal information and confidential information that we (or our service providers or business partners) collect, store or process could trigger contractual and legal obligations, harm our reputation, subject us to liability and otherwise adversely affect our business including our financial results. Risks Related to Laws and Regulations • We and our service providers collect, process, transmit and store certain personal information from our users, which creates legal obligations and exposes us to potential liability under federal, state, and international laws applicable to privacy and data protection. Risks Related to Ownership of Our Common Stock • The market price and trading volume of our common stock has been, and may continue to be, volatile and has faced, and may continue to face, negative pressure. • Our dual- class common stock structure and aspects of our charter and by- laws may negatively impact the market price of our common stock** . We have ~~not earned~~ a ~~profit~~ **history of losses, and we cannot assure that we will sustain profitability** in ~~any full fiscal year~~ **the foreseeable future. We achieved GAAP profitability in 2023, for the first time** since our inception, ~~and~~ **but** we cannot be certain as to ~~when or~~ if we will ~~achieve or~~ maintain **GAAP** profitability **in future periods** . Because the market for SaaS video services is rapidly evolving and highly competitive, we must continue to invest in research and development. If such investment does not allow us to scale or attract and retain users and subscribers, we will not be able to ~~achieve~~ **maintain** profitability ~~. Our prior rapid growth may not be indicative of future performance, and our revenue growth rate has declined~~ . We experienced rapid growth during 2020 and the first half of 2021. Since then, we have ~~since~~ seen our revenue growth rate decline **, including a decline in year- over- year revenue in 2023** . Many factors may contribute to declines in **our revenue and** our growth rate, including high prior period growth, ~~decreased demand associated with the reduction in social distancing efforts,~~ increased competition, slowing demand for our platform, a failure by us to continue capitalizing on growth opportunities, and the maturation of our business, among others. If **our revenue and** our growth rate does not increase or declines further, investors' perceptions of our business and the trading price of our common stock could be adversely affected. We believe our revenue growth depends on a number of factors, including, but not limited to: • our reputation and brand recognition; • domestic and global macroeconomic conditions; • demand for the types of video services we offer; • the actual and perceived quality, integrity and value of the video services we provide; • our development and timely deployment of innovative video services that provide value to our users and subscribers; • our ability to price our video services competitively; • our ability to acquire new subscribers sustainably, through a combination of organic efforts (continuing to convert a meaningful portion of our free user base into paying subscribers), paid acquisition (marketing), sales efforts ~~(for sales- assisted)~~ and partnerships; • our ability to retain and upsell existing subscribers by continuing to provide them with value; • the scalability of our technology platform; • the quality of our support and onboarding efforts for users and subscribers; • the growth of our employee base in a highly competitive market for talent; • our ability to expand internationally; • our ability to maintain the security and reliability of our platform; • our ability to successfully integrate new businesses that we acquire; and • changes in laws that allow us to host and distribute large quantities of user and subscriber content. Any one or more of the above factors could cause our revenue growth to be harmed. Additionally, bookings is a leading indicator of future revenue potential that we use to assess the performance of our business. There are a number of reasons that the conversion of bookings to revenue may not be directly proportional, including timing, certain revenues generated that do not have associated bookings, and estimates and judgements involved in the calculation of the number. We have a limited operating history as a pure software- as- a- service (" SaaS ") company and a limited history of selling such plans ~~on a~~ **through our** sales **force** ~~- assisted basis~~. In our ~~17- year history~~ **nearly two decades as a company** , we have explored or experimented with various service offerings, including a proprietary streaming service, and various monetization methods, including advertising, transactions and subscriptions. In 2008, we began selling SaaS subscription plans on a " self- serve " basis (i. e., directly through online means). In 2017, we decided to focus on selling SaaS subscriptions, including **plans sold** ~~on a sales- assisted basis (i. e.,~~ through a sales force ~~)~~. Since then, we have significantly increased our sales headcount. As a result of our limited experience with sales- ~~assisted~~ **touch** operations, we may experience inefficiencies and our cost of acquiring customers could decline relative to the lifetime revenue of those customers. Our total addressable market may prove to be smaller than we expect. While we believe, based primarily upon internal data, that all businesses will need video to succeed, the number of entities that are willing and able to pay fees for software- based video services may not be as large as we expect. We have not engaged a third party to conduct research to validate our data and thesis. Our ability to read data and make forecasts may be limited. We rely heavily on data to run our business and make strategic decisions, including decisions about capital deployment. If we misread signals or lack the ability to accurately forecast demand, we may make the wrong decisions. This risk may be heightened in times of economic uncertainty. ~~In~~ **For example, in** hindsight, we ~~have~~ learned that part of the increased demand **for our services** associated with the COVID- 19 pandemic **,** particularly for livestreaming and from segments such as faith and fitness, was specific to the response to the COVID- 19 pandemic and could not be sustained when social distancing measures receded. We may not have the right product / market fit **and may not be able to attract free users or paid subscribers** . Our business depends upon attracting new subscribers and retaining existing ones. ~~To do so~~ **We rely on both organic means (e. g., search engine optimization, word of mouth, etc.) and paid marketing (e. g., online advertisements) to attract new customers, whether paid or unpaid. In addition** , we must provide products with an attractive value proposition **in order to both attract new subscribers and retain existing ones** . We may fail to do that if we: • fail to innovate and provide ~~new~~ **compelling** and useful features that our users and subscribers want; • release products that fail to reliably operate (due to bugs or service interruptions); • release products too late relative to competitors; • price our products in an uncompetitive manner; **• experience a decline in organic traffic to** ~~or~~ **our web properties;** • fail to educate our users and subscribers about our features **;** ~~. We may not be able to attract free users~~ or ~~paid subscribers. We rely on both organic means (i. e., search engine optimization, word of mouth, etc.) and paid marketing (i. e., online advertisements) to attract new customers, whether paid or unpaid. We may fail to attract new customers if:~~ • ~~we do not have products with compelling features that customers want; • we fail to price our products in a competitive manner; • organic traffic to our web properties declines; • or we~~ fail to reach potential paid subscribers through our advertising. We may not be able to convert our free users into subscribers. An essential part of our strategy for attracting subscribers depends upon offering basic services for free and converting a certain portion of our free users into subscribers over time. ~~While~~ **Historically,** a majority of our subscribers ~~began~~ **have started** as free users, **and** only a small percentage of free users ~~become~~ **became** paying users over time. Our ability to convert users into subscribers at this or a higher rate may not materialize if: • the number of free users we attract declines, which could occur due to, among other things, reduced visibility of our brand or services; • we overestimate the number of free users who have the propensity to pay due to issues with duplicative, fraudulent or spam accounts; • our free users do not consistently use the free product, either because they are unaware of the features we offer or because the features are not perceived as useful; • we fail to optimize the conversion of free users by communicating the value of our subscription plans; • our free users are dissatisfied with our products and support; • our users no longer have a need for our products ~~, including any new users that subscribed to our services during the COVID- 19 pandemic that may subsequently reduce or discontinue their use as the impact of the pandemic tapers~~ ; • a reduction in customer information technology spending budgets, which may be reduced during periods of high inflation or economic recession or the perception that competitive products provide better, more secure, or less expensive options; • we experience headwinds in our international expansion due to variety of reasons, including language and cultural barriers, as well as unfavorable regulatory environments; or • our service offerings and pricing are not competitive. **Additionally, we are increasing our focus on product- led growth to attract more consumers organically, in a shift away from paid marketing efforts. Although we expect that product- led growth will lead to healthier conversion in the long- term, our shift to product- led growth and away from paid marketing may cause a near- term impact to our conversion efforts. Additionally, we may not be successful at our efforts to drive cost- effective organic traffic growth.** If **we are** ~~our efforts to convert free users into subscribers do~~ not ~~succeed~~ **able to effectively increase our traffic growth while decreasing in spend on performance marketing** , we ~~will have~~ **may need** to rely more heavily on paid marketing efforts to acquire new subscribers and therefore achieve growth. Such a shift would cause us to incur higher costs in acquiring users, which would reduce our ~~gross~~ margin profile. In addition, some customers downgrade their subscription plans or do not renew their subscriptions ~~. Competition in our market is intense~~ . We operate in a highly competitive market. We compete with a variety of companies including large social media networks, real- time video communications services, traditional online video distributors, and niche software providers for business customers. We also face increasing competition for cloud providers that were not traditionally video- centric. These competitors may be able to undercut us on price (e. g., by providing free services), provide superior services, or take advantage of a large installed user base. In addition, we expect that more competitors will emerge given the relatively low barriers to entry for software- based video creation applications, particularly mobile- based applications. New competitors could take the form of start- ups or large, well- funded companies that already operate in markets adjacent to us. We may not be able to ~~scale our business effectively. We may not be able to~~ capitalize on the market' s demand for video if we cannot scale our operations and infrastructure, including our information technology and financial systems. For example, we might experience delays in onboarding new customers and responding to increased customer support tickets, and we may not be able to handle increased loads on our servers during peak times. The occurrence of these or other similar events would result in missed opportunities or user and subscriber frustration that could negatively affect user and subscriber growth and retention. **The use or capabilities of artificial intelligence in our offerings may result in reputational harm and liability.** We **are increasingly building artificial intelligence into** ~~may~~ **many** ~~need~~ **of our offerings, including generative artificial intelligence. As with many innovations, artificial intelligence presents** additional ~~funding~~ **risks and challenges that could affect its adoption and therefore our business. Artificial intelligence and machine learning technologies are complex and rapidly evolving, and we face significant competition from other companies in our industry** as ~~we continue~~ **well as an evolving regulatory landscape. These efforts, including the introduction of new products or changes** to ~~grow~~ **existing products, may result in additional costs, new or enhanced governmental or regulatory scrutiny, litigation, unintended consequences, such as discrimination or bias, errors in our systems, or other complications that could adversely affect** our business **, reputation, or financial results** . **We** ~~Our cash flow~~ may **also** be ~~insufficient~~ **subject** to ~~fund significant capital investments~~ **criticism for the way** we ~~may need~~ **use artificial intelligence, even if we are acting in a responsible manner. Changes** to **existing regulations, their interpretation or implementation or new regulations could impede our use of artificial intelligence and machine learning technology and also may** make **it more difficult** to ~~grow~~ **operate** our business **or** ~~. We may need~~ to ~~raise~~ **protect our intellectual property. In addition, market acceptance of artificial intelligence and machine learning technologies is uncertain, and we may be unsuccessful in our product development efforts. Further, we may rely on third- party providers for the development and maintenance of our artificial intelligence systems, which could increase our risk of exposure to security breaches and other disruptions. Uncertainty around artificial intelligence, including generative artificial intelligence, may require** additional **investment to develop new approaches to attribute** ~~funds by way of a primary offering of shares of our~~ - **or** ~~common stock~~ **compensate content creators** , which ~~would~~ **could** ~~dilute existing stockholders, or through borrowings, which may not~~ be ~~available to us on desired terms~~ **costly. Any of these factors could adversely affect** ~~or~~ **our business** ~~at all. To obtain funding through borrowings~~ , ~~we may need to pledge assets and agree to certain~~ financial **condition, and** ~~covenants. A severe prolonged economic downturn could result~~ **results** ~~in a variety~~ of **operations** ~~risks to the business, including weakening our ability to develop potential businesses and a decreased ability to raise additional capital when needed on acceptable terms, if at all. We may experience service interruptions~~ . We typically do not provide 100 % uptime across our video services in any given month. This may be due to technical errors (bugs), human error (by employees and contractors), interruptions experienced by key vendors (such as cloud- based service or payment providers), higher than anticipated traffic and / or cyberattacks. Interruptions in key aspects of our video services (notably, video delivery and payment processing) could result in lost business, credits against future fees from subscribers with service level agreements, increased user and subscriber support tickets, remediation costs and increased subscriber churn (lost renewals). We have experienced subscriber churn in response to specific lapses in uptime, particularly in the context of livestreaming. In severe cases, we could face litigation or reputational risk, particularly if an interruption occurs during a high- profile event. Hosting and delivery costs may increase unexpectedly. Hosting and delivery costs comprise the largest component of our cost of goods sold and thus materially influence our gross margin. These costs could increase unexpectedly if we experience rapid growth over a short period of time (either in terms of users and subscribers or bandwidth consumed), we fail to address subscribers who use more bandwidth than our plans permit (e. g., either by failing to charge them overage fees or by failing to limit their bandwidth) or we fail to distribute increased bandwidth across our content delivery network (" CDN ") vendors in a cost- optimal manner by, for example, moving traffic to the lowest- cost provider. We may not be able to pass these costs onto subscribers ~~. Our success depends on our ability to reach customers and acquire subscribers through digital app stores~~ . We provide applications (" apps ") that operate on third- party operating systems, devices, or browsers. The operators of these platforms, including in particular Apple and Google, exercise significant control over what apps may be offered. These platforms could decide not to market and distribute some or all of our products and services, require costly changes, favor their own products and services over ours and / or significantly increase their fees. We may offer our apps on a free or paid basis and / or offer the ability to purchase subscription plans within an app (i. e., " in- app purchase "). When purchases are made through these platforms (including through in- app purchase), we pay meaningful service fees, which form part of our cost of goods sold. For example, in the case of Apple, we pay a 30 % fee for the first 12 months of a subscription and 15 % thereafter. Over the past several years, we have seen an increasing trend away from desktop traffic to mobile traffic. If the percentage of our paid users from in- app purchase increases, our gross margin will decline. Third- party platforms continually upgrade their software and change their terms of service, sometimes with little to no notice. Some of these upgrades may cause our apps to perform poorly and therefore require us to undertake costly development to provide a new version of our apps. In addition, some platforms may introduce changes that may diminish our ability to offer certain features or to understand how our users are interacting with our apps and websites. For example, in 2021, Apple introduced a new version of iOS (its operating system for the iPhone and iPad) that required app developers to allow users to opt- out of data tracking across apps and websites. This change has diminished our ability to market our products. We depend on integrations with third parties to enable key features of our video services and to acquire new subscribers. Some of our video services are integrated, typically through application programming interfaces (" APIs "), with numerous third parties, including companies that compete with us. For example, we provide a " publish to social " feature which allows our users and subscribers to publish their videos to their **social media** accounts ~~on~~ **(e. g.,** Facebook and ~~/ or~~ YouTube **)** . This type of feature makes our video services valuable because it effectively allows us to serve as a hub for managing all of the videos for a given user or subscriber across numerous platforms. If platforms change their policies to no longer permit this feature, our video services would be less attractive to our users and subscribers. We depend on ~~key third- party vendors to provide core services. We depend on~~ third- party vendors to, among other things, provide customer support, develop software, host videos uploaded by our users, transcode videos (compressing a video file and converting it into a standard format optimized for streaming), stream videos to viewers and process payments. Specifically, Google Cloud Platform (~~“~~ **"** GCP ~~”~~ **"**) provides us with hosting and computing services, Amazon ~~S3~~ **Web Services (" AWS")** provides us with hosting services and we use multiple CDNs to deliver traffic worldwide. Certain of these third- party vendors have experienced outages in the past that have caused key Vimeo video services to be unavailable for several hours. We do not have ~~backup systems~~ **automated cross- vendor redundancy** for GCP or **AWS** ~~Amazon S3~~ . Consequently, outages in those services materially affect our video services. Outages may expose us to having to offer credits to subscribers, loss of subscribers and reputational damage. We may not be able to fully offset these losses with any credits we might receive from our vendors **. Additionally, our forecast indicates that we may not meet the minimum commitment of a non- cancellable cloud computing arrangement which expires in the fourth quarter of 2024, and as a result, we could incur additional costs** . We depend on search engines and social media networks for traffic. We depend on search engines and social media networks to acquire traffic to our website. These third parties have the ability to influence who reaches our website and video services through algorithmic search rankings and other policy decisions, which are subject to frequent change. Some of these third parties or their affiliates compete with us and may have an incentive to favor their competing services over ours. In the past, traffic to our website and video services has been negatively impacted as a result of certain policy changes by both search engines and social media networks. We depend on internet service providers (“ ISPs ”) to deliver traffic to end users and subscribers. For our video services to operate, users and subscribers must have a connection to the internet. Typically, our users and subscribers access the internet through a wireline or wireless data service offered by ISPs. There is currently no federal regulation in the U. S. limiting the practices that ISPs may use to impact data flowing from websites and online applications to users and subscribers of online products and services generally. As a result, ISPs could discriminate against data that we deliver to users or subscribers (or data our users upload to us) by blocking us outright, slowing us down or otherwise degrading our quality vis- à- vis competing traffic. ISPs could also cause their customers to favor competing services by “ zero rating ” traffic to and from our competitors (in other words, not counting competitor traffic against an ISP customer’ s data caps) but declining to zero rate our traffic. These practices could make us less attractive as a provider of video services. Alternatively, we may have to pay fees to ISPs to maintain parity with competitors, which could adversely affect our profitability. If we experience excessive fraudulent activity or cannot meet evolving credit card association merchant standards, we could incur substantial costs and lose the right to accept credit cards for payment, which could cause our customer base to decline significantly. Our self- serve subscription plan customers authorize us to bill their credit card accounts through our third- party payment processing partners. If customers pay for their subscription plans with stolen credit cards, we could incur substantial third- party vendor costs for which we may not be reimbursed. We also incur charges, which we refer to as chargebacks, from the credit card companies for claims that the customer did not authorize the credit card transaction for subscription plans, something that we have experienced in the past. In addition, credit card issuers may change merchant standards, including data protection and documentation standards, required to utilize their services from time to time. Our third- party payment processing partners must also maintain compliance with current and future merchant standards to accept credit cards as payment for our paid subscription plans, and they have experienced interruptions or errors which have caused us to lose revenue. We have in the past experienced higher than industry standard rates of chargebacks and unauthorized credit card transactions. As a result of such activity, we have from time to time been in, and may re- enter, monitoring programs with multiple payment card providers and have in the past paid monthly amounts charged by those providers as penalties. We are actively working to reduce the incidence of chargebacks and unauthorized credit card transactions. If we fail to materially reduce such activity, we could be assessed increasing penalties, and we could lose the right to accept credit cards for payment. The loss of a payment option would cause our subscriber base to significantly decrease and would materially harm our business. We may engage in merger and acquisition activities, which may require significant management attention, disrupt our business, dilute stockholder value, and adversely affect our business, results of operations, and financial condition. As part of our business strategy to expand our platform and grow our business in response to changing technologies, customer demand, and competitive pressures, we have made and may in the future make investments or acquisitions in other companies, products, or technologies. The identification of suitable acquisition candidates can be difficult, time- consuming, and costly, and we may not be able to complete acquisitions on favorable terms, if at all. If we do complete acquisitions, we may not ultimately strengthen our competitive position or achieve the goals of such acquisition, and any acquisitions we complete could be viewed negatively by customers or investors. We may encounter difficult or unforeseen expenditures in integrating an acquisition, particularly if we cannot retain the key personnel of the acquired company. Existing and potential customers may also delay or reduce their use of our products due to a concern that the acquisition may decrease effectiveness of our products (including any newly acquired products). Acquisitions may disrupt our ongoing operations, divert management from their primary responsibilities, subject us to additional liabilities, increase our expenses, subject us to increased regulatory requirements, cause adverse tax consequences or unfavorable accounting treatment, and expose us to claims and disputes by stockholders and third parties. We may not successfully evaluate or utilize the acquired technology and accurately forecast the financial impact of an acquisition transaction, including accounting charges. We may have to pay cash for any such acquisition, which would limit other potential uses for our cash. If we incur debt to fund any such acquisition, such debt may subject us to material restrictions in our ability to conduct our business, result in increased fixed obligations, and subject us to covenants or other restrictions that would decrease our operational flexibility and impede our ability to manage our operations. If we issue a significant amount of equity securities in connection with future acquisitions, existing stockholders’ ownership would be diluted. ~~Weakened global~~ **We may need additional funding as we continue to grow our business. Although we had strong cash flow in 2023 and we believe we currently have sufficient cash flow to fund capital investments to grow our business, in the event of a changed capital profile or significant** economic ~~conditions~~ **change, our cash flow** may ~~harm~~ **be insufficient. In such a situation, we may need to raise additional funds by way of a primary offering of shares of our common stock, which would dilute existing stockholders,** ~~our~~ - **or** ~~industry~~ **through borrowings** , **which may not be**

available to us on desired terms or at all. To obtain funding through borrowings, we may need to pledge assets and agree to certain financial covenants. A severe prolonged economic downturn could result in a variety of risks to the business **, including weakening our ability to develop potential businesses** and ~~results of operations~~ **a decreased ability to raise additional capital when needed on acceptable terms, if at all** . Our overall performance depends in part on worldwide economic conditions. Global financial developments and downturns seemingly unrelated to us or the **SaaS** ~~software- as- a- service~~ industry may harm us. The United States and other key international economies have been affected from time to time by falling demand for a variety of goods and services, restricted credit, reduced liquidity, reduced corporate profitability, volatility in credit, equity and foreign exchange markets, bankruptcies, inflation and overall uncertainty with respect to the economy, including with respect to tariff and trade issues. Weak economic conditions or the perception thereof, or significant uncertainty regarding the stability of financial markets related to stock market volatility, inflation, recession, changes in tariffs, trade agreements or governmental fiscal, monetary and tax policies, among others, could adversely impact our business, financial condition and operating results. More recently, **although** inflation ~~rates~~ **came down** in **2023,** the U. S. ~~have been~~ **has continued to experience** higher **inflation** than in ~~previous~~ **recent prior** years, which may result in decreased demand for our products and services, increases in our operating costs including our labor costs, constrained credit and liquidity, reduced government spending and volatility in financial markets. The Federal Reserve has raised, and may again raise, interest rates in response to concerns over inflation risk. Increases in interest rates on credit and debt that would increase the cost of any borrowing that we may make from time to time and could impact our ability to access the capital markets. Increases in interest rates, especially if coupled with reduced government spending and volatility in financial markets, may have the effect of further increasing economic uncertainty and heightening these risks. In an inflationary environment, we may be unable to raise the sales prices of our products and services at or above the rate at which our costs increase, which could reduce our profit margins and have a material adverse effect on our financial results and net income. We also may experience lower than expected sales and potential adverse impacts on our competitive position if there is a decrease in consumer spending or a negative reaction to our pricing. A reduction in our revenue would be detrimental to our profitability and financial condition and could also have an adverse impact on our future growth. Foreign currency exchange rate fluctuations could harm our financial results. We conduct certain transactions in currencies other than the U. S. Dollar and in currencies other than the functional currency of the transacting entity. Exchange rate movements have impacted and may continue to impact our consolidated revenues and operating results. It is particularly difficult to forecast exchange rate movements and unanticipated currency fluctuations have affected and could continue to affect our financial results and cause our results to differ from investor expectations or our own guidance in any future periods. Volatility in exchange rates and global financial markets is expected to continue due to political and economic uncertainty globally ~~. 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. The potential long- term impact and duration of the COVID- 19 pandemic on the global economy and our business continue to be difficult to assess or predict. Related public health and safety measures have resulted in significant social disruption and have had an adverse effect on economic conditions, consumer confidence and spending, inflation, interest rates, and business investment, all of which have affected our business. In addition, the cessation of certain health and safety measures initiated in response to the pandemic has likely resulted in lower demand for our services. Moreover, we may also experience business disruption if the operations of our contractors, vendors or business partners are adversely affected. Failure to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes- Oxley Act could have a material adverse effect on our business, results of operations or financial condition~~ . The Sarbanes- Oxley Act (" SOX ") requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We have limited experience complying with SOX as a standalone public company. We have expended, and anticipate that we will continue to expend, significant resources to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting. If any of these new or improved controls and systems do not perform as expected, we may experience material weaknesses in our controls. Such failure could harm our business, results of operations, and financial condition and could cause a decline in the trading price of our common stock. ~~Risks Related~~ **We may experience a disruption of our business activities due** to ~~Human Capital~~ **senior executive transitions. We have had several senior management changes recently, including the departure of our former Chief Executive Officer in August 2023 and the appointment of our current Interim Chief Executive Officer. Leadership transitions and management changes can be inherently difficult to manage and may cause uncertainty or a disruption to our business or may increase the likelihood of turnover in key officers and employees. In addition, newly appointed executives may view our business differently than prior members of executive management, and over time may make changes to our strategic focus, operations, business plans, existing personnel and their responsibilities. We may not be able to properly manage such shifts in focus, and any changes to our business may not ultimately prove successful.** Our success ~~will depend~~ **depends** ~~upon our continued ability to identify, hire, develop, motivate~~ **in part on having a successful leadership team. If we cannot effectively manage leadership transitions** and **management changes, it could be difficult to successfully operate our business and pursue our business objectives. We may not be able to** retain ~~highly skilled individuals worldwide~~ **the services of our current senior executives or other key employees. If we do not succeed in attracting, integrating, retaining and motivating well-qualified senior executives, our business could be materially and adversely affected** . In order to build and scale our business, we may need to further increase our employee base, particularly in the areas of engineering, product development, sales (domestically and internationally), customer support and shared services. Competition for executives, software developers, product managers, sales personnel and other key employees in our industry is intense. In particular, we compete with many other companies for software developers and designers with high levels of experience in designing, developing and managing software for video solution technologies, as well as for skilled sales and operations professionals. At times, we have experienced, and we may continue to experience, difficulty in hiring and retaining employees with appropriate qualifications, and we may not be able to fill positions. Our ability to attract and retain talent and to fully experience the benefits of that talent depends upon: • our reputation; • our compensation and benefit packages; • our ability to successfully onboard new employees; • our commitment to diversity, equity, and inclusion; • our ability to maintain our corporate culture while ~~growing headcount, adding employees in new countries and locations and~~ operating on a remote or hybrid basis; and • the competitive landscape in the geographic markets for talent in which we compete. Our compensation packages may not be sufficient **to attract and retain talent** . While we have established compensation programs (which include cash compensation, equity- based programs and other benefits) to attract and retain employees, these compensation arrangements may not be sufficient in the highly competitive labor market in which we participate. In addition, **although inflation came down** in ~~2022~~ **2023** , many of the countries in which we operate, including the United States, have continued to experience higher inflation than in recent prior years, which, among other reasons, has placed pressure on us to raise wages. Large competitors and non- competitors in the technology space may offer compensation arrangements that may significantly exceed those that we are able to offer. If we fail to provide competitive compensation arrangements, we may fail to attract and retain talent. In addition, if we do not ensure the effective transfer of knowledge to successors and smooth transitions (particularly in the case of senior management), our business may be adversely affected. On the other hand, if we increase compensation levels in a significant way in order to compete for talent, our profitability will suffer and, if we increase stock- based compensation, our stockholders will face further dilution. Additionally, increased inflation rates can adversely affect us by increasing our costs, including labor and employee benefit costs. Employee salaries and benefits expenses have increased as a result of economic growth and increased demand for business services among other wage- inflationary pressures, and we cannot assure that they will not continue to rise. In addition, as our stock price has fluctuated since the completion of the Spin- off, employees joining us at different times could have significant disparities in proceeds from sales of our equity in the public markets, which could create disparities in wealth among our employees, which may harm our culture and relations among employees and our business. Further, the volatility of our stock price may make our equity compensation less attractive to current and potential employees, and could contribute to increased turnover or difficulties in hiring. Further, our recent reductions in force, and any future reductions in force or other restructuring, may adversely affect our ability to attract and retain employees. We may fail to attract or retain employees for issues that negatively impact our image. Our ability to attract and retain employees could also be adversely affected by issues that negatively impact our image, such as incidents of actual or perceived discrimination, controversial business decisions, including decisions about user content, and issues with the quality of our products (such as bugs or interruptions in services, among other issues). We may face productivity challenges arising from our work environment. ~~In 2020, we moved to a remote working environment with the onset of the COVID- 19 pandemic.~~ We ~~now~~ operate our offices in a hybrid manner, with ~~many~~ **most** of our employees working on a completely remote basis. Preservation of our corporate culture may be more difficult as many of our workforce have been working from home in connection with our hybrid workplace model. Even if we return to an office setting, we may experience productivity challenges associated with having some employees remote and some in person and having employees unable to work due to illness or childcare concerns. In addition, ~~moving~~ **requirements to move** back to a physical office environment could adversely affect the hiring and retention of employees who prefer to work remotely. ~~The 2022 Russian invasion of Ukraine has impacted our team and business operations.~~ Since 2017, we have had operations in Ukraine. As of the year ended December 31, ~~2022~~ **2023** , we had ~~78~~ **69** employees ~~in~~ **based out of our** Ukraine **office** . Our Ukraine team is primarily focused on research and ~~developments~~ - **development** activities, with ~~68~~ **84** % of the team in engineering roles. On February 24, 2022, Russia invaded Ukraine. As a result of this war, some of our Ukraine team members have been forced to relocate to other countries and within Ukraine, with many unable to perform all or some work duties. We remain committed to supporting our Ukraine team members and are prioritizing safety over work. The ongoing conflict could cause harm to our team members and otherwise impair their ability to work for extended periods of time, as well as disrupt telecommunications systems, banks and other critical infrastructure necessary to conduct business in Ukraine. In addition, following Russia ~~'~~ **'** s invasion of Ukraine, the United States, European Union, and other nations announced various sanctions against Russia and export restrictions against Russia and Belarus. Such restrictions include blocking sanctions on some of the largest state- owned and private Russian financial institutions, and their removal from the Society for Worldwide Interbank Financial Telecommunication, or the SWIFT, payment system. The invasion of Ukraine and the retaliatory measures that have been taken, and could be taken in future, by the U. S., NATO, and other countries have created global security concerns that could result in a regional conflict and otherwise have a lasting impact on regional and global economies, any or all of which could adversely affect our business, including preventing us from performing existing contracts, pursuing new business opportunities, or receiving payments for services already provided to customers. ~~Risks Related~~ **Additionally, as of the year ended December 31, 2023, we had 99 employees based out of our Israel office. Our Israel team covers several areas of our business, from engineering and product** to ~~User Content~~ **quality assurance and customer support. Due to the war between Israel and Hamas that began on October 7, 2023, some of our employees in Israel have been called to active military duty and we expect that additional employees may be called in the future, if needed. Additionally, we have been forced to close our Israel office or operate at limited capacity for several days and may need to do so again for** ~~and~~ - **an** ~~Personal Information~~ **unknown period of time. As a result, our operations in Israel have been impacted, and may continue to be disrupted if this conflict continues for a significant period of time or if the situation further deteriorates. The safety and well- being of our employees takes precedence, and we will continue to evaluate the situation and adjust operation plans as needed.** Our business involves hosting large quantities of user content. Our business ~~is~~ **involves** hosting video content supplied by others. Some of the videos uploaded to our platform will invariably violate a third party ~~'~~ **'** s rights or a law, rule or regulation, and if so, we could, in turn, face lawsuits, liability and negative publicity for hosting such content. We have been sued for hosting content that allegedly infringed on a third- party copyright. We cannot guarantee that we will be shielded from third- party copyright infringement lawsuits and related liability for hosting user and subscriber content by laws such as the online safe harbor provisions of the U. S. Digital Millennium Copyright Act of 1998 (" DMCA "), which are intended to limit the liability of online providers with respect to user- and subscriber- uploaded content. In addition, even if we ultimately succeed in demonstrating that the DMCA limits our liability, litigating these issues is costly and time- consuming. For details regarding pending lawsuits of this nature, see " Note 14 — Commitments and Contingencies " to the consolidated financial statements included in Item 8 — Consolidated Financial Statements and Supplementary Data. ~~Some countries outside of~~ **Regulators and legislators in** the United States ~~have laws~~ **and in other countries may introduce new regulatory regimes** that **increase** ~~, like~~ the ~~DMCA~~ **potential liability for content available on our platform. For example** , ~~limit the~~ **Directive (EU) 2019 / 790 on** copyright ~~infringement~~ **and related rights in the Digital Single Market (" DSM Directive ") creates a distinct** liability ~~of~~ **regime for" online content- sharing** service providers **" when they give the public access to copyright works uploaded by their users** . ~~However~~ **To the extent** , **if at all, elements of our service constitute an" online content- sharing service provider", the DSM Directive sets out certain requirements which must be met to be exempt from liability with respect to user- and subscriber- uploaded content. Meeting** these ~~laws may impose different~~ requirements ~~upon us~~ **requires significant time** and **resources and compliance** may ~~not~~ **therefore negatively impact our financial** ~~protect~~ **prospects** ~~us to the same degree as the DMCA~~ . ~~We~~ **To the extent applicable to our services, the DSM Directive may increase our costs of operations, our liability for third-party content posted on our platform, and our litigation costs. Additionally, our efforts to date have caused, and may continue to cause, friction with our users, which in turn causes damage to our brand. Additionally, we** cannot guarantee that we will be compliant with foreign requirements. For example, as described in" Note 14 — Commitments and Contingencies " to the consolidated financial statements included in Item 8 — Consolidated Financial Statements and Supplementary Data, we have been sued in Italy for the copyright infringement of our users. ~~If the~~ **There are also a number of new** laws **and legislative proposals in the United States, at both the federal and state level, and in the European Union, U. K. and other countries, aimed at** limiting **the scope of protections available to online services and /** ~~our~~ - **or further imposing new obligations that may affect** ~~liability for user and subscriber copyright infringement are changed, either by amendment, regulatory action or~~ **our business** ~~judicial interpretation~~ , **such as** ~~we could face increased compliance costs and increased risk of~~ liability for copyright infringement ~~. In 2018~~ , **content moderation, distributing targeted and** ~~the~~ **other advertisements** ~~European Union passed Article 17~~ to ~~revise~~ **minors, and** ~~the~~ **other** ~~EU' s existing framework~~ **forms of unlawful content and / or online harm. These legislative and / or regulatory requirements may increase our costs of operations, our liability** for ~~limiting~~ **content posted by users on our platform, and / or our litigation costs. If** ~~the~~ **these or other additional statutory or regulatory changes reduce** liability ~~of~~ **protections for content published on our platform, we may be required to make significant changes to our business model, including increasing our content moderation operations and building or removing product features or tools that may not be favorable to our business, add payment obligations or compliance costs. We could also face fines or orders restricting or blocking our** service ~~providers for copyright infringement~~ **in particular countries as a result of content on our platform** . ~~EU member state laws that~~ **For example, certain countries** have implemented ~~Article 17~~ **regulations that authorize fines or provide for throttling or blocking services for failures to comply with certain content removal and disclosure obligations, and other countries** may ~~require~~ **enact similar legislation, which would impose penalties for failure to remove certain content. There can be no assurance that the tools we** ~~us~~ **use** ~~to undertake~~ **for certain removal obligations or any** new ~~and costly screening activities or~~ **custom tools we develop will be sufficient** to **maintain compliance with the new regulations** ~~obtain costly licenses from rights holders or both. We may face liability for hosting a variety of tortious or unlawful materials~~ . In the United States, Section 230 of the Communications Decency Act **(" Section 230")** generally limits our liability for hosting tortious and otherwise illegal content. The immunities conferred by Section 230 could be narrowed or eliminated through amendment, regulatory action or judicial interpretation. In 2018, Congress amended Section 230 to remove immunities for content that promotes or facilitates sex trafficking and prostitution. In the most recent session of Congress, multiple bills have been introduced to further limit Section 230. Some bills would repeal or substantially curtail Section 230, while some exempt specific claims or categories of content from Section 230' s reach. Laws like Section 230 generally do not exist outside of the United States, and some countries have enacted laws that require online content providers to remove certain pieces of content within short time frames. If we fail to comply with such laws, we could be subject to prosecution or regulatory proceedings. In addition, some countries may decide to ban our service based upon a single piece of content. We have been subject to temporary bans in certain countries, including India, Russia and Turkey, for hosting content that those governments determined to be illegal. We may also face liability when we remove content and accounts that we believe are violating our acceptable use policy, and we have been sued in the past for certain content- removal decisions. While we believe that Section 230 allows us to restrict or remove certain categories of content, its protections may not always end a lawsuit at an early stage, potentially resulting in costly and time- consuming litigation. ~~We have faced negative publicity for removing, or declining to remove, certain content, regardless of whether such content violated any law.~~ Individuals and groups may upload controversial content to our platform. Removing or failing to remove such content may result in negative publicity, which could harm our efforts to attract and retain users and subscribers. We have also faced criticism from users and subscribers for removing content and terminating accounts in compliance with the DMCA. 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. We collect, store and process large amounts of content and personal information~~ of our users ~~and subscribers~~ . A significant portion of this data is private or intended for a limited audience. For example, one of our core product features is the ability of users ~~and subscribers~~ to set privacy settings to their videos and thereby determine how the video is to be distributed. A large portion of the videos we host are not publicly available or are available only through channels determined by our users. In addition, we rely on user information, including automatically collected information, to operate our business. ~~If we fail to secure~~ **Failure of an information security control, whether resulting from an end user error, internal** ~~our~~ - **or** ~~data~~ **external malfeasance** , ~~we~~

~~might experience the loss~~ **misconfiguration or an unknown or not yet remediated vulnerability** , ~~leakage,~~ **may result in unauthorized access** or inadvertent disclosure of such data. ~~This may occur due to vulnerabilities in our software, human error, or internal or external malfeasance.~~ We ~~have experienced the leakage of data to actors who crawl our website and scrape data. We also~~ routinely **solicit and** receive reports from security researchers regarding potential vulnerabilities in our applications or **integrated** third **-** party software ~~that we~~ **. A data breach could expose** ~~use~~ - **us to regulatory actions and litigation under applicable privacy laws. Depending on the circumstances, we may be required to disclose a suspected breach to regulators, enterprise customers, affected individuals and / or the public. This could lead to regulatory action, including the possibility of fines, class action or traditional litigation by affected individuals, reputational harm, costly investigation and remedial efforts, the triggering of indemnification obligations under data protection agreements with enterprise customers and partners and / or higher premiums for cyber insurance, as well as harm to our brand and customer confidence. In order for us to succeed, our information technology systems and infrastructures must perform well on a consistent basis. We rely on information technology systems to keep financial records, facilitate our research and development initiatives, manage our manufacturing operations, maintain quality control, maintain corporate records, communicate with staff and external parties and operate other critical functions. Our information technology systems and those of our vendors and partners are potentially vulnerable to disruption due to breakdown, malicious intrusion, computer viruses, ransomware or other malicious software, or other disruptive events, including, but not limited to, natural disasters and catastrophes. In April 2023, we hired a new Chief Information Security Officer, who has undertaken a comprehensive review of our information security systems and processes. As a result, we have made significant improvements to our cybersecurity controls and procedures over the last eight months, and expect to see additional incremental improvement in our cybersecurity risk management over the next six to twelve months** . We have **action or traditional litigation by affected individuals** , ~~damage~~ **reputational harm,costly investigation and remedial efforts,the triggering of indemnification obligations under data- protection agreements with subscribers,vendors,and partners and / or higher premiums for cyber insurance,as well as harm to our brand and customer confidence.We have been the target of cyberattacks by malicious actors,and our actual or perceived failure to adequately protect personal information and confidential information that we (or our service providers or business partners) collect,store or process could trigger contractual and legal obligations,harm** our reputation, ~~or~~ **subject us to liability and** otherwise ~~harm our business.Any interruptions or outages,regardless of the cause,could negatively impact our users' experiences with our products,tarnish our brands' reputations and decrease demand for our products,any or all of which could materially~~ adversely affect our business ~~,~~ **including our** financial ~~condition and~~ results ~~of operations.Moreover,even if detected,the resolution of such interruptions may take a long time,during which customers may not be able to access,or may have limited access to,our services~~ .We have been targeted with cyberattacks in the past and may be targeted again.Potential attackers span a spectrum from unsophisticated amateurs to highly advanced organizations supported by state actors and use a variety of vectors,including malware,ransomware attacks,denial- of- service attacks,and social engineering.Malicious actors may seek to impede our services (e.g.,a denial- of- service attack) or infiltrate our systems for the purpose of introducing malware (e.g.,ransomware),deleting or corrupting data,or exfiltrating data.A cyberattack may cause significant and lasting negative consequences.We may face significant expense in responding to the attack,severely diminished operational capacity,and the loss of data necessary ~~to operate.If the attack results in a data breach,we may be subject to legal liability.Even~~ also **be targeted by malicious actors. In the past, we have had instances in which user passwords were guessed by malicious actors or were exposed in breaches of other services and then used by malicious actors to access the user' s account in our system. These cases take time to remediate and are frustrating for our users and subscribers, some of whom may blame us for the situation. Additionally, we have** experienced cases where user error has caused private data to be exposed. Incidents affecting user data, regardless of the cause, take time for us to investigate and can be frustrating for our users. ~~A~~ **If our business becomes constrained by changing legal and regulatory requirements, including with respect to privacy,** data ~~breach~~ **security and data protection, consumer protection, and user- generated content, or enforcement by government regulators, including fines, orders, or consent decrees in the U. S. or other jurisdictions in which we operate, our operating results will suffer. Uncertainty over or changes in laws and regulations with respect to user- generated content** could ~~expose~~ **adversely affect our ability to operate in some geographies. In addition, the regulatory framework for broad dissemination of user- generated content is new and evolving. Many states and foreign governments have enacted legislation designed to protect children and we expect additional legislation to be enacted. Many countries are developing regulations and policies to regulate this new space, including with respect to privacy, content generated using artificial intelligence, biometrics, data protection, data security, intellectual property, childhood protection, consumer protection, ratings, and taxes. If we are unable to comply with potentially conflicting regulations throughout the world, our ability to execute on our business model would be severely impacted, and our ability to grow our business could be harmed. Additionally, compliance with regulatory requirements throughout the world could increase our moderation and compliance related costs and expenses. These costs could be prohibitively expensive for a company of our size, which could prevent** us **from launching a product or** ~~to regulatory actions and litigation. Depending on the circumstances, we may be required~~ - **require us** to **restrict access** ~~disclose a suspected breach~~ to **a product in a particular market** ~~regulators, affected individuals and / or the public~~ . This could ~~lead~~ **disadvantage us relative** to **our competitors with more resources. Moreover, changes to these laws,** ~~regulatory~~ **regulations** ~~actions~~ **, standards, or obligations could require us to change our business model, take on more onerous obligations** , including ~~the possibility of fines~~ , ~~class~~ **but not limited to, applying for government** - **issued licenses** action or traditional litigation by affected individuals......, and the loss of data necessary to operate ~~. If the attack results in a data breach~~ , **establishing a local presence in certain jurisdictions** ~~we may be subject to legal liability. Even if financial~~ , ~~legal, or operational harm is avoided, an attack could cause persistent reputational harm to our~~ - **or developing localized product**

offerings ~~company. Like other global companies~~ , ~~we face an~~ **and impact** ~~increasingly difficult challenge to attract and retain highly qualified security personnel to assist us in combatting these security threats. Our users and subscribers could also be targeted by malicious actors. In the past, we have had instances in which user passwords were guessed by malicious actors or were exposed in breaches of other services and then~~ - **the** ~~used by malicious actors to access~~ **functionality of our product. For example,** the ~~user~~ **European Union** ' s ~~account in our system~~ **(" EU' s ") Digital Services Act (" DSA ") entered into force on November 16, 2022, and became fully applicable on February 17, 2024** . **The DSA imposes new content moderation obligations, notice and transparency obligations and other requirements on digital platforms to protect consumers and their rights online, and allows for fines of up to 6 % of annual turnover. The impact of the DSA on the overall industry, business models and our operations is uncertain, and** ~~These~~ **these** ~~cases take time~~ **regulations could result in changes** to **our subscriptions or introduce new operational requirements and administrative costs, each of which could have an adverse effect on our business, financial condition, and results of operations. Additionally, the Federal Trade Commission regulates deceptive or unfair commercial activities and can impose significant injunctive and monetary** ~~remediate~~ -- **remedies** ~~and~~ **for violations. Additionally, see our disclosure elsewhere in these Risk Factors regarding the EU Copyright Directive. If we** are ~~frustrating~~ **obligated to fundamentally change our business activities and practices or modify our product, we may be unable to make these required changes and modifications in a commercially reasonable manner, or at all, and our ability to further develop and enhance our product may be limited. The costs of compliance with, and other burdens imposed by, these laws, regulations, standards and obligations, or any inability to adequately address these, may limit our ability to operate our business, limit the use of our product or reduce overall demand** for our **product** ~~users and subscribers, some of whom may blame us for the situation. Risks Related to Laws and Regulations We and our service providers collect, process, transmit and store certain personal information from our users~~ , which **could harm our business** ~~creates legal obligations and exposes us to potential liability under federal~~ , ~~state~~ **financial condition** , and **results of operations** ~~international laws applicable to privacy and data protection~~ . We are subject to a variety of existing and new laws concerning the collection, storing, processing, and transferring of user information. In the U. S., we are subject to federal laws, such as Section 5 of the Federal Trade Commission Act ~~,~~ **and** the Video Privacy Protection Act, ~~and Children' s Online Privacy Protection Act,~~ as well as a variety of state laws including the California Consumer Privacy Act ~~, the California Privacy Rights Act,~~ and the Illinois Biometric Information Protection Act. Current or future privacy- related legislation and governmental regulations pertaining to the use of biometrics or other video analytics may affect how our business is conducted or expose us to unfavorable developments resulting from changes in the regulatory landscape. For example, laws such as the Illinois Biometric Information Privacy Act restrict the collection, use and storage of biometric information and provide a private right of action of persons who are aggrieved by violations of the act. Such legislation and regulations have exposed us to, and we expect that they will continue to expose us to, regulatory and litigation risks. Legislation and governmental regulations related to the use of biometrics and other video analytics may also influence our current and prospective customers ~~'~~ **'** activities, as well as their expectations and needs in relation to our products and services. Compliance with these laws and regulations may be onerous and expensive, and may be inconsistent from jurisdiction to jurisdiction, further increasing the cost of compliance and the risk of liability. It is also not clear how existing and future laws and regulations governing issues such as biometrics and other video analytics apply or will be enforced with respect to the products and services we sell. The failure to comply with applicable privacy laws could lead to regulatory actions, including the possibility of fines, class ~~-~~ action or traditional litigation, reputational harm and / or costly investigation and remediation efforts. ~~We have been sued for violating the Illinois Biometric Information Protection Act (see the section entitled " Part 1. Item 13 — Commitments and Contingencies ").~~ Outside of the U. S., we are subject to privacy laws of the countries in which we conduct business. For example, the European Union ~~'~~ **'** s General Data Protection Regulation (~~"~~ **"** GDPR ~~"~~ **"**) imposes detailed requirements related to the collection, storage and use of personal information related to people located in the EU. The GDPR authorizes fines up to 4 % of a company ~~'~~ **'** s annual turnover. Privacy laws have proliferated in the past several years, both in the U. S. and worldwide. Because of the speed of change in the area of privacy law, it is impossible to foresee changes in the regulatory environment and we may be forced to make sudden operational shifts in an effort to maintain compliance. New laws, or new interpretations of or stricter enforcement of existing laws, may increase our compliance costs, restrict our ability to determine how our users are using our services, and increase our potential liability in the event of non- compliance. For example, in Europe, we have had to make changes to how we use cookies and other tracking technologies and these changes have reduced our visibility into how our users are using our services. ~~Our ability to transfer~~ **In the U. S., there are numerous federal and state laws governing the privacy and security of** personal information ~~to the United States and~~ **. In particular, at** ~~other~~ -- **the** ~~jurisdictions may~~ **federal level, the Health Insurance Portability and Accountability Act of 1996 (" HIPAA ") establishes privacy and security standards that limit the use and disclosure of individually identifiable health information and requires the implementation of administrative, physical, and technical safeguards to protect the privacy of protected health information and ensure the confidentiality, integrity, and availability of electronic protected health information by certain institutions. We act as a " Business Associate " through our relationships with certain customers and are thus directly subject to certain provisions of HIPAA. In addition, if we are unable to protect the privacy and security of protected health information, we could** be **found** ~~restricted. Some countries outside of the United States (including European Union member states, other members of the European Economic Area, Switzerland and the United Kingdom) may limit the transfer of certain data regarding their residents~~ to ~~other countries~~ **have breached our contracts with customers with whom we have a Business Associate relationship and may also face regulatory liability** . ~~Such~~ **Noncompliance with** laws ~~have the potential to adversely affect our business. For example, prior to June 2020, many U. S companies (including Vimeo) participated in the U. S.- EU~~ and **regulations relating to** ~~U. S.- Swiss " Privacy~~ **privacy and security of** ~~Shield " program, which provided a basis on which to transfer~~ personal information ~~from the EU and Switzerland to the U. S. In June 2020~~ , **including HIPAA, or with contractual obligations** ~~the~~

~~EU High Court of Justice determined that the program did not adequately protect EU residents' privacy rights. We continue to transfer data from the EU to the U. S.~~ under ~~alternative legal bases, including standard contractual clauses, which were updated in 2021. The use of standard contractual clauses to legalize transfers to the U. S. has been challenged. In addition, rulings by certain European data protection authorities have indicated that, in some cases, U. S.- based providers cannot be used due to their inability to ensure that the personal information of European residents is safeguarded. If we were unable to transfer personal information from the EU (or~~ any ~~other country), we could face~~ **Business Associate agreement may lead to significant** fines **, civil and criminal penalties,** ~~for~~ **or liabilities** ~~noncompliance and we may have to host personal information locally. Should this occur, we would face higher costs and operational challenges, which could adversely affect our business and gross margin~~. Compliance obligations imposed by private entities may adversely affect our business. Private-market participants may deploy technologies or require certain practices that limit our ability to obtain or use certain information about our users and subscribers. For example, Google has indicated that it will ultimately phase out the use of cookies to track users of its search services in future versions of its Chrome web browser, and Apple has updated its iOS mobile operating system to require app developers to obtain opt- in consent before tracking users of its various services. As these types of changes continue to be implemented, our ability to determine how our users and subscribers are using our video services and to use targeted advertising in a cost- effective manner may be limited. We may fail to comply with laws regulating subscriptions and free trials. Subscriptions to our video services automatically renew unless the subscriber cancels the subscription before the end of the current period, and we often provide free or discounted trial periods. There are various laws regulating such offers, such as the U. S. Restore Online Shoppers Confidence Act (" ROSCA ") and analogous state- level laws. Non- compliance could result in voided contracts, lost revenue, damages and class action or traditional lawsuits. Changes in laws or industry practices concerning subscription services may have a negative impact on renewal rates. New laws or interpretations of existing laws may impose obligations that make it difficult or impossible to implement the automatic renewal of subscriptions to Vimeo' s video service. For example, if we were required to obtain express opt- in consent for automatic renewal of our video service and were not permitted to deny transactions to people who fail to opt- in, the related rate of renewal would likely decrease substantially. Similarly, private entities involved in payment collection and processing may also effectively regulate subscriptions to our video services. Failure to comply with these rules could result in our inability to process automatic renewals. Finally, we have no control over policy decisions by app platforms regarding automatic renewals. Policy changes by app platforms could adversely impact our renewal rates for subscription to our video services, and in turn, our business. The sale of our products is subject to a variety of sales, use and value- added taxes, both in the United States and worldwide. In 2018, in South Dakota v. Wayfair, the United States Supreme Court held that states may charge taxes on purchases made by their residents from out- of- state sellers who have no physical nexus to the state. As a result of this decision, we are subject to taxes in states where one or more of our services is taxable, the state permits taxation based upon economic nexus, and we meet certain thresholds. We are also, as before, subject to taxes in states in which we maintain a physical presence. We cannot guarantee complete tax compliance. We are required to comply with governmental export control laws and regulations ~~. Our~~ **, and our** failure to comply with these laws and regulations could have an adverse effect on our business and operating results. Our products are subject to various restrictions under U. S. export control and sanctions laws and regulations, including the U. S. Department of Commerce' s Export Administration Regulations (" EAR ") and various economic and trade sanctions regulations administered by the U. S. Department of the Treasury' s Office of Foreign Assets Control (" OFAC "). We may have experienced violations in the past and we cannot guarantee that the precautions we take will prevent future violations of export control and sanctions laws. If in the future we are found to be in violation of U. S. sanctions or export control laws, it could result in substantial fines and penalties for us and for the individuals working for us. **Engagement in and compliance with environmental, social, and governance (" ESG ") matters may require us to incur additional costs or otherwise adversely impact our business. Companies across all industries are experiencing increased scrutiny and litigation related to their ESG practices, positions, and reporting. Increased attention to ESG issues, including, among other things, climate change and greenhouse gas emissions, and diversity, equity, and inclusion matters, may result in increased costs (e. g., costs related to compliance, stakeholder engagement and contracting), impact our reputation, or otherwise affect our business performance. In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on ESG matters. Such ratings are used by some investors to inform their investment or voting decisions. Unfavorable ESG ratings could affect our ability to compete for talent and could lead to negative investor sentiment toward us and / or our industry, which could have a negative impact on our access to and costs of capital. Our disclosures on ESG matters, and any standards we may set for ourselves or a failure to meet these standards, may influence our reputation and the value of our brand. For example, California recently adopted two new climate- related bills, which require companies doing business in California that meet certain revenue thresholds to publicly disclose certain greenhouse gas emissions data and climate- related financial risk reports, as well as the Voluntary Market Disclosures Act which requires companies to make certain disclosures regarding their greenhouse gas emissions claims and the voluntary carbon offsets they purchase or sell. In addition, the SEC has proposed disclosure requirements regarding, among other ESG topics, the impact our business has on the environment. Our business may face increased scrutiny related to these activities and our related disclosures, including from the investment community, and our failure to achieve progress or manage the dynamic public sentiment and legal landscape in these areas on a timely basis could adversely affect our reputation, business, and financial performance.** The interpretation and application of U. S. tax legislation or other changes in U. S. or non- U. S. taxation of our operations could harm our business, revenue and financial results. Tax reform has been a priority for governments worldwide and numerous proposals have been proposed or enacted. For example, the 2017 Tax Cuts and Jobs Act (the " Tax Act ") changed how the United States imposes income tax on multinational corporations in a number of ways. The issuance of additional regulatory or accounting guidance may affect our analysis of the impact of the law on us and may harm our operating results and financial condition. Furthermore, the Tax Act eliminated the option to deduct research and development expenses in the current period and requires taxpayers to capitalize and amortize these expenses. Although Congress ~~may~~ **is** ~~consider~~ **considering** legislation that would defer the capitalization and amortization requirement, there is no assurance that the provision will be repealed or otherwise modified. If the requirement is not repealed or modified, our net operating loss **and tax credit** utilization will be accelerated. Additionally, further regulatory or legislative developments may also arise from the recently enacted Inflation Reduction Act, which introduced new provisions, including a 15 % corporate alternative minimum tax for certain large corporations and an excise tax on stock repurchases. These provisions ~~will be~~ **were first** effective **in fiscal** ~~for the tax~~ year ~~after December 31, 2022~~ **2023** and may materially affect our financial position and results of operations. Our ability to use our net operating loss carryforwards and certain other tax attributes may be subject to certain limitations. As of December 31, ~~2022~~ **2023** , we had U. S. federal net operating loss carryforwards (" NOLs ") and tax credits (collectively," tax attributes"), of approximately $ ~~79~~ **13** . ~~8~~ **1** million and $ ~~14~~ **16** . ~~6~~ **9** million, respectively. Utilization of our net operating loss carryforwards and other tax attributes, such as research and development tax credits, may be subject to annual limitations, or could be subject to other limitations on utilization or benefit due to the ownership change limitations provided by Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the " Code "), and other similar provisions. Further, the Tax Act changed the federal rules governing net operating loss carryforwards. For net operating loss carryforwards arising in tax years beginning after December 31, 2017, the Tax Act limits a taxpayer' s ability to utilize such carryforwards to 80 % of taxable income. In addition, net operating loss carryforwards arising in tax years ending after December 31, 2017 can be carried forward indefinitely, but carryback is generally prohibited. Net operating loss carryforwards generated before January 1, 2018 will not be subject to the Tax Act' s taxable income limitation and will continue to have a twenty- year carryforward period. Our tax attributes may also be impaired under state laws. Furthermore, our ability to utilize tax attributes of companies that we may acquire in the future may be subject to limitations. There is also a risk that due to regulatory changes, such as suspensions on the use of tax attributes, or other unforeseen reasons, our existing tax attributes could expire or otherwise be unavailable to offset future income tax liabilities. For these reasons, we may not be able to realize a tax benefit from the use of our tax attributes, ~~whether~~ **regardless of** ~~or~~ **our** ~~not we attain~~ profitability. Risks Related to ~~Ownership of Our Common Stock The market price~~ **Intellectual Property We have faced claims that we infringe third- party intellectual property rights. We utilize various technologies to provide video to users** and ~~trading volume~~ **subscribers over the Internet. We have fielded claims from holders** of **intellectual property that our use of these technologies infringes one** ~~our~~ - **or more patents** ~~common stock has been~~ , and ~~may continue~~ **, in some cases, the damage amounts claimed are significant. For example, we recently fielded claims from a media and telecommunications company that our use of adaptive bitrate streaming technologies infringes patents** to **such techniques. Although we disagree with such claims and intend to defend against them, if we are unsuccessful, we could** be **required** ~~, volatile and has faced, and may continue~~ to ~~face, negative pressure~~ **pay monetary damages that could have a materially adverse effect on our results of operations or financial condition or be subject to injunctive relief that could have a materially adverse effect on our ability to operate** . The market price of our common stock has been and will likely continue to be volatile and could be subject to fluctuations in response to various factors, some of which are beyond our control. These fluctuations could cause you to lose all or part of your investment in our common stock. Factors that could cause fluctuations in the trading price of our common stock include ~~the following~~ : • actual or anticipated fluctuations in our operating results; • domestic and worldwide economic conditions, including employment rates, inflation and interest rates; • actions of securities analysts who initiate or maintain coverage of us, changes in earnings estimated by securities analysts or in our ability to meet those estimates; • the operating and stock price performance of comparable companies; • significant data breaches, disruptions to, or other incidents involving our products; • changes to the regulatory and legal environment under which we operate; • announcements by us or our competitors of new products, features, or services; and • changes in relationships with significant customers. These factors, among others, may result in short- or long- term negative pressure on the value of our common stock. In addition, technology stocks have historically and recently experienced high levels of volatility. In the past, companies that have experienced volatility in the market price of their securities have been subject to securities class action litigation. We may be the target of this type of litigation in the future, which could result in substantial expenses and divert our management' s attention. Barry Diller and Joseph Levin are able to exercise significant influence over the composition of our Board of Directors, matters subject to stockholder approval and our operations. As of December 31, ~~2022~~ **2023** , Mr. Diller **and his stepson Alexander von Furstenberg, who serves as a member of our Board of Directors,** collectively held **(directly and through certain trusts)** shares of our **capital** ~~Class B common stock and common~~ stock that represent approximately 38 % of our total outstanding voting power. **Additionally,** ~~These shares are also subject to a voting agreement with~~ Mr. Levin, Chief Executive Officer of IAC Inc. (~~"~~ **"** IAC ~~"~~ **"**) and ~~the chairman of~~ **Special Advisor to** our Board of Directors **held approximately 2 % of our total outstanding voting power** . As a result of this beneficial ownership of our securities, such individuals are, collectively, in a position to influence (subject to our organizational documents and Delaware law), the composition of our Board of Directors and the outcome of corporate actions requiring shareholder approval, such as mergers, business combinations and dispositions of assets, among other corporate transactions. The disparity between the voting power of the holders of our Class B common stock and the corresponding economic ownership position could also create incentives for such holders to either seek to obtain benefits for themselves (in the form of compensation or other contractual benefits, for example) in a form not available to all stockholders on a pro rata basis. In addition, this concentration of investment and voting power could discourage others from initiating a potential merger, takeover or other change of control transaction that may otherwise be beneficial to us and our stockholders, which could adversely affect the market price of our securities. In addition, the holders of our Class B common stock could sell all or a portion of those shares to a third party, which could result in the purchaser obtaining significant influence over us, the composition of our Board of Directors, matters subject to stockholder approval and our operations, without consideration being paid to holders of shares of our common stock, and without holders of shares of our common stock having a right to consent to the identity of such purchaser. ~~Our dual- class common stock structure and aspects of our charter and by- laws may negatively impact the market price of our common stock. Our Class B common stock has 10 votes per share and our common stock has one vote per share. We cannot predict whether our dual- class common stock structure, combined with the concentrated voting power of Mr. Diller as the holder of all of our outstanding Class B common stock, will result in a lower or more volatile market price of our common stock, or other adverse consequences. For example, certain stock index providers, such as S & P Dow Jones, exclude companies with multiple classes of shares of common stock from being added to certain stock indices, including the S & P 500. In addition, several stockholder advisory firms and large institutional investors oppose the use of multiple class structures. As a result, the dual class structure of our capital stock may prevent the inclusion of our common stock in such indices, may cause stockholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure, and may result in large institutional investors not purchasing shares of our common stock. Any exclusion from stock indices could result in a less active trading market for our common stock. Any actions or publications by stockholder advisory firms or institutional investors critical of our corporate governance practices or capital structure could also adversely affect the value of our common stock. The difference in the voting rights between our common stock and Class B common stock could also harm the value of our common stock to the extent that any investor or potential future purchaser of our common stock ascribes value to the right of holders of our Class B common stock to ten votes per share of Class B common stock, or could potentially result in our Class B common stock of receiving higher consideration in a sale of our company than that paid to holders of our common stock. The existence of two classes of common stock could also result in less liquidity for our common stock than if there were only one class of common stock. In addition, our charter and by- laws require securities actions to be brought in federal court and derivative actions to be filed in Delaware. These features may impact the value of our stock. We do not expect to declare any regular cash dividends in the foreseeable future. Vimeo, Inc. has never declared or paid any cash dividends on its capital stock, and we do not intend to pay any cash dividends in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our Board of Directors. Accordingly, holders of our common stock may need to rely on sales of our common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment. Risks Relating to the Spin- off and our Relationship with IAC If the Spin- off were to fail to qualify as a transaction that is generally tax- free for U. S. federal income tax purposes, we and our stockholders could suffer material adverse consequences. As described more fully in Item 7 under the heading " Spin- off, " on May 25, 2021, Vimeo completed its separation from the remaining businesses of IAC through a series of transactions (which we refer to as the " Spin- off ") that resulted in the distribution of new capital stock to pre- transaction stockholders of IAC and stockholders of the pre- transaction Vimeo operating entity (which we refer to as the " Distribution "). In connection with the Spin- off, IAC received an opinion of IAC' s outside counsel, among other things, to the effect that the Distribution would qualify as a " reorganization " within the meaning of Sections 368 (a) (1) (D) and 355 (a) of the Internal Revenue Code of 1986, as amended (the" Code"). The opinion of counsel was based upon and relied on, among other things, various facts and assumptions, as well as certain representations, statements and undertakings of IAC and Vimeo, including those relating to the past and future conduct of IAC and Vimeo. If any of these representations, statements or undertakings was at the time of the Spin- off, is, or becomes, inaccurate or incomplete, or if any of the representations or covenants contained in any of the transaction- related agreements and documents or in any document relating to the opinion of counsel are inaccurate or not complied with by IAC, Vimeo or any of their respective subsidiaries, the opinion of counsel may be invalid and the conclusions reached therein could be jeopardized. Notwithstanding receipt of the opinion of counsel regarding the Distribution, the U. S. Internal Revenue Service (the " IRS ") could determine that the Distribution should be treated as a taxable transaction for U. S. federal income tax purposes if it determines that any of the representations, assumptions or undertakings upon which the opinion of counsel were based are inaccurate or have not been complied with. The opinion of counsel represents the judgment of such counsel and is not binding on the IRS or any court, and the IRS or a court may disagree with the conclusions in the opinion of counsel. Accordingly, notwithstanding receipt by IAC of the opinion of counsel, there can be no assurance that the IRS will not assert that the Distribution does not qualify for tax- free treatment for U. S. federal income tax purposes or that a court would not sustain such a challenge. In the event the IRS were to prevail with such a challenge, we and our stockholders could suffer material adverse consequences. If the Distribution were to fail to qualify as a transaction that is generally tax- free for U. S. federal income tax purposes under Sections 355 and 368 (a) (1) (D) of the Code, in general, for U. S. federal income tax purposes, IAC would recognize a taxable gain as if it had sold the Vimeo stock in a taxable sale for its fair market value. In such circumstance, IAC stockholders who received Vimeo common stock in the Distribution would be subject to tax as if they had received a taxable distribution equal to the fair market value of such shares. Even if the Distribution were otherwise to qualify as a tax- free transaction under Sections 355 (a) and 368 (a) (1) (D) of the Code, the Distribution may result in taxable gain to IAC, but not its stockholders, under Section 355 (e) of the Code if the Distribution were deemed to be part of a plan (or series of related transactions) pursuant to which one or more persons acquire, directly or indirectly, shares representing a 50 percent or greater interest (by vote or value) in IAC or Vimeo. For this purpose, any acquisitions of IAC stock or Vimeo stock within the period beginning two years before, and ending two years after, the Distribution are presumed to be part of such a plan, although IAC or Vimeo may be able to rebut that presumption (including by qualifying for one or more safe harbors under applicable regulations promulgated from time to time under the Code (collectively, " Treasury Regulations"). In connection with the Spin- off, IAC and Vimeo entered into a tax matters agreement pursuant to which, among other things, each of IAC and Vimeo are responsible for certain tax liabilities and obligations following the Spin- off. Under the tax matters agreement, Vimeo is generally required to indemnify IAC for any taxes resulting from the failure of the Distribution to qualify for the intended tax- free treatment (and related amounts) to the extent that the failure to so qualify is attributable to (i) an acquisition of all or a portion of the equity~~

~~securities or assets of Vimeo, whether by merger or otherwise (and regardless of whether Vimeo participated in or otherwise facilitated the acquisition), (ii) other actions or failures to act by Vimeo or (iii) any of the representations or undertakings made by Vimeo in any of the Spin- off related agreements or in the documents relating to the opinion of counsel being incorrect or violated. Any such indemnity obligations could be material. We may not be able to engage in desirable capital- raising or strategic transactions following the Spin- off. Under current U. S. federal income tax law, a distribution that otherwise qualifies for tax- free treatment can be rendered taxable to the distributing corporation and its stockholders, as a result of certain post-distribution transactions, including certain acquisitions of shares or assets of the corporation the stock of which is distributed. To preserve the tax- free treatment of the Distribution, the tax matters agreement imposes certain restrictions on us and our subsidiaries during the two- year period following the Distribution (including restrictions on share issuances, business combinations, sales of assets and similar transactions). The tax matters agreement also prohibits us from taking or failing to take any other action that would prevent the Distribution from qualifying as a transaction that is generally tax- free for U. S. federal income tax purposes under Sections 355 and 368 (a) (1) (D) of the Code. These restrictions may limit our ability to pursue certain equity issuances, strategic transactions (including acquisitions by others of the Company), repurchases or other transactions that we may otherwise believe to be in the best interests of our stockholders or that might increase the value of our business.~~ Actual or potential conflicts of interest may develop between our management and directors, on the one hand, and the management and directors of IAC, on the other hand, or between management and directors of either entity and the management and directors of Expedia Group, Inc. or Match Group, Inc. Certain of our and IAC' s executive officers and directors own both IAC capital stock and Vimeo capital stock, and certain members of **our Board of Directors are affiliated with** IAC ~~' s senior management team are members of our Board of Directors~~. This overlap could create, or appear to create, potential conflicts of interest when IAC' s and our directors and executive officers face decisions that could have different implications for IAC and Vimeo. For example, potential conflicts of interest could arise in connection with the resolution of any dispute between IAC and Vimeo regarding terms of the agreements governing the relationship between IAC and Vimeo after the Spin- off, including the separation agreement, the employee matters agreement, the tax matters agreement, the transition services agreement or any commercial agreements between the parties or their affiliates. Potential conflicts of interest could also arise if IAC and Vimeo enter into any commercial arrangements in the future. Additionally, we have a provision in our certificate of incorporation providing that no officer or director of Vimeo who is also an officer or director of IAC, Expedia Group or Match Group will be liable to Vimeo or our stockholders for breach of any fiduciary duty by reason of the fact that any such individual directs a corporate opportunity to any of such entities instead of Vimeo, or does not communicate information regarding a corporate opportunity to Vimeo that the officer or director has directed to any of such entities. The corporate opportunity provision may have the effect of exacerbating the risk of potential conflicts of interest between IAC and Vimeo, or between Vimeo and Expedia Group or Match Group, because the provision effectively shields an overlapping director / executive officer from liability for breach of fiduciary duty in the event that such director or officer chooses to direct a corporate opportunity to one of such entities instead of to Vimeo. **Our Class B common stock has 10 votes per share and our common stock has one vote per share. We cannot predict whether our dual- class common stock structure, combined with the concentrated voting power of Mr. Diller as the holder of all of our outstanding Class B common stock, will result in a lower or more volatile market price of our common stock, or other adverse consequences. For example, certain stock index providers, such as S & P Dow Jones, exclude companies with multiple classes of shares of common stock from being added to certain stock indices, including the S & P 500. In addition, several stockholder advisory firms and large institutional investors oppose the use of multiple class structures. As a result, the dual class structure of our capital stock may prevent the inclusion of our common stock in such indices, may cause stockholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure, and may result in large institutional investors not purchasing shares of our common stock. Any exclusion from stock indices could result in a less active trading market for our common stock. Any actions or publications by stockholder advisory firms or institutional investors critical of our corporate governance practices or capital structure could also adversely affect the value of our common stock. The difference in the voting rights between our common stock and Class B common stock could also harm the value of our common stock to the extent that any investor or potential future purchaser of our common stock ascribes value to the right of holders of our Class B common stock to ten votes per share of Class B common stock, or could potentially result in holders of our Class B common stock receiving higher consideration in a sale of our company than that paid to holders of our common stock. The existence of two classes of common stock could also result in less liquidity for our common stock than if there were only one class of common stock. In addition, our charter and by- laws require securities actions to be brought in federal court and derivative actions to be filed in Delaware. These features may impact the value of our stock. We do not expect to declare any regular cash dividends in the foreseeable future. Vimeo, Inc. has never declared or paid any cash dividends on its capital stock, and we do not intend to pay any cash dividends in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our Board of Directors. Accordingly, holders of our common stock may need to rely on sales of our common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment.**