FORM 6-K

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

REPORT OF FOREIGN ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of May 2022

Commission File Number: 001-40394

Similarweb Ltd.
(Translation of registrant's name into English)

121 Menachem Begin Rd.,
Tel Aviv-Yafo 6701203, Israel
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F [X] Form 40-F [ ]

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): [ ]

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): [ ]

EXHIBIT INDEX

On May 10, 2022, Similarweb Ltd. will hold a conference call regarding its financial results for the first quarter ended March 31, 2022. A copy of the related press release is furnished as Exhibit 99.1 hereto.

Exhibit 99.1, other than the portions of Exhibit 99.1 under the caption "Financial Outlook", is hereby expressly incorporated by reference into the registrant's registration statement on Form S-8 filed with the Securities and Exchange Commission on April 15, 2022 (File no. 333-264307) and on May 20, 2021 (File No. 333-256324).

Exhibit No.	Description
99.1	Press Release of Similarweb Ltd., dated May 10, 2022
99.2	Shareholder letter, dated May 10, 2022

SIGNATURES

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

Similarweb Ltd.

Date: May 10, 2022

By: /s/ Jason Schwartz
Jason Schwartz
Chief Financial Officer

SIMILARWEB ANNOUNCES RECORD FIRST QUARTER 2022 RESULTS

First quarter 2022 revenue grew 51% year-over-year to $44.3 million

NRR for $100K+ ARR customers increased to 127%

Remaining performance obligations increased 68% year-over-year to $159.1 million

TEL AVIV, ISRAEL -- May 10, 2022 -- Similarweb Ltd. (NYSE: SMWB) ("Similarweb" or the "Company"), a leading digital intelligence company, today announced financial results for its first quarter ended March 31, 2022. The Company published a letter to shareholders from management discussing these results, which can be accessed at the link: https://ir.similarweb.com/financials/quarterly-results, located on the Company's investor relations website.

“We are strong out of the gate in 2022 with another record-breaking quarter,” said Or Offer, Founder and CEO of Similarweb. “Our customers are benefiting tremendously from the critical insights we provide that help them win in their markets and accelerate their growth. Our momentum continues to build and we are extremely excited about what lies ahead".

First Quarter 2022 Financial Highlights

- Total revenue was $44.3 million, an increase of 51% compared to $29.4 million for the first quarter of 2021.
- GAAP operating loss was $(26.2) million, compared to $(11.6) million for the first quarter of 2021.
- GAAP net loss per share was $(0.34), compared to $(0.78) for the first quarter of 2021.
- Non-GAAP operating loss was $(19.8) million, compared to $(8.7) million for the first quarter of 2021.
- Non-GAAP operating loss per share was $(0.26), compared to $(0.56) for the first quarter of 2021.
- Cash and cash equivalents totaled $125.0 million as of March 31, 2022, compared to $128.9 million as of December 31, 2021.

- Free cash flow was $(4.3) million, compared to $1.9 million for the first quarter of 2021.
- Normalized free cash flow was $(4.0) million, compared to $1.9 million for the first quarter of 2021.

Recent Business Highlights

- Grew number of customers to 3,664 as of March 31, 2022, an increase of 27% compared to March 31, 2021.
- Grew average annual revenue per customer to approximately $49,500 in the first quarter of 2022, an increase of 18% compared to the first quarter of 2021.
- Grew number of customers with ARR of $100,000 or more to 297, an increase of 48% compared to March 31, 2021.
- Customers with ARR of $100,000 or more contributed 53% of the total ARR as of March 31, 2022, compared to 49% as of March 31, 2021.
- Dollar-based net retention rate for customers with ARR of $100,000 or more increased to 127% as compared to 115% in the first quarter of 2021.
- Overall dollar-based net retention rate increased to 115% as compared to 103% in the first quarter of 2021.
- Multi-year deals now comprise 35% of our overall ARR, compared to 26% as of March 31, 2021.
- Remaining performance obligations increased 68% year over year, to $159.1 million as of March 31, 2022, as compared to $94.9 million as of March 31, 2021.

Financial Outlook

"We are excited about our strong start and record-breaking quarter" said Jason Schwartz, Chief Financial Officer of Similarweb. "Our investments across the business contributed momentum that fuels our growth. We are raising our outlook for the full year 2022".

- Q2 2022 Guidance
  - Total revenue between $45.5 million and $45.9 million, representing 41% growth year over year at the mid-point of the range.
  - Non-GAAP operating loss between $(23.0) million and $(23.5) million. This includes Non-GAAP gross margin anticipated in the range of 73% to 74%.
- FY 2022 Guidance
  - Total revenue between $196.0 million and $197.0 million, representing 43% growth year over year at the mid-point of the range.
  - Non-GAAP operating loss between ($82) million and ($83) million, which includes Non-GAAP gross margin anticipated in the range of 75% to 76%, reflecting continued investment to further expand our data moats through the previously reported acquisitions of Embee Mobile and SimilarTech, and the data licensing agreement with data.ai (formerly App Annie), as well as increased investment in research and development and in our go-to-market which is designed to support our continued growth plans.

The Company's second quarter and full year 2022 financial outlook is based upon a number of assumptions that are subject to change and many of which are outside the Company's control. Actual results may vary from these assumptions, and the Company's expectations may change. There can be no assurance that the Company will achieve these results.

The Company does not provide guidance for operating loss and gross margin, the most directly comparable GAAP measures to non-GAAP operating loss and non-GAAP gross margin, respectively, and similarly cannot provide a reconciliation to these measures to their closest GAAP equivalents without unreasonable effort due to the unavailability of reliable estimates for certain items. These items are not within the Company's control and may vary greatly between periods and could significantly impact future financial results.

Conference Call Information

The financial results and business highlights will be discussed on a conference call and webcast scheduled at 8:30 a.m. Eastern Time on Wednesday, May 11, 2022. A live webcast of the call can be accessed from Similarweb's Investor Relations website at https://ir.similarweb.com. An archived webcast of the conference call will also be made available on the Similarweb website following the call. The live call may also be accessed via telephone at (877) 407-0726 toll-free and at (201) 689-7806 internationally.

About Similarweb: As a trusted platform for understanding online behavior, millions of people rely on Similarweb insights to strengthen their knowledge of the digital world. We empower anyone — from the curious individual to the enterprise business leader — to make smarter decisions by understanding why things happen across the digital ecosystem.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements relating to our guidance for the second quarter and full year of 2022 described under "Financial Outlook". . Forward-looking statements include all statements that are not historical facts. Such statements may be preceded by the words “intends,” “may,” “will,” “plans,” “expects,” “anticipates,” “projects,” “predicts,” “estimates,” “aims,” “believes,” “hopes,” “potential” or similar words. These forward-looking statements reflect our current views regarding our intentions, products, services, plans, expectations, strategies and prospects, which are based on information currently available to us and assumptions we have made. Actual results may differ materially from those described in such forward-looking statements and are subject to a variety of assumptions, uncertainties, risks and factors that are beyond our control. Such risks and uncertainties include, without limitation, risks and uncertainties associated with (i) challenges associated with forecasting our revenue given our recent growth and rapid technological development, (ii) our history of net losses and desire to increase operating expenses, thereby limiting our ability to achieve profitability, (iii) challenges related to effectively managing our growth, (iv) intense competition in the market and services categories in which we participate, (v) potential reductions in participation in our contributory network and/or increase in the volume of opt-out requests from individuals with respect to our collection of their data, or a decrease in our direct measurement dataset, which could lead to a deterioration in the depth, breadth or accuracy of our data, (vi) our inability to attract new customers and expand subscriptions of current customers, (vii) changes in laws, regulations, and public perception concerning data privacy or change in the patterns of enforcement of existing laws and regulations, (viii) our inability to introduce new features or solutions and make enhancements to our existing solutions, (ix) real or perceived errors, failures, vulnerabilities or bugs in our platform, (x) potential security breaches to our systems or to the systems of our third-party service providers, (xi) our inability to obtain and maintain comprehensive and reliable data to generate our insights, (xii) changes in laws and regulations related to the Internet or changes in the Internet infrastructure itself that may diminish the demand for our solutions, (xiii) failure to effectively develop and expand our direct sales capabilities, which could harm our ability to increase the number of organizations using our platform and achieve broader market acceptance for our solutions and (ix) the impact that global events, such as ongoing COVID-19 pandemic, including variants of COVID-19 or other public health crises and the Russian military operations in Ukraine, and any related economic downturn could have on our or our customers' businesses, financial condition and results of operations.

These risks and uncertainties are more fully described in our filings with the Securities and Exchange Commission, including in the section entitled “Risk Factors” in our Form 20-F filed with the Securities and Exchange Commission on March 25, 2022, and subsequent reports that we file with the Securities and Exchange Commission. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, we cannot guarantee future results, levels of activity, performance, achievements, or events and circumstances reflected in the forward-looking statements will occur.

Forward-looking statements represent our beliefs and assumptions only as of the date of this press release. Except as required by law, we undertake no duty to update any forward-looking statements contained in this release as a result of new information, future events, changes in expectations or otherwise.

Non-GAAP Financial Measures

This press release contains certain financial measures that are expressed on a non-GAAP basis. We use these non-GAAP financial measures internally to facilitate analysis of our financial and business trends and for internal planning and forecasting purposes. We believe these non-GAAP financial measures, when taken collectively, may be helpful to investors because they provide consistency and comparability with past financial performance by excluding certain items that may not be indicative of our business, results of operations, or outlook. However, non-GAAP financial measures have limitations as an analytical tool and are presented for supplemental informational purposes only. They should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Free cash flow represents net cash provided by (used in) operating activities less capital expenditures and capitalized internal-use software costs. Normalized free cash flow represents free cash flow less capital investments related to the Company's new headquarters and payments received in connection with these capital investments. Non-GAAP operating income (loss), non-GAAP gross profit, Non-GAAP research and development expenses, non-GAAP sales and marketing expenses and non-GAAP general and administrative expenses represents the comparable GAAP financial figure operating income (loss) or expense, less share-based compensation, adjustments and payments related to business combinations, amortization of intangible assets and certain other non-recurring items, as applicable and indicated in the above tables..

Other Metrics

Customer acquisition costs (CAC) represent the portion of sales and marketing expenses allocated to acquire new customers. Customer retention costs (CRC) represent the portion of sales and marketing expenses allocated to retain existing customers and to increase existing customers' subscriptions. Annual recurring revenue (ARR) represents the annualized subscription revenue we would contractually expect to receive from customers assuming no increases or reductions in their subscriptions. CAC payback period is the estimated time in months to recover CAC in terms of incremental gross profit that newly acquired customers generate. Net retention rate (NRR) represents the comparison of our ARR from the same set of customers as of a certain point in time, relative to the same point in time in the previous year ago period, expressed as a percentage.

Exhibit 99.1

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press@similarweb.com

Investor Contact:
Raymond "RJ" Jones
Similarweb
ir@similarweb.com

Similarweb Ltd.
Consolidated Balance Sheet
U.S. dollars in thousands (except share and per share data)

	December 31, 2021	March 31, 2022 (Unaudited)
Assets		
Current assets:		
Cash and cash equivalents	$ 128,879	$ 125,019
Restricted deposits	11,474	11,462
Accounts receivable, net	31,017	30,531
Deferred contract costs	8,470	9,512
Prepaid expenses and other current assets	7,847	10,986
Total current assets	187,687	187,510
Property and equipment, net	6,356	20,054
Deferred contract costs, non-current	9,208	9,933
Operating lease right-of-use assets	—	40,760
Intangible assets, net	11,617	10,576
Goodwill	11,318	11,318
Other non-current assets	813	813
Total assets	**$ 226,999**	**$ 280,964**
Liabilities and shareholders' (deficit) equity		
Current liabilities:		
Accounts payable	$ 11,303	$ 27,020
Payroll and benefit related liabilities	17,969	20,264
Deferred revenues	76,676	89,656
Other payables and accrued expenses	28,199	28,394
Operating lease liabilities	—	504
Total current liabilities	134,147	165,838
Deferred revenues, non-current	2,074	1,612
Operating lease liabilities, non-current	—	46,032

Deferred rent	2,602	—
Other long-term liabilities	3,262	3,200
Total liabilities	142,085	216,682
Shareholders' (deficit) equity		
Ordinary Shares, NIS 0.01 par value 500,000,000 shares authorized as of December 31, 2021 and March 31, 2022 (unaudited), 74,847,609 and 75,397,202 shares issued as of December 31, 2021 and March 31, 2022 (unaudited), 74,845,441 and 75,395,034 outstanding as of December 31, 2021 and March 31, 2022 (unaudited), respectively;	205	207
Additional paid-in capital	324,614	329,503
Accumulated other comprehensive income	160	246
Accumulated deficit	(240,065)	(265,674)
Total shareholders' equity	84,914	64,282
Total liabilities and shareholders' equity	**$ 226,999**	**$ 280,964**

Similarweb Ltd.

Consolidated Statement of Comprehensive Income (Loss)

U.S. dollars in thousands (except share and per share data)

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2022
	(Unaudited)	
Revenues	$ 29,413	$ 44,280
Cost of revenues	6,273	13,095
Gross profit	23,140	31,185
Operating expenses:		
Research and development	8,984	14,713
Sales and marketing	19,600	30,342
General and administrative	6,107	12,311
Total operating expenses	34,691	57,366
Loss from operations	(11,551)	(26,181)
Finance (expenses) income, net	(347)	822
Loss before income taxes	(11,898)	(25,359)
Income taxes	216	250
Net loss	$ (12,114)	$ (25,609)
Net loss per share attributable to ordinary shareholders, basic and diluted	$ (0.78)	$ (0.34)
Weighted-average shares used in computing net loss per share attributable to ordinary shareholders, basic and diluted	15,467,710	75,035,966
Net loss	(12,114)	(25,609)
Other comprehensive income (loss), net of tax		
Change in unrealized gain (loss) on cashflow hedges	(260)	86
Total other comprehensive income (loss), net of tax	(260)	86
Total comprehensive loss	$ (12,374)	$ (25,523)

Share-based compensation costs included above:

U.S. dollars in thousands

	Three Months Ended March 31,	
	2021	2022
	(in thousands)	
Cost of revenues	$ 30	$ 146
Research and development	1,365	1,209
Sales and marketing	626	1,373
General and administrative	861	1,075
Total	**$ 2,882**	**$ 3,803**

Similarweb Ltd.

Consolidated Statement of Cash Flows

U.S. dollars in thousands

	Three Months Ended March 31,	
	2021	2022
	(Unaudited)	
Cash flows from operating activities:		
Net loss	$ (12,114)	$ (25,609)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	520	3,049
Finance expense	149	231
Unrealized (gain) loss from hedging future transactions	(75)	4
Share-based compensation	2,882	3,803
Provision for accrued interest on Credit Facility	(53)	—
Changes in operating assets and liabilities:		
Operating lease right-of-use assets and liabilities, net	—	3,177
Decrease in accounts receivable, net	925	486
Increase in deferred contract costs	(1,118)	(1,767)
(Decrease) increase in prepaid expenses and other current assets	(240)	1,104
Increase in other non-current assets	(900)	—
Increase in accounts payable	1,989	1,494
Increase in deferred revenue	9,448	12,518
Decrease in deferred rent	(121)	—
Increase (decrease) in other long-term liabilities	140	(62)
Increase in other payables and accrued expenses	897	2,486
Net cash provided by operating activities	2,329	914
Cash flows from investing activities:		
Purchases of property and equipment, net	(451)	(4,784)
Capitalized internal-use software costs	—	(380)
(Increase) decrease in restricted deposits	(488)	12
Decrease in short-term investments	9,975	—
Net cash provided by (used in) investing activities	9,036	(5,152)

Cash flows from financing activities:		
Payment of deferred offering costs	(387)	—
Proceeds from exercise of share options	338	609
Borrowings under Credit Facility	30,000	—
Repayment of Credit Facility	(26,800)	—
Net cash provided by financing activities	3,151	609
Effect of exchange rates on cash and cash equivalents	(149)	(231)
Net increase (decrease) in cash and cash equivalents	14,367	(3,860)
Cash and cash equivalents, beginning of period	23,943	128,879
Cash and cash equivalents, end of period	$ 38,310	$ 125,019
Supplemental disclosure of cash flow information:		
Interest paid	$ 391	$ (17)
Taxes paid	$ 134	$ 60
Supplemental disclosure of non-cash operating, investing and financing activities:		
Offering costs incurred during the period included in accounts payable and accrued expenses	$ 971	$ —
Additions to operating lease right-of-use assets and liabilities	$ —	$ 4,279
Deferred proceeds from exercise of share options included in other current assets	$ —	$ 479
Deferred costs of property and equipment incurred during the period included in accounts payable	$ —	$ 10,542

Reconciliation of Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures

Reconciliation of GAAP gross profit to non-GAAP gross profit

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2022
	(In thousands)	
GAAP gross profit	$ 23,140	$ 31,185
Add:		
Share-based compensation expenses	30	146
Retention payments related to business combinations	—	690
Amortization of intangible assets related to business combinations		1,041
Non-recurring expenses related to termination of lease agreement and others		9
Non-GAAP gross profit	**$ 23,170**	**$ 33,071**
Non-GAAP gross margin	**79 %**	**75 %**

Reconciliation of Loss from operations (GAAP) to Non-GAAP operating loss

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2022
	(In thousands)	
Loss from operations	$ (11,551)	$ (26,181)
Add:		
Share-based compensation expenses	2,882	3,803
Adjustment of fair value of contingent consideration related to business combinations	—	552
Retention payments related to business combinations	—	712
Amortization of intangible assets related to business combinations	—	1,041
Non-recurring expenses related to termination of lease agreement and others	—	318
Non-GAAP operating loss	**$ (8,669)**	**$ (19,755)**
Non-GAAP operating margin	**(29)%**	**(45)%**

Reconciliation of GAAP operating expenses to non-GAAP operating expenses

	Three Months Ended March 31,	
	2021	2022
	(In thousands)	
GAAP research and development	$ 8,984	$ 14,713
Less:		
Share-based compensation expenses	1,365	1,209
Non-recurring expenses related to termination of lease agreement and others	—	23
Non-GAAP research and development	**$ 7,619**	**$ 13,481**
GAAP sales and marketing	$ 19,600	$ 30,342
Less:		
Share-based compensation expenses	626	1,373
Retention payments related to business combinations	—	22
Non-recurring expenses related to termination of lease agreement and others	—	271
Non-GAAP sales and marketing	**$ 18,974**	**$ 28,676**
GAAP general and administrative	$ 6,107	$ 12,311
Less:		
Share-based compensation expenses	861	1,075
Adjustment of fair value of contingent consideration related to business combinations	—	552
Non-recurring expenses related to termination of lease agreement and others	—	15
Non-GAAP general and administrative	**$ 5,246**	**$ 10,669**

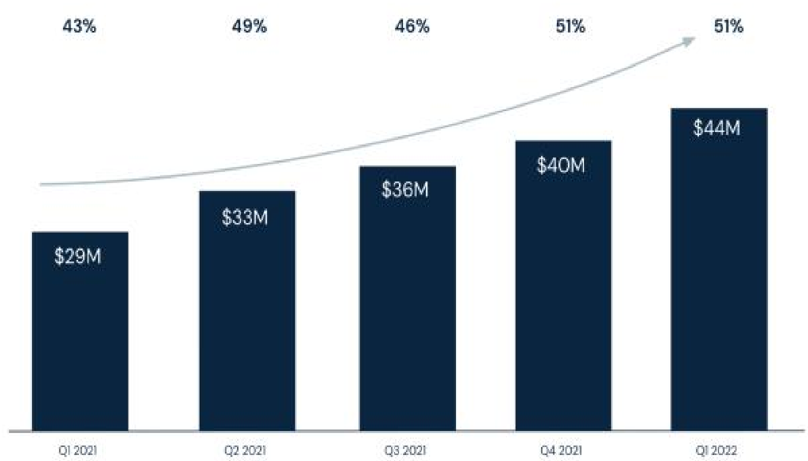
Reconciliation of Net cash used in operating activities (GAAP) to Free cash flow and normalized free cash flow

	Three Months Ended March 31,	
	2021	2022
	(In thousands)	
Net cash provided by operating activities	$ 2,329	$ 914
Purchases of property and equipment, net	(451)	(4,784)
Capitalized internal use software costs	—	(380)
Free cash flow	**$ 1,878**	**$ (4,250)**
Purchases of property and equipment related to the new headquarters	—	4,456
Payments received in connection with purchases of property and equipment	—	(4,169)
Normalized free cash flow	**$ 1,878**	**$ (3,963)**

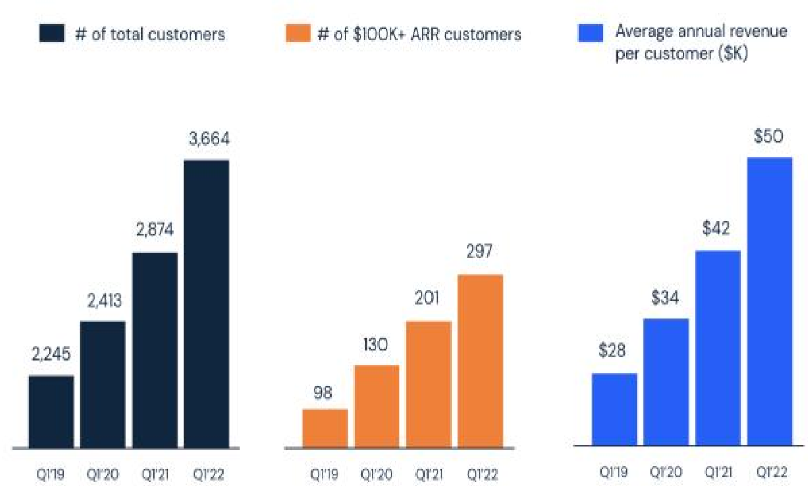
Dear Shareholders,

Building off our excellent momentum and performance in 2021, we started this year strong and delivered very positive first quarter 2022 results.

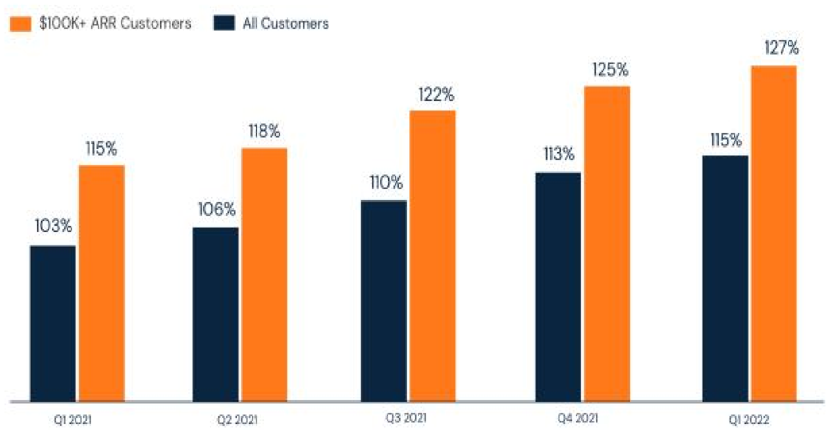
Our growth trended robustly in the first quarter of 2022. Revenue reached $44.3 million, which exceeded our expectations, and grew 51% year-over-year.



Our customer base increased to 3,664 accounts as of March 31, 2022, representing growth of 27% from last year at this time. The average revenue per account was approximately $49,500 and increased nearly 18% compared to Q1 last year.



Importantly, we achieved a record overall net revenue retention rate, or NRR, of 115% in the quarter and a rate of 127% for our $100K+ annual recurring revenue (ARR) customer segment, the fifth consecutive quarter of expansion.



In summary, we completed our first year as a public company with excellent growth and increasing momentum. While this is quite an achievement, these are still very early days for us. We believe there is the opportunity for the long term durability of demand for our growth platform, as companies continue to invest in digital transformation and increasingly rely on digital means to operate and grow.

Favorable Global Trends

We see three worldwide trends that are beneficial to the growth of our company.

First, the **Digital Transformation** Age has arrived. We have become an "online first society" when searching for information, shopping for nearly everything and seeking recreation. The more our world becomes digital first, brands will be increasingly dependent on digital as their source of customer and revenue growth. We believe Similarweb is the leading solution and compass to help brands win and grow in the digital world.

Second, businesses have become more and more **data-driven** and reliant on data to drive their operations, as technology today enables them to collect and analyze more data faster and easier. And companies spend billions to collect and analyze data on their own

operations, but being data-driven is not enough. They need a solution that gives them the context, and helps them make sense of and benchmark their performance against market data, to see what "good" looks like, and seize untapped opportunities. We believe Similarweb has the best and most accurate data to help companies make the right strategic decisions.

Third, we are entering a new era where **privacy** and security concerns take center stage. The increasing number of walled gardens of the digital world are making it harder on brands to access critical audience data about their own audience. As third party cookies are eliminated, and control of identifiers for advertisers (IDFAs) moves into the hands of consumers, companies will become increasingly dependent on market research and market data to gain visibility into their performance within the digital world. As a result, we believe Similarweb solutions are becoming more mission critical than ever.

We are positioned to benefit from these trends, as our customers' growth challenges represent our opportunities.

Strategy Execution

As we enter 2022, we have powerful momentum and are focused on driving consistent growth in pursuit of our three-year objectives. Our sights are set on reaching $450 million to $500 million in ARR when we exit 2024.

To stay on that trajectory this year, our performance will need to originate from: 1) substantial data and technology advantages we seek to maintain and enhance, 2) outstanding return on investment that we offer our customers through our digital intelligence solutions, and 3) successful execution of our go-to-market strategies, catalyzed by smart investments. Uplifting our efforts are the powerful undercurrents of digital transformation trends impacting the industries we serve globally.

Our web-and-app intelligence solutions reveal the competitive landscape in the digital world. The actionable data and insights we deliver enable our customers to optimize their digital performance and ignite their growth.

Our customers are excited about our solutions because we help them achieve a distinct competitive edge. We provide timely, highly valuable, market-based digital signals to company decision-makers who are responsible for driving revenue growth. Our digital

intelligence solutions are designed to enable our customers to understand their markets better than their competitors, to take action faster, and to win in the digital world.

The combination of our proprietary artificial intelligence with our deep bench of talented data scientists and engineers helps our customers succeed. We constantly gather and process vast amounts of data generated by activity in the digital world, from which we distill the most important growth signals for our customers to leverage. In this era of digital transformation for businesses, we stand out because we illuminate opportunities and facilitate speed. We offer an advanced competitive intelligence and analytics software service, which provides compelling solutions in digital marketing, sales, market research, and ecommerce strategy, as well as reliable and timely alternative data for the investment community.

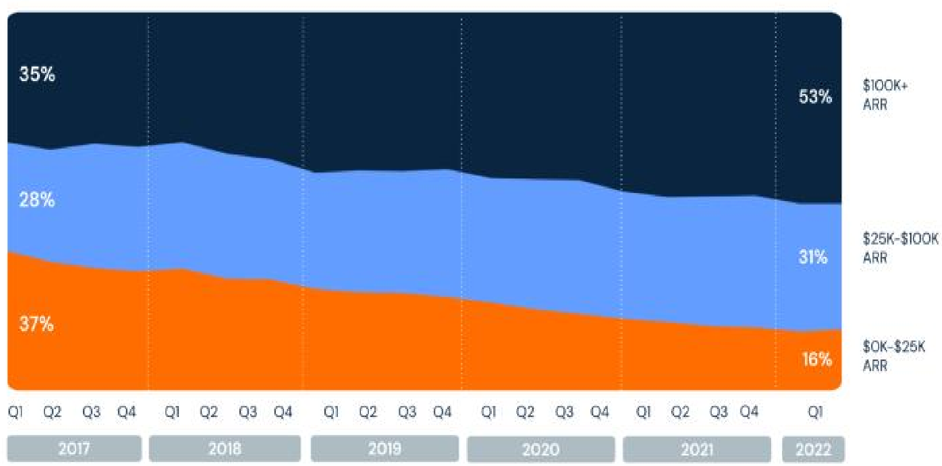
Our data, technology and insights are dynamic. We seek to constantly innovate and improve upon our breadth of data acquisition, our depth of measurement, our speed of accurate insight creation, and our development of use cases. This quarter we made major investments and improvements to our mobile web data sets - across referrals, keywords and traffic. For over 10 years, we've been working relentlessly on solving the incredibly challenging problem of measuring and predicting digital behavior and determining its most valuable implications for companies and organizations around the world.

To succeed in their respective industries, businesses must address perpetual strategic growth questions, namely: *How do we grow our demand? How do we grow our product portfolio? How do we grow our market share? How do we grow our audience and customers? How do we grow our sales?* Similarweb provides companies with contextual answers to these questions and more. We give companies visibility into the digital world that they do not have on their own, along with insights that guide them on what to do next in order to grow.

Strong customer demand for our growth-enabling intelligence drove positive results across our product portfolio in the first quarter. When looking at our customer segments by industry, revenue grew fastest in B2B services, such as adtech and software companies. Our largest revenue contributions continued to come from transactional services, such as retail, travel, financial services and consumer-product companies. The effectiveness of our sales efforts continued in the first quarter, both direct and indirect. As of March 31, 2022, nearly 80% of our customer base currently purchased more than one

solution. Our go-to-market execution continues to be highly efficient globally, with 54% of our revenue generated from outside of the United States in Q1 2022.

The expansion of our global customer base – consisting of SMBs, enterprise, and strategic accounts – continues to show increasing velocity. A notable indicator of this velocity comes from companies who generate more than $100K in ARR, a number which continued to expand in the first quarter. We increased our number of $100K+ ARR customers as of March 31, 2022 by 96 from the same time last year, representing growth of 48% year-over-year. This important customer segment represents over 53% of our total ARR as of March 31, 2021, a new record. Further, we improved NRR from 125% as of December 31, 2021 to 127% as of March 31, 2022 in this customer segment, again a new record high.



Financial Results

With our solutions and customers driving our SaaS business model to new heights, our financial results in the first quarter exceeded our expectations. When examining our financial results, note that all references to our expenses and operating results (other than revenue) are presented on a non-GAAP basis and are reconciled to the GAAP results in the financial statements presented below.

Revisiting our top line results, in the first quarter of 2022, we delivered record revenue of $44.3 million, reflecting 51% year-over-year growth driven by increases in customers and revenue per customer.

Our gross profit totaled $33.1 million in the first quarter of 2022, compared to $23.2 million at the same time last year. Gross margin was 74.7% in the first quarter of 2022, versus 78.8% in the first quarter of 2021. To analyze gross margin on a comparable basis, the impact from the Embee Mobile acquisition on gross margin in the first quarter of 2022 was approximately 320 basis points. Because these expenses are almost entirely fixed, we expect the negative impact on gross margin will decrease as revenue increases in future periods.

Operating expenses grew to $52.8 million in the first quarter of 2022, representing 119.3% of revenue – up from $31.8 million in the first quarter of 2021, or 108.1% of revenue – largely reflecting the investment in personnel across the business to support our growth.

Specific components of our operating expenses included:

Our research and development investment nearly doubled to $13.5 million in the first quarter of 2022, up from $7.6 million in the first quarter of 2021. This increase was driven primarily by growth of employee headcount focused on our newer revenue-generating solutions, such as Shopper Intelligence, Sales Intelligence and Investor Intelligence.

Sales and marketing grew to $28.7 million in the first quarter of 2022, up from $19.0 million in the first quarter of 2021, driven principally by increased headcount in sales and account management, as well as increased marketing activities.

Our sales and marketing costs are divided approximately 55% to 60% to new customers acquisition (land), and 40% to 45% to retention, upsell and cross-sell (expand). When analyzing our investment in customer acquisition costs (CAC) for growth efficiency, we track an estimated payback period and its trend, which has averaged between 15 and 16 months, on a gross profit basis, over the trailing four quarters. We adjust for the impact of the Embee Mobile acquisition and data.ai partnership in computing the CAC payback period. Payback on expansion and customer retention costs (CRC), is faster than payback on new customer CAC and contributes meaningfully to our growth efficiency. We continue to invest into customer acquisition to support future growth as well as into CRC based on our accelerating NRR and increasing customer lifetime value.

General and administrative costs grew to $10.7 million in the first quarter of 2022, up from $5.2 million in the first quarter of 2021, which was driven by headcount increases to support growth, as well as by expenses that we incur as a publicly traded company. Going

forward, these expenses will become more comparable as we have been publicly traded for over a year.

Looking at our bottom line, our non-GAAP operating loss in the first quarter of 2022 totaled \$19.8 million, better than our expectations. Importantly, as we exceeded our expectations for revenue, our operating losses were less than we anticipated. On an incremental basis from the midpoint of our guidance ranges, for every dollar in revenue we exceeded the midpoint (approximately \$3 million total incremental revenue), 32% of the dollar flowed through as non-GAAP operating profit (approximately \$1 million total incremental profit).

Business Outlook

As we look to the rest of the year ahead, we have much to be excited about.

As a reminder, approximately 99% of our revenue is ARR - annual recurring revenue - with minimum subscription terms of one year. We continue to increase the number of customers with multi-year subscription terms. As of the end of first quarter of 2022, 35% of our ARR was generated from customers with multi-year subscription commitments, compared to 26% at the same time last year. This solid trend, along with our high NRR, confirms our belief that our customers receive substantial value from our digital intelligence offerings and gives us visibility into the durability of our ARR.

We believe a further indication of our future performance is our deferred revenue, which was \$91.3 million at the end of the first quarter of 2022, compared to \$63.3 million at the end of the first quarter of 2021. Our Remaining Performance Obligations, or RPO, totaled \$159.1 million at the end of the first quarter of 2022, up from \$94.9 million at the end of the first quarter of 2021, and significantly more than in our most recent quarters. This represents strong demand and increased upsell commitments. We expect to recognize approximately 88% of total RPO at the end of the first quarter of 2022 as revenue over the next 12 months.

The continued momentum in our business fuels our confidence to raise revenue guidance for the year. For the second quarter of 2022, we expect total revenue in the range of \$45.5 million to \$45.9 million, representing 41% year-over-year growth at the midpoint. For the fiscal year ending December 31, 2022, we are raising guidance and expect total revenue in

the range of $196.0 million to $197.0 million, representing 43% growth year-over-year at the midpoint of the range.

Looking at our projected Non-GAAP operating loss for the second quarter of 2022, we expect it to be in the range of ($23.0 million) to ($23.5 million) and for the full year of 2022 between ($82.0 million) and ($83.0 million). This outlook includes impacts to COGS and in turn, to gross profit and gross margin, from our Embee Mobile acquisition and the data.ai (formerly App Annie) partnership that were not in prior year periods. As a reminder, we plan to deploy data.ai data into our intelligence solutions as a new, revenue-generating module in the second quarter of 2022. Both Embee Mobile and data.ai expenses are fixed and increase COGS when compared to prior year periods. For modeling our business, we anticipate Non-GAAP gross margin to be approximately 73% to 74% in the second quarter of 2022, and 75% to 76% for the year ending December 31, 2022 as a result of these impacts.

Growth Opportunity

We aspire to be one of the best SaaS companies in the world. To that end, we believe our revenue growth and gross margin continue to set us apart on a fundamental basis. Our company culture of innovation and inclusivity helps us better understand and serve our customers in a world that is becoming more global, more diverse, and more digital every day. Our investments in our pursuit of efficient momentum-fueled growth show early returns and incremental gains through disciplined execution. Our results to date show that our customers' growth challenges represent our greatest opportunities around the world.

We believe we are rapidly becoming the must-have solution that companies utilize to see and capture their growth opportunities in the digital world at global scale. Businesses are shifting their investments to technologies that get them to the right outcomes fast. Our solutions target the most essential, revenue-driving operations of our customers – sales, marketing, analytics, ecommerce – and directly benefit the C-suite with efficient time-to-value. We recently commissioned an independent study from Forrester Consulting which showed our solutions drove a return on customer investment of 642% between 2018 and 2021 for one of our customers who used our Research Intelligence and Marketing Intelligence solutions, a significant result.

Our relevance across a wide variety of industries, ranging from financial services, to retail, travel, CPG's, to media, and others, opens up a tremendous market opportunity. We estimate our total addressable market approaches is $34 billion annually on competitive market research and analysis. The more success our customers find with us, the more they spend with us, and the more they contribute to us achieving our objectives of positive free cash flow and $450 to $500 million in ARR exiting 2024.

We are just getting started.

Thank you very much for your attention. We look forward to keeping everyone updated on our progress.

Sincerely,

Or Offer
Founder and Chief Executive Officer

Jason Schwartz
Chief Financial Officer

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Consolidated Balance Sheet

	December 31, 2021	March 31, 2022 (Unaudited)
Assets		
Current assets:		
Cash and cash equivalents	$ 128,879	$ 125,019
Restricted deposits	11,474	11,462
Accounts receivable, net	31,017	30,531
Deferred contract costs	8,470	9,512
Prepaid expenses and other current assets	7,847	10,986
Total current assets	187,687	187,510
Property and equipment, net	6,356	20,054
Deferred contract costs, non-current	9,208	9,933
Operating lease right-of-use assets	—	40,760
Intangible assets, net	11,617	10,576
Goodwill	11,318	11,318
Other non-current assets	813	$ 813
Total assets	**$ 226,999**	**$ 280,964**
Liabilities and shareholders' (deficit) equity		
Current liabilities:		
Accounts payable	$ 11,303	$ 27,020
Payroll and benefit related liabilities	17,969	20,264
Deferred revenues	76,676	89,656
Other payables and accrued expenses	28,199	28,394
Operating lease liabilities	—	504
Total current liabilities	134,147	165,838
Deferred revenues, non-current	2,074	1,612
Operating lease liabilities, non-current	—	46,032
Deferred rent	2,602	—
Other long-term liabilities	3,262	3,200
Total liabilities	142,085	216,682
Shareholders' (deficit) equity		
Ordinary Shares, NIS 0.01 par value 500,000,000 shares authorized as of December 31, 2021 and March 31, 2022 (unaudited), 74,847,609 and 75,397,202 shares issued as of December 31, 2021 and March 31, 2022 (unaudited), 74,845,441 and 75,395,034 outstanding as of December 31, 2021 and March 31, 2022 (unaudited), respectively;	205	207
Additional paid-in capital	324,614	329,503
Accumulated other comprehensive income	160	246
Accumulated deficit	(240,065)	(265,674)
Total shareholders' equity	84,914	64,282
Total liabilities and shareholders' equity	**$ 226,999**	**$ 280,964**

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Consolidated Statements of Comprehensive Income (Loss)

	Three Months Ended March 31,	
	2021	2022
	(Unaudited)	
Revenues	$ 29,413	$ 44,280
Cost of revenues	6,273	13,095
Gross profit	23,140	31,185
Operating expenses:		
Research and development	8,984	14,713
Sales and marketing	19,600	30,342
General and administrative	6,107	12,311
Total operating expenses	34,691	57,366
Loss from operations	(11,551)	(26,181)
Finance (expenses) income, net	(347)	822
Loss before income taxes	(11,898)	(25,359)
Income taxes	216	250
Net loss	$ (12,114)	$ (25,609)
Net loss per share attributable to ordinary shareholders, basic and diluted	$ (0.78)	$ (0.34)
Weighted-average shares used in computing net loss per share attributable to ordinary shareholders, basic and diluted	15,467,710	75,035,966
Net loss	(12,114)	(25,609)
Other comprehensive income (loss), net of tax		
Change in unrealized gain (loss) on cashflow hedges	(260)	86
Total other comprehensive income (loss), net of tax	(260)	86
Total comprehensive loss	$ (12,374)	$ (25,523)

Share-based compensation costs included above:

	Three Months Ended March 31,	
	2021	2022
	(in thousands)	
Cost of revenues	$ 30	$ 146
Research and development	1,365	1,209
Sales and marketing	626	1,373
General and administrative	861	1,075
Total	**$ 2,882**	**$ 3,803**

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Consolidated Statement of Cash Flows

	Three Months Ended March 31,	
	2021	2022
	(Unaudited)	
Cash flows from operating activities:		
Net loss	$ (12,114)	$ (25,609)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	520	3,049
Finance expense	149	231
Unrealized (gain) loss from hedging future transactions	(75)	4
Share-based compensation	2,882	3,803
Provision for accrued interest on Credit Facility	(53)	—
Changes in operating assets and liabilities:		
Operating lease right-of-use assets and liabilities, net	—	3,177
Decrease in accounts receivable, net	925	486
Increase in deferred contract costs	(1,118)	(1,767)
(Decrease) increase in prepaid expenses and other current assets	(240)	1,104
Increase in other non-current assets	(900)	—
Increase in accounts payable	1,989	1,494
Increase in deferred revenue	9,448	12,518
Decrease in deferred rent	(121)	—
Increase (decrease) in other long-term liabilities	140	(62)
Increase in other payables and accrued expenses	897	2,486
Net cash provided by operating activities	2,329	914
Cash flows from investing activities:		
Purchases of property and equipment, net	(451)	(4,784)
Capitalized internal-use software costs	—	(380)
(Increase) decrease in restricted deposits	(488)	12
Decrease in short-term investments	9,975	—
Net cash provided by (used in) investing activities	9,036	(5,152)

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Cash flows from financing activities:				
Payment of deferred offering costs		(387)		—
Proceeds from exercise of share options		338		609
Borrowings under Credit Facility		30,000		—
Repayment of Credit Facility		(26,800)		—
Net cash provided by financing activities		3,151		609
Effect of exchange rates on cash and cash equivalents		(149)		(231)
Net increase (decrease) in cash and cash equivalents		14,367		(3,860)
Cash and cash equivalents, beginning of period		23,943		128,879
Cash and cash equivalents, end of period	$	38,310	$	125,019
Supplemental disclosure of cash flow information:				
Interest paid	$	391	$	(17)
Taxes paid	$	134	$	60
Supplemental disclosure of non-cash operating, investing and financing activities:				
Offering costs incurred during the period included in accounts payable and accrued expenses	$	971	$	—
Additions to operating lease right-of-use assets and liabilities	$	—	$	4,279
Deferred proceeds from exercise of share options included in other current assets	$	—	$	479
Deferred costs of property and equipment incurred during the period included in accounts payable	$	—	$	10,542

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Reconciliation of GAAP gross profit to Non-GAAP gross profit

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2022
	(In thousands)	
GAAP gross profit	$ 23,140	$ 31,185
Add:		
Share-based compensation expenses	30	146
Retention payments related to business combinations	—	690
Amortization of intangible assets related to business combinations		1,041
Non-recurring expenses related to termination of lease agreement and others		9
Non-GAAP gross profit	**$ 23,170**	**$ 33,071**
Non-GAAP gross margin	**79 %**	**75 %**

Reconciliation of GAAP operating loss to Non-GAAP operating loss

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2022
	(In thousands)	
Loss from operations	$ (11,551)	$ (26,181)
Add:		
Share-based compensation expenses	2,882	3,803
Adjustment of fair value of contingent consideration related to business combinations	—	552
Retention payments related to business combinations	—	712
Amortization of intangible assets related to business combinations	—	1,041
Non-recurring expenses related to termination of lease agreement and others	—	318
Non-GAAP operating loss	**$ (8,669)**	**$ (19,755)**
Non-GAAP operating margin	**(29)%**	**(45)%**

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Reconciliation of GAAP operating expenses
to non-GAAP operating expenses

	Three Months Ended March 31,	
	2021	2022
	(In thousands)	
GAAP research and development	$ 8,984	$ 14,713
Less:		
Share-based compensation expenses	1,365	1,209
Non-recurring expenses related to termination of lease agreement and others	—	23
Non-GAAP research and development	**$ 7,619**	**$ 13,481**
GAAP sales and marketing	$ 19,600	$ 30,342
Less:		
Share-based compensation expenses	626	1,373
Retention payments related to business combinations	—	22
Non-recurring expenses related to termination of lease agreement and others	—	271
Non-GAAP sales and marketing	**$ 18,974**	**$ 28,676**
GAAP general and administrative	$ 6,107	$ 12,311
Less:		
Share-based compensation expenses	861	1,075
Adjustment of fair value of contingent consideration related to business combinations	—	552
Non-recurring expenses related to termination of lease agreement and others	—	15
Non-GAAP general and administrative	**$ 5,246**	**$ 10,669**

Reconciliation of net cash used in operating activities (GAAP)
to Free cash flow and normalized free cash flow

	Three Months Ended March 31,	
	2021	2022
	(In thousands)	
Net cash provided by operating activities	$ 2,329	$ 914
Purchases of property and equipment, net	(451)	(4,784)
Capitalized internal use software costs	—	(380)
Free cash flow	**$ 1,878**	**$ (4,250)**
Purchases of property and equipment related to the new headquarters	—	4,456
Payments received in connection with purchases of property and equipment	—	(4,169)
Normalized free cash flow	**$ 1,878**	**$ (3,963)**

Forward-Looking Statements

This letter contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements relating to our guidance for the second quarter and full year of 2022 described under "Business Outlook”, ARR objectives for 2024 under “Growth Focus” and “Business Outlook”, the expected performance of our business, future financial results, strategy, long-term growth and overall future prospects, our customers continued investment in digital transformation and reliance on digital intelligence and the size and our ability to capitalize on our market opportunity. Forward-looking statements include all statements that are not historical facts. Such statements may be preceded by the words “intends,” “may,” “will,” “plans,” “expects,” “anticipates,” “projects,” “predicts,” “estimates,” “aims,” “believes,” “hopes,” “potential” or similar words. These forward-looking statements reflect our current views regarding our intentions, products, services, plans, expectations, strategies and prospects, which are based on information currently available to us and assumptions we have made. Actual results may differ materially from those described in such forward-looking statements and are subject to a variety of assumptions, uncertainties, risks and factors that are beyond our control. Such risks and uncertainties include, without limitation, risks and uncertainties associated with (i) challenges associated with forecasting our revenue given our recent growth and rapid technological development, (ii) our history of net losses given our recent growth and rapid technological development, (ii) our history of net losses and desire to increase operating expenses, thereby limiting our ability to achieve profitability, (iii) challenges related to effectively managing our growth, (iv) intense competition in the market and services categories in which we participate, (v) potential reductions in participation in our contributory network and/or increase in the volume of opt-out requests from individuals with respect to our collection of their data, or a decrease in our direct measurement dataset, which could lead to a deterioration in the depth, breadth or accuracy of our data, (vi) our inability to attract new customers and expand subscriptions of current customers, (vii) changes in laws, regulations, and public perception concerning data privacy or change in the patterns of enforcement of existing laws and regulations, (viii) our inability to introduce new features or solutions and make enhancements to our existing solutions, (ix) real or perceived errors, failures, vulnerabilities or bugs in our platform, (x) potential security breaches to our systems or to the systems of our third-party service providers, (xi) our inability to obtain and maintain comprehensive and reliable data to generate our insights, (xii) changes in laws and regulations related to the Internet or changes in the Internet infrastructure itself that may diminish the demand for our solutions, (xiii) failure to effectively develop and expand our direct sales capabilities, which could harm our ability to increase the number of organizations using our platform and achieve broader market acceptance for our solutions and (ix) the impact of global events, such as the ongoing COVID-19 pandemic, including variants of COVID-19, or other public health crises and the Russian military operations in Ukraine, and any related economic downturn could have on or on our customers' businesses, financial condition and results of operations.

These risks and uncertainties are more fully described in our filings with the Securities and Exchange Commission, including in the section entitled "Risk Factors" in our Form 20-F filed with the Securities and Exchange Commission on March 25, 2022, and subsequent reports that we file with the Securities and Exchange Commission. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, we cannot guarantee future results, levels of activity, performance, achievements, or events and circumstances reflected in the forward-looking statements will occur. Forward-looking statements represent our beliefs and assumptions only as of the date of this letter. Except as required by law, we undertake no duty to update any

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forward-looking statements contained in this release as a result of new information, future events, changes in expectations or otherwise.

Certain information contained in this letter relates to or is based on studies, publications, surveys and other data obtained from third-party sources and the Company's own internal estimates and research. While the Company believes these third-party sources to be reliable as of the date of this letter, it has not independently verified, and makes no representation as to the adequacy, fairness, accuracy or completeness of any information obtained from third-party sources. In addition, all of the market data included in this letter involves a number of assumptions and limitations, and there can be no guarantee as to the accuracy or reliability of such assumptions. Finally, while we believe our own internal research is reliable, such research has not been verified by any independent source.

Non-GAAP Financial Measures

This letter to shareholders contains certain financial measures that are expressed on a non-GAAP basis. We use these non-GAAP financial measures internally to facilitate analysis of our financial and business trends and for internal planning and forecasting purposes. We believe these non-GAAP financial measures, when taken collectively, may be helpful to investors because they provide consistency and comparability with past financial performance by excluding certain items that may not be indicative of our business, results of operations, or outlook. However, non-GAAP financial measures have limitations as an analytical tool and are presented for supplemental informational purposes only. They should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Free cash flow represents net cash provided by (used in) operating activities less capital expenditures and capitalized internal-use software costs. Normalized free cash flow represents free cash flow less capital investments related to the Company's new headquarters and payments received in connection with these capital investments. Non-GAAP operating income (loss), non-GAAP gross profit, Non-GAAP research and development expenses, non-GAAP sales and marketing expenses and non-GAAP general and administrative expenses represents the comparable GAAP financial figure, less share-based compensation, adjustments and payments related to business combinations, amortization of intangible assets and certain other non-recurring items, as applicable and indicated in the above tables.

Other Metrics

Customer acquisition costs (CAC) represent the portion of sales and marketing expenses allocated to acquire new customers. Customer retention costs (CRC) represent the portion of sales and marketing expenses allocated to retain existing customers and to increase existing customers' subscriptions. Annual recurring revenue (ARR) represents the annualized subscription revenue we would contractually expect to receive from customers assuming no increases or reductions in their subscriptions. CAC payback period is the estimated time in months to recover CAC in terms of incremental gross profit that newly acquired customers generate. Net retention rate (NRR) represents the comparison of our ARR from the same set of customers as of a certain point in time, relative to the same point in time in the previous year ago period, expressed as a percentage.