

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

**FORM 20-F**

(Mark One)  REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR SECTION 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

*OR*

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2024

*OR*

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

*OR*

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

Commission file number 001-40394

**Similarweb Ltd.**

(Exact name of Registrant as specified in its charter)

**Not Applicable**

(Translation of Registrant's name into English)

**State of Israel**

(Jurisdiction of incorporation or organization)

**33 Yitzhak Rabin Rd.**

**Givatayim 5348303, Israel**

(Address of principal executive offices)

**Or Offer**

Chief Executive Officer  
Telephone: +972-3-544-7782

**Similarweb Ltd.**

33 Yitzhak Rabin Rd.  
Givatayim 5348303, Israel  
Email: ir@similarweb.com

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered, pursuant to Section 12(b) of the Act

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
Ordinary shares, par value 0.01 NIS	SMWB	The New York Stock Exchange

**Securities registered or to be registered pursuant to Section 12(g) of the Act: None**

**Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None**

Indicate the number of outstanding shares of each of the issuer's classes of capital stock or common stock as of the close of the period covered by the annual report. 82,618,511  
**ordinary shares**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes  No

Note—Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

**Large accelerated filer**       **Accelerated filer**       **Non-accelerated filer**       **Emerging growth company**

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP       International Financial Reporting Standards as issued by the International Accounting Standards Board       Other

If "Other" has been checked in response to the previous question indicate by check mark which financial statement item the registrant has elected to follow.

Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

**(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)**

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes  No

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## ABOUT THIS ANNUAL REPORT

Except where the context otherwise requires or where otherwise indicated in this Annual Report on Form 20-F (“Annual Report”), the terms “Similarweb,” the “Company,” “we,” “us,” “our,” “our company” and “our business” refer to Similarweb Ltd. and its subsidiaries.

All references in this Annual Report to “Israeli currency” and “NIS” refer to New Israeli Shekels, the terms “dollar,” “USD” or “\$” refer to U.S. dollars and the terms “€” or “euro” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the treaty establishing the European Community, as amended.

No material on our website forms any part of this Annual Report. References in this Annual Report to documents on our website are included as an aid to the location of such documents and such documents are not incorporated by reference.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Our financial statements have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”). We present our consolidated financial statements in U.S. dollars.

Our fiscal year ends on December 31 of each year. References to fiscal 2022 and 2022 are references to the fiscal year ended December 31, 2022. References to fiscal 2023 and 2023 are references to the fiscal year ended December 31, 2023. References to fiscal 2024 and 2024 are references to the fiscal year ended December 31, 2024. Some amounts in this Annual Report may not total due to rounding. All percentages have been calculated using unrounded amounts.

Throughout this Annual Report, we provide a number of key performance indicators used by our management and often used by competitors in our industry. These and other key performance indicators are discussed in more detail in Item 5. “*Operating and Financial Review and Prospects—Key Financial and Operating Metrics.*”

### **Market and Industry Data**

This Annual Report contains statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. While we believe the industry and market data included in this Annual Report are reliable and are based on reasonable assumptions, this data involves many assumptions and limitations, and you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the sections titled “Risk factors” and “Special note regarding forward-looking statements.” These and other factors could cause results to differ materially from those expressed in the projections and estimates made by the independent third parties and us.

The sources of certain statistical data, estimates and forecasts contained in this Annual Report are the following independent industry publications or reports:

- Unites States Census Bureau - Statistics of U.S. Businesses. Latest Data: 2021, accessed on 18 February, 2025.
- Statista: Share of small and medium-sized businesses with a website or home page in selected countries worldwide as of 2022, published February 2024.
- EY: Economic contribution of the US private equity sector in 2022, April 2023.
- NVCA 2024 Yearbook, April 2024.
- Bain & Company: Global Private Equity Report 2024.
- AIMA: Prequin Hedge fund industry data Q3 2024.

Unless otherwise noted, in this Annual Report we cite a source the first time a statement relying upon that source is made, and do not include citations subsequently when that statement is repeated.

## Trademarks

“Similarweb”, the Similarweb logo and our other registered and common law trade names, trademarks and service marks are the property of Similarweb Ltd. or our subsidiaries. We have proprietary rights to trademarks used in this Annual Report that are important to our business, many of which are registered under applicable intellectual property laws. Solely for convenience, trademarks and trade names referred to in this Annual Report may appear without the “®” or “™” symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent possible under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains estimates and forward-looking statements within the meaning of section 27A of the Securities Act of 1933, as amended (the “Securities Act”), Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, that are based on management’s expectations, beliefs or intentions regarding, among other things, our product development efforts, business, financial condition, results of operations, strategies, plans and prospects. In addition, from time to time, we or our representatives have made or may make forward-looking statements, orally or in writing. In some cases, these forward-looking statements can be identified by words or phrases such as “may,” “might,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “seek,” “believe,” “estimate,” “predict,” “potential,” “continue,” “contemplate,” “possible” or similar words. Statements regarding our future results of operations and financial position, growth strategy and plans and objectives of management for future operations, including, among others, expansion in new and existing markets, are forward-looking statements.

Our estimates and forward-looking statements are mainly based on our current expectations and estimates of future events and trends which affect or may affect our business, operations and industry. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to numerous risks and uncertainties.

These forward-looking statements are subject to a number of known and unknown risks, uncertainties, other factors and assumptions, including the risks described in Item 3.D “Key Information—Risk Factors” and elsewhere in this Annual Report, regarding, among other things:

- our expectations regarding our revenue, expenses and other operating results;
- our ability to acquire new customers and successfully retain existing customers;
- our ability to increase usage of our solutions and upsell and cross-sell additional solutions;
- our ability to sustain profitability;
- anticipated trends, growth rates, rising interest rates, rising global inflation and current macroeconomic conditions, challenges in our business and in the markets in which we operate, and the impact of the October 2023 attack by Hamas and other terrorist organizations, and Israel's subsequent war against them, on geopolitical and macroeconomic conditions or on our company and business;

- future investments in our business, our anticipated capital expenditures and our estimates regarding our capital requirements;
- the costs and success of our sales and marketing efforts and our ability to promote our brand;
- our reliance on key personnel and our ability to identify, recruit and retain skilled personnel;
- our ability to effectively manage our growth, including continued international expansion;
- our reliance on certain third party platforms and sources for the collection of data necessary for our solutions;
- our ability to protect our intellectual property rights and any costs associated therewith;
- our ability to identify and complete acquisitions that complement and expand our reach and platform;
- our ability to comply or remain in compliance with laws and regulations that currently apply or become applicable to our business, including in Israel, the United States, the European Union, the United Kingdom and other jurisdictions where we elect to do business;
- our ability to compete effectively with existing competitors and new market entrants; and
- the growth rates of the markets in which we compete.

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Annual Report primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition and operating results. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in Item 3.D “Key information - Risk Factors” and elsewhere in this Annual Report and the additional information contained in “Item 4 Information on the Company” and “Item 5. Operating and Financial Review and Prospects.” Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Annual Report. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this Annual Report. While we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

The forward-looking statements made in this Annual Report relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Annual Report to reflect events or circumstances after the date of this Annual Report or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments.

#### **Summary of Risk Factors:**

The following constitutes a summary of the material risks relevant to an investment in our Company:

#### **Risks Relating to Our Business and Industry**

- We may be unable to attract new customers, expand subscriptions of current customers, compete effectively or introduce new features or solutions successfully.
- Our ability to expand the number of organizations using our solutions may be impaired, our marketing strategies may fail to lead to users purchasing paid subscriptions and our ability to grow our revenue may be adversely affected.

- We may be unable to execute our business plan or maintain high levels of service and customer satisfaction.
- We may not be able to achieve and, if achieved, maintain profitability. Quarterly fluctuations in our operating results make our future results difficult to predict and could cause our operating results to fall below expectations or our guidance.
- Competing products and services could surpass ours in depth, breadth or accuracy of our insights or in other respects.
- The evolving role of artificial intelligence and its impact on Internet search engines and related products and services could result in reduced demand for our solutions.
- Real or perceived errors, failures, vulnerabilities or bugs in our platform could result in a decline in the accuracy of the intelligence we produce and/or cause other problems and harm our business.
- Our data or proprietary information, our platform or our solutions may be perceived as not being secure, our reputation may be harmed, demand for our platform and solutions may be reduced and we may incur significant liabilities.
- We could experience reduced demand for our solutions and a deterioration in the depth, breadth or accuracy of our data and may no longer be able to continue to obtain reliable data from our suppliers.
- Our business may be harmed if we change our methodologies or the scope of information that we collect.
- Our international sales and operations subject us to additional risks and costs and failure to develop and expand our direct sales capabilities effectively could harm our ability to increase the number of organizations using our platform and achieve broader market acceptance of our solutions.
- We have limited experience with respect to determining the optimal prices for our solutions.
- If we fail to offer a high-quality customer experience, our business and reputation will suffer.
- Our business could be negatively affected by changes in search engine algorithms.
- Our financial results may fluctuate due to increasing variability in our sales cycles.
- Because we recognize subscription revenue over the subscription term, downturns or upturns in new sales and renewals or changes to pricing are not immediately reflected in full in our results of operations.
- Future acquisitions, strategic investments, partnerships, or alliances could be difficult to identify and integrate, divert the attention of key management personnel, disrupt our business, dilute stockholder value and harm our results of operations and financial condition.
- We could lose the innovative approach, creativity and teamwork, fail to retain and motivate members of our management team or other key employees, or attract, recruit, retain and develop qualified employees.
- We have a credit facility secured by substantially all of our assets under which we have borrowed and may borrow additional amounts; any indebtedness thereunder could adversely affect our financial position and our ability to raise additional capital and prevent us from fulfilling our obligations under the credit facility.

#### **Risks Relating to Our Intellectual Property and Technology**

- We may fail to protect our intellectual property (“IP”) rights and become subject to IP disputes.
- We may become subject to claims for remuneration or royalties and indemnity provisions in various agreements, potentially exposing us to substantial liability for IP infringement and other losses.
- We use open source software, which could negatively affect our ability to offer our solutions and subject us to litigation or other actions.

#### **Risks Relating to Regulatory Compliance and Legal Matters**

- Changes in laws, regulations and public perception; changes in the internet infrastructure; or changes in the practice of automated data collection, could impact our ability to gather, process, or update the data that we use to generate our solutions, diminish the demand for our solutions, or increase our exposure to legal action or financial penalties.

- The classification of the actionable insights we provide to customers or the data we acquire and process as material non-public information, or MNPI, could result in a significant increase in the cancellation or non-renewal of customer agreements.
- Failure to comply with trade restrictions and sanctions imposed by laws to which we are subject could expose us to penalties, third-party legal actions and reputational harm.
- Action by governments could harm our business, financial condition, revenue, results of operations or cash flows and sales to government entities and highly regulated organizations are subject to a number of challenges and risks.
- As the regulatory framework for artificial intelligence evolves, our business may be adversely affected.

#### **Risks Relating to Being a Public Company**

- The requirements and increased costs of being a U.S. public company may strain our resources and divert management's attention and changes in existing financial accounting standards or practices may harm our results of operations.

#### **Risks Relating to Taxes**

- We may be classified as a passive foreign investment company.
- We are subject to changes in tax law and regulations in various jurisdictions.
- Our results of operations may be harmed if we are required to collect sales or other related taxes for subscriptions to our solutions in jurisdictions where we have not historically done so.
- Our international operations may subject us to potential adverse tax consequences.

#### **Risks Relating to Our Ordinary Shares**

- Concentration of share ownership with insiders will likely limit your ability to influence corporate matters.
- Future sales of our ordinary shares in the public market could cause the market price of our ordinary shares to decline.
- We may lose our "foreign private issuer" status in the future, which could result in significant additional costs and expenses.
- We do not expect to pay any dividends in the foreseeable future.

#### **Risks relating to Our Incorporation and Location in Israel**

- Conditions in Israel, including the October 2023 attack by Hamas and other terrorist organizations, the subsequent war, and ongoing regional conflicts (including tensions with Hezbollah, Iran, and its proxies), may adversely affect our operations and limit our ability to market our products. Additional risks include the collapse of the Assad regime in Syria, economic instability (including recent credit rating downgrades), supply chain disruptions due to Red Sea conflicts, and potential impacts from international legal proceedings against Israel, all of which could lead to decreased revenues.
- It may be difficult to enforce a U.S. judgment against us or assert U.S. securities laws claims in Israel or serve process on our officers and directors.
- Your rights and responsibilities as our shareholder will be governed by Israeli law and provisions of Israeli law and our amended and restated articles of association may delay, prevent or make undesirable an acquisition of all or a significant portion of our shares or assets.

## PART I

### Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

### Item 2. Offer Statistics and Expected Timetable

Not applicable.

### Item 3. Key Information

#### A. [Reserved.]

#### B. Capitalization and Indebtedness

Not applicable.

#### C. Reasons for the Offer and Use of Proceeds

Not applicable.

#### D. Risk Factors

*Our business faces significant risks. You should carefully consider the risks described below and in our other filings with the United States Securities and Exchange Commission ("SEC"), including the following risk factors that we face and that are faced by our industry, before making an investment decision. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. Our business, financial condition or results of operations could be materially and adversely affected by any of these risks. The trading price and value of our ordinary shares could decline due to any of these risks, and you may lose all or part of your investment. This Annual Report also contains forward-looking statements that involve risks and uncertainties, see "Cautionary Statement Regarding Forward-Looking Statements" above. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us as described below and elsewhere in this Annual Report.*

#### Risks Relating to Our Business and Industry

*If we are unable to attract new customers and expand subscriptions of current customers, our business, financial condition, revenue, results of operations or cash flows will be adversely affected. Any decline in our dollar-based net retention rate would harm our future operating results.*

To increase our revenue and achieve and maintain profitability, we must continue to attract new customers and maintain and grow the subscriptions of existing customers. Our go-to-market efforts are intended to identify and attract prospective customers and convert them into paying customers, including the conversion of paying customers of solutions on our basic plan to higher tier services. In addition, we seek to expand existing customer subscriptions

by adding new customers or additional solutions or services, including through expanding the adoption of our platform into other departments within organizations. We do not know whether we will continue to achieve similar client acquisition and subscription growth rates in the future as we have in the past. Numerous factors may impede our ability to add new customers and grow existing customer subscriptions, including our failure to attract and effectively train new marketing, sales and account management personnel despite increasing our sales efforts, to retain and motivate our current marketing, sales and account management personnel, to develop or expand relationships with partners, to successfully deploy new features and capabilities of our solutions and services, to provide quality customer experience or to ensure the effectiveness of our go-to-market programs. Additionally, increasing our sales to large organizations (both existing and prospective users) requires increasingly sophisticated and costly sales and account management efforts targeted at senior management and other personnel. Recently, weakness in global macroeconomic conditions has caused companies to reduce their budgets for acquiring new products and solutions like those that we sell, which has led to a lengthening of our sales cycles. If our efforts to sell to organizations are not successful or do not generate additional revenue, our business will suffer.

Our success will depend to a substantial extent on the widespread adoption of our platform and solutions as an alternative to existing or newly emerging solutions. The adoption of software as a service, or SaaS, business software may be slower in industries with heightened data security interests or business practices requiring highly customizable application software. In addition, as our market matures, our solutions evolve, and competitors introduce lower cost or differentiated solutions that are perceived to compete with our platform and solutions, our ability to sell subscriptions for our solutions could be impaired. Similarly, our subscription sales could be adversely affected if organizations or users within these organizations perceive that features incorporated into competitive solutions reduce the need for our solutions or if they prefer to purchase other solutions that are bundled with solutions offered by other companies that operate in adjacent markets and compete with our solutions. As a result of these and other factors, we may be unable to attract new customers, which may have an adverse effect on our business, financial condition, revenue, results of operations or cash flows.

In order for us to maintain or improve our results of operations, it is important that our customers renew or expand their subscriptions with us. We cannot accurately predict our renewals and dollar-based net retention rate given the diversity of our customer base, in terms of size, industry and geography. Our renewals and dollar-based net retention rate may decline or fluctuate as a result of a number of factors, many of which are outside our control, including the business strength or weakness of our customers, customer usage, including the ability of our customers to quickly integrate our products into their businesses and continually find new uses for our solutions within their businesses, customer satisfaction with our solutions and platform capabilities and customer support, the utility of our platform to cost-effectively integrate with third-party software products, our prices, the capabilities and prices of competing products, mergers and acquisitions affecting our customer base, consolidation of affiliates' multiple paid business accounts into a single paid business account or loss of business accounts in their entirety, the effects of global economic conditions, or reductions in our customers' spending on information technology, or IT, solutions or their spending levels generally, perceived security or data privacy risks from the use of our solutions or changes in regulatory regimes that affect our customers or our ability to sell our solutions. These factors may also be exacerbated if, consistent with our growth strategy, our customer base continues to grow to encompass larger enterprises, which may also require more sophisticated and costly sales efforts. If our customers do not purchase additional subscriptions and solutions from us or our customers fail to renew their subscriptions, our revenue may decline and our business, financial condition, revenue, results of operations or cash flows may be harmed.

Our customers may or may not renew their subscriptions as a result of a number of factors, including their satisfaction or dissatisfaction with our solutions, decreases in the number of users at the organization, our pricing or pricing structure, the pricing or capabilities of the products and services offered by our competitors, the effects of economic conditions (including as a result of general economic downturns) or reductions in our paying customers' spending levels. In addition, our customers may renew for fewer subscriptions, renew for shorter contract lengths if they were previously on multi-year contracts, or switch to lower cost offerings of our solutions and services. It is difficult to predict attrition rates given our varied customer base of enterprise, mid-market and small business customers across many different industries and that are located worldwide. Our attrition rates may increase or fluctuate as a result of a number of factors, including customer dissatisfaction with our solutions, customers' spending levels, mix of customer base, decreases in the number of users at our customers, competition, pricing increases or changing or deteriorating general economic conditions. If customers do not renew their subscriptions or renew on less favorable terms or if we fail to add more customers, or if we fail to expand subscriptions of existing customers, our revenue may decline or grow less quickly than anticipated, which would harm our business, financial condition, revenue, results of operations or cash flows.



***Failure to develop and expand our direct sales capabilities effectively could harm our ability to increase the number of organizations using our platform and achieve broader market acceptance of our solutions.***

Our ability to increase our customer base and achieve broader market acceptance of our solutions and platform capabilities will depend to a significant extent on our ability to expand our sales and marketing organizations. We plan to continue expanding our direct sales force, both in existing geographies in which we operate and new international markets. We also plan to dedicate significant resources to our sales and marketing programs and to training our sales force. All of these efforts will require us to invest significant financial and other resources, including in channels in which we have limited or no experience to date. Our business and results of operations will be harmed if our sales and marketing efforts do not generate significant increases in revenue or increases in revenue that are smaller than anticipated. We may not achieve anticipated revenue growth from expanding our sales force if we are unable to hire, develop, integrate and retain talented and effective sales personnel, if our new and existing sales personnel, on the whole, are unable to achieve desired productivity levels in a reasonable period of time, or if our sales and marketing programs are not effective. We believe that there is significant competition for sales personnel with the skills and technical knowledge that we require. Our ability to achieve revenue growth will depend, in large part, on our success in recruiting, training and retaining sufficient numbers of sales personnel to support our growth. In addition, as the size of our sales and account management organization increases, we need to attract, recruit and retain team managers and leaders who can effectively manage larger teams. If we are unable to attract, retain, and develop strong business leaders and team managers in our expanded go-to-market organization, our growth prospects and business will suffer.

***Our recent growth and rapid technological development make it difficult to forecast our revenue and evaluate our business and future prospects.***

While we were founded in 2009 and we launched our platform in 2013, many of the key features of our platform and solutions have only launched in the past few years, and, accordingly, much of our growth has occurred in recent periods. Our recent and rapid growth makes it difficult to evaluate our business, including our ability to forecast our sales and future results of operations, plan our operating expenses and model future growth. If the assumptions that we use to plan our business are incorrect or change, or if we are unable to maintain consistent revenue or growth, it may be difficult to achieve and maintain profitability and our stock price could be volatile. Furthermore, we operate in an industry that is characterized by rapid technological innovation, intense competition, changing customer needs and frequent introductions of new products, technologies and services. We have encountered and expect to continue to encounter risks and uncertainties frequently experienced by growing companies in rapidly evolving industries, such as the risks and uncertainties described herein. If our assumptions regarding these risks and uncertainties, which we use to plan our business, are incorrect or change, or if we do not address these risks and uncertainties successfully, our operating and financial results could differ materially from our expectations and our business could suffer.

***We may experience quarterly fluctuations in our operating results due to a number of factors, which make our future results difficult to predict and could cause our operating results to fall below expectations or our guidance.***

Our quarterly operating results have fluctuated in the past and are expected to fluctuate in the future due to a variety of factors, many of which are outside of our control. As a result, our past results may not be indicative of our future performance, and comparing our operating results on a period-to-period basis may not be meaningful. In addition to the other risks described in this Annual Report, factors that may affect our quarterly operating results include the following:

- our ability to attract and retain customers and grow subscriptions of existing customers;
- our ability to price and package our platform and solutions effectively;
- pricing pressure as a result of competition or otherwise;
- unforeseen costs and expenses, including those related to the expansion or reorganization of our business and operations;
- changes in customers' budgets and in the timing of their budget cycles and purchasing decisions;
- changes in the competitive dynamics of our market, including consolidation among competitors or organizations using our solutions and the introduction of new solutions or solution enhancements;
- the amount and timing of payment for operating expenses, particularly research and development, sales and marketing expenses and employee benefit expenses;
- the timing of revenue and expenses related to the development or acquisition of technologies, solutions or businesses;

- potential goodwill and intangible asset impairment charges and amortization associated with acquired businesses;
- potential restructuring and transaction-related expenses;
- the amount and timing of costs associated with recruiting, training and integrating new employees while maintaining our company culture as well as the amount and timing of costs associated with retention of employees;
- seasonal buying patterns for purchasing or renewing subscriptions for digital intelligence solutions;
- our ability to manage our existing business and future growth, including increases in the number of users on our platform and the introduction and adoption of our platform in new markets outside of the United States;
- foreign currency exchange rate fluctuations; and
- general economic and political conditions in our domestic and international markets, including the impact of rising inflation and interest rates.

We may not be able to accurately forecast the amount and mix of future subscriptions, revenue and expenses and, as a result, our operating results may fall below our estimates or the expectations of securities analysts and investors. If our revenue or operating results fall below the expectations of investors or securities analysts, or below any guidance we may provide, the price of our ordinary shares could decline.

***We have a history of net losses, we anticipate increasing operating expenses in the future, and although we were profitable on a non-GAAP basis in 2024, we may not be able to achieve and, if achieved, maintain profitability.***

We have incurred net losses of \$83.7 million, \$29.4 million, and \$11.5 million in the years ended December 31, 2022, 2023 and 2024, respectively, and although we were profitable on a non-GAAP basis in 2024, we may not be able to maintain profitability in the future. Because the market for the solutions, features and capabilities we offer is rapidly evolving and, we believe, under-penetrated, it is difficult for us to predict our future results of operations or the limits of our market opportunity. Our operating expenses for the year ended December 31, 2024 increased by \$5.0 million from \$199.7 million for the year ended December 31, 2023. We expect our operating expenses will continue to increase over the next several years as we hire additional personnel, expand our operations and infrastructure, both in existing geographies in which we operate as well as into new geographical markets, continue to enhance the Similarweb brand and develop and expand our solution offerings, features and capabilities. We also expect our general and administrative expenses to increase as we grow and operate as a public company, including due to the need to expend significant resources in developing the necessary documentation and testing procedures required by Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act. Achieving our goals and operating our business may prove more expensive than we anticipate and we may not succeed in increasing our revenue sufficiently, or at all, to offset these higher expenses. Revenue growth may slow, or revenue may decline for a number of possible reasons, including slowing demand for our solutions or increasing competition. If we fail to increase our revenue as we grow our business, we may not achieve profitability, which would cause our business, financial condition, results of operations and cash flows to suffer.

***If we fail to manage our growth effectively, we may be unable to execute our business plan or maintain high levels of service and customer satisfaction.***

We have experienced rapid growth, and anticipate that we will continue to experience further growth in our operations and headcount. Our growth has placed, and future growth will place, a significant strain on our management, technical, administrative, operational and financial infrastructure. For example, our headcount has grown by 17% from 926 employees at the end of 2021 to 1,085 employees as of December 31, 2024, notwithstanding a reduction in force of approximately 10% during the fourth quarter of 2022 and an additional reduction in force of approximately 6% during the second quarter of 2023. In addition, we continued to expand internationally, including in the Czech Republic, Chile and Switzerland in 2024. Our success will depend in part on our ability to manage this growth effectively. To manage the expected growth of our operations and personnel, we will need to continue to improve our management, technical, administrative, operational and financial controls and our reporting systems and procedures. We will require significant capital expenditures and the allocation of valuable management resources to grow and change in these areas without undermining our culture, which has been central to our growth thus far. Failure to effectively manage our growth could result in difficulty or delays in effectively scaling our platform or solutions, declines in quality or customer satisfaction, increases in costs, difficulties in introducing new features or other operational difficulties.

As we expand our business, it is important that we continue to maintain a high level of customer service and satisfaction. As our paid customer base continues to grow, we will need to expand our account management, customer service and other personnel, our partners and our features. Failure to take appropriate measures to support our customer, user and data growth, may result in declines in quality or user satisfaction, increases in costs, difficulties in introducing new features or other operational difficulties. Any of these difficulties could adversely affect our business, financial condition, results of operations and cash flows.

Additionally, due to market conditions over the course of 2022 and 2023, we re-evaluated our organizational structure and implemented reductions in force during the years ended December 31, 2022 and 2023, and may implement further reductions in force in the future. Any reduction in force may yield unintended consequences and costs, including additional attrition beyond the amount of force reduction, distraction to our employees, reduced employee morale and adverse effects on our reputation as an employer. Such reductions in force may also make it more difficult for us to hire new employees in the future and may limit the anticipated benefits from the reduction in force.

***The market and services categories in which we participate are competitive, new and rapidly changing.***

Our platform falls within a new category of business technology in a rapidly evolving market for services, programs and tools used by companies with an online presence and their knowledge workers. This market is intensely competitive, fragmented and subject to rapidly changing technology, shifting customer and organizational needs, new market entrants and frequent introductions of new solutions and services.

With respect to our solutions, we compete with market research companies such as NielsenIQ and Kantar Group, traditional media measurement solutions such as Nielsen Holdings plc and comScore, Inc., manual project-based approaches to specific business challenges provided by management consulting companies such as McKinsey & Company, Bain & Company and Accenture plc and media buying and advertising agencies such as WPP plc, Omnicom Group and Interpublic Group. With the introduction of new technologies and new market entrants, including AI-based technologies and new companies with AI-powered offerings, we expect competition to intensify in the future. Established companies may not only develop their own communication and collaboration solutions, platforms for software integration and secure repositories of information and data, but also acquire or establish solution integration, distribution or other cooperative relationships with our current competitors. For example, while we currently provide our services and solutions to Google Inc., Amazon.com, Inc., and Microsoft Corporation, among others, they may develop and introduce products that directly or indirectly compete with our solutions.

Moreover, we expect competition to increase in the future both from our existing competitors and from new market entrants, including established technology companies who have not previously entered the market. New competitors or alliances among competitors may emerge and rapidly acquire significant market share due to factors such as greater brand name recognition, a larger existing customer base, superior solution offerings, a larger or more effective sales organization and significantly greater financial, technical, marketing and other resources and experience. We also compete with companies that offer specific point solutions in the communication, collaboration and data use markets, normally focused on specific industries, geographies, specific media or specific use cases, which attempt to address some of the problems that our solutions address. In addition, with the recent increase in large merger and acquisition transactions in the technology industry, particularly transactions involving cloud-based technologies, there is a greater likelihood that we will compete with other large technology companies in the future. We expect this trend to continue as companies attempt to strengthen or maintain their market positions in an evolving industry. Companies resulting from such consolidations may create more compelling product offerings and be able to offer more attractive pricing options, making it more difficult for us to compete effectively. If we fail to introduce new solutions, develop existing solutions or otherwise fail to meet and address the evolving needs of our market, this could harm our business, financial condition, revenue, results of operations or cash flows.

***The evolving role of artificial intelligence and its impact on Internet search engines and related products and services could result in reduced demand for our solutions.***

The rapid development and deployment of artificial intelligence ("AI") technologies pose both opportunities and risks to internet search engines and products and services such as ours that rely on them. Generative AI alternatives to search engines have the potential to disrupt traditional search engine models by changing the way information is accessed, organized, and presented to users. As these AI technologies evolve, they may alter user behavior, shift market dynamics, and reduce the relevance or effectiveness of conventional search engines.

In particular, the widespread adoption of AI-powered alternatives to traditional search, such as chatbots, virtual assistants, or advanced AI-driven search engines, may undermine the market share and profitability of traditional internet search engines and in turn products and services that rely on them. These AI tools may provide more personalized, conversational, or context-aware results, which could reduce users' reliance on conventional search engines or affect the accuracy, visibility, and ranking of search results. Such shifts in user behavior could have material negative effects on businesses whose products and services rely heavily on internet search engines for customer acquisition, advertising revenue, or visibility.

We cannot predict with certainty how the continued evolution of AI technologies will shape the future of internet search and its related ecosystems. As AI tools become increasingly sophisticated, our ability to adapt and maintain the effectiveness of our search-related offerings may be challenged. This could lead to material adverse effects on our business operations, market position, and financial results.

***If we are not able to introduce new features or solutions successfully and to make enhancements to our solutions, our business and results of operations could be adversely affected.***

Our ability to attract new customers and increase revenue from existing customers depends in part on our ability to enhance and improve our solutions and to introduce new features and services. To grow our business and remain competitive, we must continue to enhance our solutions and develop features that reflect the constantly evolving nature of technology and our customers' needs. The success of any solutions, enhancements or developments depends on several factors: our anticipation of market changes and demands for solution features, including timely solution introduction, sufficient customer demand, cost-effectiveness in our solution development efforts and the proliferation of new technologies that are able to deliver competitive products and solutions at lower prices, more efficiently, more conveniently or more securely. In addition, because our solutions are designed to operate with a variety of systems, applications, data and devices, we will need to continuously modify and enhance our solutions to keep pace with changes in such systems. We may not be successful in developing these modifications and enhancements. Furthermore, the addition of features and solutions to our platform will increase our research and development expenses. Any new features that we develop may not be introduced in a timely or cost-effective manner or may not achieve the market acceptance necessary to generate sufficient revenue to justify the related expenses. It is difficult to predict customer adoption of new features. Such uncertainty limits our ability to forecast our future results of operations and subjects us to a number of challenges, including our ability to plan for and model future growth. If we cannot address such uncertainties and successfully develop new features, enhance our software or otherwise overcome technological challenges and competing technologies, our business and results of operations could be adversely affected.

***If we do not compete effectively with established companies as well as new market entrants our business, financial condition, revenue, results of operations or cash flows could be harmed.***

Many of our existing competitors have, and some of our potential competitors could have, substantial competitive advantages such as:

- greater brand name recognition and longer operating histories;
- larger sales and marketing budgets and resources;
- greater and/or more diverse data sources and/or access to unique, proprietary data sources;
- broader distribution and established relationships with independent software vendors, partners and customers;
- access to larger customer bases;
- greater customer experience resources and support;
- greater resources to make acquisitions;
- lower labor and development costs;
- larger and more mature intellectual property portfolios; and
- substantially greater financial, technical and other resources.

As a result, they may be able to adapt more quickly and effectively to new or changing opportunities, technologies, standards or customer requirements.

In addition, some of our larger competitors have substantially broader offerings and can leverage their relationships based on other products or solutions or incorporate functionality into existing products or solutions to

gain business in a manner that discourages customers from purchasing our solutions, including through selling at zero or negative margins, solution bundling or closed technology platforms. Potential customers may also prefer to purchase from their existing suppliers rather than a new supplier regardless of solution performance or features. As a result, even if the features of our platform are superior, potential customers may not purchase our offerings. Larger competitors may have broader solution lines and market focus and will therefore not be as susceptible to downturns in a particular market. Our competitors may also seek to repurpose their existing offerings to provide software, services, programs and tools used by knowledge workers with subscription models. Further, some current and potential customers, particularly large organizations, have elected, and may in the future elect, to develop or acquire their own software, services, programs and tools used by knowledge workers that would reduce or eliminate the demand for our platform and solutions.

Conditions in our market could also change rapidly and significantly due to technological advancements, partnering by our competitors or continuing market consolidation, and it is uncertain how our market will evolve. New start-up companies that innovate and large competitors that are making significant investments in research and development may invent similar or superior solutions and technologies that compete with us. These competitive pressures in our market or our failure to compete effectively may result in price reductions, fewer customers, reduced revenue, gross profit and gross margins, increased net losses and loss of market share. Any failure to meet and address these factors could harm our business, financial condition, revenue, results of operations or cash flows.

***A reduction or decline 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, could lead to a deterioration in the depth, breadth or accuracy of our data and have an adverse effect on our business, financial condition, revenue, results of operations or cash flows.***

We have a number of sources contributing to the depth, breadth and accuracy of the data on our platform. These include our contributory network consisting of end users who use our business-to-customer, or B2C, products or B2C products of our partners through which we collect de-identified user data, and our “direct measurement data”, consisting of website and app owners who give us access to their Google Analytics or other direct measurement metrics. If we are not able to attract new participants or maintain existing participants in our contributory network or direct measurement dataset, our ability to effectively gather new data and update and maintain the accuracy of our database could be adversely affected. Additionally, data privacy regulatory changes as well as the introduction of app- and device-level opt-out settings by certain mobile device and operating system providers increase the degree to which individuals opt-out of having their data collected or avoid such collection altogether, which could result in lower rates of B2C product end user adoption and higher rates of opting out, thereby reducing the size and depth of our contributory network. Third-party intermediaries have emerged, and we expect that others will emerge that offer the ability for users to opt out of their personal and other data being collected at scale (i.e., from all platforms and products, including ours and the third-party products with whom we partner for data collection). Consequently, our ability to grow our business may be harmed and our results of operations and financial condition could suffer.

***Real or perceived errors, failures, vulnerabilities or bugs in our platform could result in a decline in the accuracy of the market intelligence insights we produce and/or cause other problems and harm our business, financial condition, revenue, results of operations or cash flows.***

The software underlying our platform and solutions is highly technical and complex. Our software has previously contained, and may now or in the future contain, undetected errors, bugs or vulnerabilities. In addition, errors, failures, bugs and vulnerabilities may be contained in the open source software we use to build and operate our solutions or may result from errors in the deployment or configuration of open source software. Some errors in our software may only be discovered after the software has been deployed or may never be generally known. Any errors, failures, bugs or vulnerabilities discovered in our software after it has been deployed, or never generally discovered, could result in a decline in the accuracy of the intelligence we produce for customers, interruptions in platform availability, solution malfunctioning or data breaches, and thereby result in damage to our reputation, adverse effects upon customers, loss of customers and relationships with third parties, loss of revenue or liability for damages. In some instances, we may not be able to identify the cause or causes of these problems or risks within an acceptable period of time.

***If we or our third-party service providers experience a security breach or unauthorized parties otherwise obtain access to our customers’ data, our data, proprietary information, personal information or other confidential information then our platform or our solutions may be perceived as not being secure, our reputation may be harmed, demand for our platform and solutions may be reduced and we may incur significant liabilities.***

Our platform and solutions involve the storage and transmission of anonymized user data, direct measurement data, and confidential data about our customers such as their e-mail address and other information they provide to register to use our platform. Therefore, security breaches or unauthorized access to our platform and solutions could result in the loss of our or our customers' confidential data, litigation, indemnity obligations, fines, penalties, disputes, investigations and other liabilities. Any security breach or perceived security breach could also result in media attention and reputational harm to our business. We have previously and may in the future become the target of cyber-attacks by third parties seeking unauthorized access to our or our customers' data or to disrupt our ability to provide our services.

While we seek to adhere to the industry's best practices by implementing security controls and establishing measures to manage and reduce the risks associated with engaging third-party service providers, cybercrime continues to escalate. Furthermore, threats posed by malware, viruses, hacking, social engineering attacks, and especially ransomware attacks are increasingly prevalent within our industry. These threats pose significant risks and have a considerable impact on cloud services. Moreover, while we have taken steps to protect the confidential information to which we have access (including our own valuable, proprietary, and trade secret information), as well as measures to ensure we do not become privy to confidential data beyond the scope of what is required to develop our insights and provide our solutions, our security measures or those of our third-party service providers that store or otherwise process certain of our and our customers' confidential data on our behalf could be breached or we could suffer a loss of our or our customers' confidential data.

Although we strive to reduce the risks associated with engaging third-party service providers, our ability to monitor third-party service providers' data security may be limited. In addition, intentional or accidental actions or inaction by employees or other third parties with authorized access to our networks may result in the exposure of vulnerabilities that may be exploited or expose us to liability. Third parties may also conduct attacks designed to temporarily deny customers access to our cloud services. If we experience any breaches of security measures or sabotage or otherwise suffer unauthorized use or disclosure of, or access to, personal information, financial account information or other confidential information it could disrupt normal business operations, require us to spend material resources to investigate or correct the breach and to prevent future security breaches and incidents, expose us to legal liabilities, including litigation, regulatory enforcement, and indemnity obligations, and adversely affect our business, financial condition, revenue, results of operations or cash flows, and we might be required to expend significant capital and resources to address these problems. We may not be able to remedy any problems caused by hackers or other similar actors in a timely manner, or at all. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until after they are launched against a target, we and our service providers may be unable to anticipate these techniques or to implement adequate preventative measures. If a breach of security or other data security incident occurs or is perceived to have occurred, the perception of the effectiveness of our security measures and reputation could be harmed and we could lose current and potential customers, even if the security breach were to also affect one or more of our competitors. Further, concerns about practices with regard to the collection, use, disclosure or security of personal information, financial account information or other confidential information, even if unfounded, could damage our reputation and adversely affect our results of operations.

Given the many different security breach techniques and the fact that such techniques continue to evolve, we may be unable to anticipate attempted security breaches, react in a timely manner or implement adequate preventative measures. Third parties may also conduct attacks designed to temporarily deny users access to our cloud services. Any security breach or other security incident, or the perception that one has occurred, could result in a loss of user confidence in the security of our platform and damage to our brand, reduce the demand for our solutions, disrupt normal business operations, require us to spend material resources to investigate or correct the breach and to prevent future security breaches and incidents, expose us to legal liabilities, including litigation, regulatory enforcement, and indemnity obligations, and adversely affect our business, financial condition and results of operations. These risks are likely to increase as we continue to grow and process, store, and transmit increasingly large amounts of data.

We also process, store and transmit our own data as part of our business and operations. This data may include confidential or proprietary information. There can be no assurance that any security measures that we or our third-party service providers have implemented will be effective against current or future security threats. While we have developed systems and processes to protect the integrity, confidentiality and security of our and our customers'

data, our security measures or those of our third-party service providers could fail and result in unauthorized access to or disclosure, modification, misuse, loss or destruction of such data.

We use third-party technology and systems in various contexts, including, without limitation, employee email, content delivery to customers, back-office support, credit card processing, and other functions. Although we seek to follow industry best practices for security controls and have also developed systems and processes designed to protect customer data and prevent data loss and other security breaches, including systems and processes designed to reduce the impact of a security breach at a third-party service provider, such measures cannot provide absolute security.

We have established and implemented an Incident Response Policy designed to protect confidential information and systems in the face of cyber-attacks, security threats and breaches. The primary goal of the policy is to contain a cyber threat while continuing normal business operations quickly and effectively. The policy is reviewed at least annually and updated, if required, to reflect our changing organization, new technologies and new compliance requirements that inform our cyber security strategy. We also conduct regular testing of this policy, including table-top cyber security and data breach exercises, to achieve reasonable assurance that relevant personnel are fully trained to participate in effective incident response. The policy requires a cross-functional team of people to manage the systems, legal, and communication issues that arise and includes provisions for detecting and reporting information security events and for defining and implementing response plans and action plans for information security incidents. Our Chief Information Security Officer leads the response and handling of the security incident and coordinates and directs all related mitigation activities. The policy includes conclusion and learning plans pursuant to which, after the resolution of a security incident, the incident will be studied in order to identify and understand the flaws, breaches and faults that enabled its occurrence as well as the measures that should be taken to prevent a recurrence. The policy provides that security incidents shall be documented by our Chief Information Security Officer. Such documentation includes date of incident, detailed description of the incident, systems affected, evidence gathered, treatment plan, status and lessons learned.

Additionally, we cannot be certain that our insurance coverage will be adequate for data security liabilities actually incurred, will cover any indemnification claims against us relating to any incident, will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect our reputation, business, financial condition, revenue, results of operations or cash flows.

***If we fail to maintain and improve our methods and technologies, or anticipate new methods or technologies, for data collection, organization and cleansing, competing products and services could surpass ours in depth, breadth or accuracy of our insights or in other respects.***

Current or future competitors may seek to develop new methods and technologies for more efficiently gathering, cataloging or updating business information, which could allow a competitor to create a product comparable or superior to ours, or that takes substantial market share from us or that creates or maintains databases to produce insights at a lower cost than we experience. We can expect continuous improvements in computer hardware, network operating systems, programming tools, programming languages, operating systems, data matching, data filtering, data analysis tools and other technologies and the use of the internet. These improvements, as well as changes in customer preferences or regulatory requirements, may require changes in the technology used to gather and process data. Our future success will depend, in part, upon our ability to:

- internally develop and implement new and competitive technologies;
- use leading third-party technologies effectively; and
- respond to advances in data collection and cataloging and creating insights.

If we fail to respond to changes in data technology and analysis to create insights, competitors may be able to develop solutions that will take market share from us, and the demand for our solutions, the delivery of our solutions or our market reputation could be adversely affected.

*If we are not able to obtain and maintain comprehensive and reliable data to generate our insights, we could experience reduced demand for our solutions.*

Our success depends on our customers' confidence in the depth, breadth and reliability of our insights, which are based on our data. The task of establishing and maintaining reliable data is challenging and expensive. The depth, breadth and reliability of our data differentiates us from our competitors. If our data, including the data we obtain from third parties and our data collection, extraction, cleaning and insights, are not current, sufficiently accurate, comprehensive or reliable, it would increase the likelihood of negative customer experiences, which in turn would reduce the likelihood of customers renewing or upgrading their subscriptions and harm our reputation, making it more difficult to obtain new customers. In addition, if we are not able to maintain a high level of reliability for our insights, we may face legal claims by our customers which could have an adverse effect on our business, financial condition, revenue, results of operations or cash flows.

*We depend on third parties for data that is critical to our business, and our business could suffer if we cannot continue to obtain reliable data from these suppliers or if third parties place additional restrictions on our use of such data.*

We rely on third-party data sources for traffic and engagement information related to the websites and apps for which we generate estimated insights and metrics, demographics about the audiences that use such platforms, and related information about digital trends. We continuously look to seek out and enter into relationships with new suppliers for data in order to enrich our data sources, and the availability and quality of this data is important to the continued functioning and development of our solutions and the fulfillment of our obligations to customers. Failure to find and enter into agreements with new partners, and/or to maintain current relationships with existing partners, could result in inadequate data for our ongoing and future solution requirements. Our data suppliers may increase restrictions on our use of such data, fail to adhere to our quality control, privacy or security standards, or otherwise satisfactorily perform services, increase the price they charge us for the data or refuse to license the data to us. Additional restrictions on third-party data could limit our ability to include that data in certain solutions, which could lead to decreased commercial opportunities for certain solutions as well as loss of customers, obligations to provide refunds, or liability to our customers. To comply with any additional restrictions, we may be required to implement certain additional technological and manual controls that could put pressure on our cost structure and could affect our pricing. Since we rely on third-party data sources, notwithstanding our best efforts, we may receive third-party data that is inaccurate, defective, or delayed, or which does not meet our compliance standards or the requirements of applicable data privacy laws and regulations. If third-party information is not available to us on commercially reasonable terms, or is found to be inaccurate or otherwise unsuitable for our needs, it could lead to costly and time-consuming contractual disputes or harm our solutions, our reputation and our business and financial performance.

*Our data collection methodology depends in part on the ability to distribute products used for data collection through third-party platforms and stores, and if we lose access to those platforms or stores or if we or our partners are otherwise restricted from distributing products through those platforms or stores, our business could suffer.*

Our platform and solutions depend in part on the ability to obtain data from our contributory network through browser extensions, mobile apps and other products distributed through third-party online platforms and stores such as Chrome Web Store, Google Play and the Apple App Store. These include our own browser extension and mobile app products, and products distributed by third parties with whom we collaborate and into which products we integrate our data collection tools. We continuously look to seek out and enter into relationships with new partners for the integration of our data collection tools into their products, and the availability and quality of this data is important to the continued functioning and development of our products and the performance of our obligations to customers. We may have difficulty finding and entering into agreements with new partners, and/or maintaining current relationships with existing partners. Failure to find and enter into agreements with new partners, and/or to maintain current relationships with existing partners, could result in inadequate data for our ongoing and future product requirements.

The third-party platforms and stores through which our products and partner products are distributed issue rules and guidelines governing their use, which include provisions that are often more restrictive than the requirements of applicable data privacy laws. These platforms and stores frequently modify these rules, and often enforce them in an inconsistent manner. Accordingly, there is an ongoing risk that these third-party platforms may remove our browser extension and mobile app products or our partners' products from their stores, issue warnings necessitating modifications to the products or prevent a specific product owner or developer from distributing any of



its products through their stores. These warnings and removals can result in interruptions and delays in the collection of data for our contributory network, in the need to allocate resources and incur costs for the modification of our products, in the suspension or termination of our partnerships with third parties and the cessation of integration of our data collection tools with those third parties' products, and in harm to our reputation. Any of these effects could negatively impact the functionality of, or require us to make changes to, our products and solutions, which would need to occur quickly to avoid interruptions in service for our customers.

Furthermore, our business, cash flows or results of operations may be harmed if any platform or store through which we or our partners distribute products we use for data collection changes, limits or discontinues our access to its platform or store; modifies its terms of service or other policies, including fees charged or restrictions on us or our partners; changes or limits how customer information is accessed by us or our partners; changes or limits how we can use customer information and other data collected through the platforms or stores; or experiences disruptions of its technology, services or business generally.

***Our business may be harmed if we change our methodologies or the scope of information we collect.***

We have in the past and may in the future change our data collection and aggregation methodologies, the algorithms we use to generate our estimated insights, the sources from which we collect our data or the scope and volume of information we collect. Such changes may result from identified deficiencies in current methodologies, development of more advanced methodologies, changes in our business plans or practices or in industry standards or regulatory requirements, changes in technology used by websites, browsers, mobile applications, servers or media for which we generate estimated insights, integration of acquired companies or expressed or perceived needs of our customers, potential customers or partners. Any such changes or perceived changes, or our inability to accurately or adequately communicate to our customers and the media such changes and the potential implications of such changes on the data we have published or will publish in the future, may result in customer dissatisfaction, particularly if certain information is no longer collected or information collected in future periods is not comparable with information collected in prior periods, or if our estimated insights for future periods become incompatible or otherwise differ from the estimated insights we provided for prior periods. As a result of future methodology changes, some of our customers may decide not to continue buying our products or services which would negatively affect our revenue and financial results, and/or to publicly air their dissatisfaction with the methodological changes made by us, which may damage our brand and harm our reputation.

***We have experienced rapid growth in recent periods and our recent growth rates may not be indicative of our future growth.***

We have experienced rapid growth in recent periods. Our revenue was \$193.2 million, \$218.0 million and \$249.9 million for the years ended December 31, 2022, 2023 and 2024, respectively, representing annual growth of 13% and 15%, respectively. Our historical revenue growth should not be considered indicative of our future performance. In future periods, we may not be able to sustain revenue growth consistent with recent periods, or at all. Further, as we operate in a new and rapidly changing category of services, widespread acceptance and use of our digital intelligence generally and our solutions is critical to our future growth and success. We believe our revenue growth depends on several factors, including, but not limited to, our ability to:

- attract new users and customers;
- provide excellent service to our users and customers;
- grow or maintain our net dollar-based retention rate, or NRR, and expand the usage of our solutions within the organizations already using our solutions;
- minimize the cancellation of paid subscriptions for our solutions or the reduction in the scope or price for our solutions by our customers;
- maintain and grow our available data sources in order to adequately meet the needs of our solution development;
- introduce and grow the adoption of our solutions in new markets outside of the markets in which we currently operate;
- improve the performance and capabilities of our platform and solutions through research and development;
- drive traffic to our online platform, convert traffic to free offerings and convert users of our free offerings to paid subscriptions;
- convert customers and organizations utilizing our offerings to higher tier services;
- deal with concerns related to actual or perceived security breaches, reliability, outages or other defects related to our platform;

- adequately expand our sales force and research and development organization and otherwise scale our operations as a business;
- comply with existing and new applicable laws and regulations, primarily in the area of data privacy and protection;
- effectively price our solutions to attract and retain users while achieving and maintaining profitability;
- successfully compete against new and existing market players; and
- increase global awareness of our brand.

If we are unable to accomplish these tasks, our revenue growth would be harmed. In addition, we expect to continue to expend substantial financial and other resources on:

- our sources of data;
- our technology infrastructure, including systems architecture, scalability, availability, performance and security;
- our sales and marketing organization to engage our existing and prospective customers, increase brand awareness and drive adoption of our solutions;
- solution development, including investments in our solution development team and the development of new solutions and new functionalities for our platform as well as investments in further optimizing our existing solutions, research, algorithms and infrastructure;
- acquisitions or strategic investments;
- international expansion; and
- general administration, including legal and accounting expenses associated with being a public company, such as insurance for our directors and officers.

These investments may not result in increased revenue growth in our business. If we are unable to maintain or increase our revenue at a rate sufficient to offset the expected increase in our costs, our business, financial condition, revenue, results of operations or cash flows will be harmed, and we may not be able to achieve or maintain profitability over the long term.

***We rely upon third-party providers of cloud-based infrastructure to host our solutions. Any disruption in the operations of these third-party providers, limitations on capacity or interference with our use could adversely affect our business, financial condition, revenue, results of operations or cash flows.***

We outsource all of the infrastructure relating to our cloud solution to third-party hosting services, specifically to Amazon Web Services, or AWS, which is our sole provider of these services and hosts our platform, manage data, mobile application, and many of the internal tools we use to operate our business. We have a commitment with AWS through May 31, 2026 and our agreement with AWS is not terminable for convenience by either party. Our platform, mobile application and internal tools use computing, storage capabilities, bandwidth and other services provided by AWS. We rely solely upon AWS to ensure the uninterrupted operation of our cloud-based infrastructure, and therefore any significant disruption of, limitation of our access to, or other interference with our use of AWS would negatively impact our operations and could seriously harm our business. In addition, any transition of the cloud services currently provided by AWS to another cloud services provider would require significant time and expense and could disrupt or degrade delivery of our platform. Our business relies on the availability of our platform for our customers, and we may lose customers if they are not able to access our platform or encounter difficulties in doing so. The level of service provided by AWS could affect the availability or speed of our platform, which may also impact the usage of, and our customers' satisfaction with, our platform and could seriously harm our business and reputation. If AWS increases pricing terms, terminates or seeks to terminate our contractual relationship, establishes more favorable relationships with our competitors, changes or interprets its terms of service or policies in a manner that is unfavorable with respect to us or fails to agree to renew our contract or enter into a new contract on terms that are acceptable to us, our business, financial condition, revenue, results of operations or cash flows may be harmed.

Any limitation on the capacity of AWS could impede our ability to onboard new customers or expand the usage of our existing customers, which could adversely affect our business, financial condition, revenue, results of operations or cash flows. In addition, any incident affecting AWS's infrastructure that may be caused by cyber-attacks, natural disasters, fire, flood, severe storm, earthquake, power loss, telecommunications failures, terrorist or other attacks, regional epidemics or global pandemics, and other similar events beyond our control could negatively affect our cloud-based solutions. The cloud services we receive from AWS include design features and elements

designed to prevent or minimize service disruption, including a disaster recovery service and the use of two distinct server farms in separate U.S.-based locations for hosting our platform and services, either one of which is capable of supporting our platform and services without material interruption even in the event of a failure at the other, corresponding server farm. Nevertheless, a prolonged service disruption affecting our cloud-based solution could negatively impact our ability to serve our customers and could damage our reputation with current and potential customers, expose us to liability, cause us to lose customers or otherwise harm our business. We may also incur significant costs for using alternative equipment or taking other actions in preparation for, or in reaction to, events that damage the third-party hosting services we use.

In addition, we rely on hardware and infrastructure purchased or leased from third parties and software licensed from third parties to operate critical business functions. Our business would be disrupted if any of this third-party hardware, software and infrastructure becomes unavailable on commercially reasonable terms, or at all. Furthermore, delays or complications with respect to the transition of critical business functions from one third-party product to another, or any errors or defects in third-party hardware, software or infrastructure could result in errors in our solutions or a failure of our platform, which could harm our business and results of operations.

In the event that our service agreements with our third-party hosting services or providers are terminated, or there is a lapse of service, delay in service, elimination of services or features that we utilize, interruption of internet service provider connectivity or damage to such facilities, we could experience interruptions in access to our platform as well as significant delays and additional expense in arranging or creating new facilities and services and/or re-architecting our cloud solution for deployment on a different cloud infrastructure service provider, which could adversely affect our business, financial condition, revenue, results of operations or cash flows.

***If we fail to maintain and enhance our brand, our ability to expand the number of organizations using our solutions will be impaired, our reputation may be harmed, and our business, financial condition, revenue, results of operations or cash flows may suffer.***

Our future success depends upon our ability to create and maintain brand recognition and a reputation for delivering easy and efficient solutions. A failure by us to build our brand and deliver on these expectations could harm our reputation and damage our ability to attract and retain consumers, which could adversely affect our business. We also believe that developing and maintaining awareness of our brand is critical to achieving widespread acceptance of our platform and solutions and is an important element in attracting new customers and users to our platform. Furthermore, we believe that the importance of brand recognition will increase as competition in our market increases. Successful promotion of our brand will depend largely on the effectiveness of our marketing efforts and on our ability to ensure that our platform remains high-quality, reliable and useful at competitive prices, as well as with respect to our free offering.

As our market becomes increasingly competitive, increasing awareness of our platform may become more difficult and expensive. Brand promotion activities may not yield increased revenue, and even if they do, any increased revenue may not offset the expenses we incur in building our brand. If we fail to successfully promote and maintain our brand, or incur substantial expenses in an unsuccessful attempt to promote and maintain our brand, we may fail to attract new customers and users or grow or maintain our retention rates to the extent necessary to realize a sufficient return on our brand-building efforts, and our business, financial condition, revenue, results of operations or cash flows could suffer.

In addition, independent industry analysts often provide reviews of our solutions, as well as the solutions offered by our competitors, and perception of the relative value of our platform in the marketplace may be significantly influenced by these reviews. If these reviews are negative, or less positive as compared to those of our competitors' solutions, our brand may be harmed.

***We offer free trials and a free offering of our platform to drive awareness of our solutions and encourage usage and adoption. If these marketing strategies fail to lead to users purchasing paid subscriptions, our ability to grow our revenue will be adversely affected.***

To encourage awareness, usage, familiarity and adoption of our platform and solutions, we offer free trials and a free offering of our platform. Our marketing strategy depends in part on users of our free trial and free tier versions of our platform convincing others within their organizations to use our solutions and to become paying customers. These strategies may not be successful in leading users to purchase our solutions. Many customers of our free tier may not lead to others within their organization purchasing and deploying our platform and solutions. To

the extent that users do not become, or we are unable to successfully attract paying customers, we will not realize the intended benefits of these marketing strategies and our ability to grow our revenue will be adversely affected.

***Because our success depends, in part, on our ability to expand sales internationally, our business will be susceptible to risks associated with international operations.***

We currently maintain offices and/or have sales and development personnel outside of Israel in the United States, the United Kingdom, France, Japan, Australia, Ukraine, Germany, Singapore, Chile, Switzerland and the Czech Republic and we intend to expand our international operations by developing a sales presence in other international markets. In the years ended December 31, 2022, 2023 and 2024 our non-U.S. revenue was 53.0%, 52.5%, and 51.8% of our total revenue, respectively. We expect to continue to expand our international operations, which may include operating in new jurisdictions and providing our solutions in additional languages. Any additional international expansion efforts that we are undertaking and may undertake may not be successful. In addition, conducting international operations subjects us to new risks, some of which we have not generally faced in Israel, the United States or other countries where we currently operate. These risks include, among other things:

- unexpected costs and errors in the localization of our platform and solutions, including translation into foreign languages and adaptation for local culture, practices and regulatory requirements;
- lack of familiarity and burdens of complying with foreign laws, legal standards, privacy and cybersecurity standards, regulatory requirements, tariffs and other barriers, and the risk of penalties to our customers and individual members of management or employees if our practices are deemed to not be in compliance;
- practical difficulties of enforcing intellectual property rights in countries with varying laws and standards and reduced or varied protection for intellectual property rights in some countries;
- an evolving legal framework and additional legal or regulatory requirements for data privacy and cybersecurity, which may necessitate the establishment of systems to maintain data in local markets, requiring us to invest in additional data centers and network infrastructure, and the implementation of additional employee data privacy documentation (including locally-compliant data privacy notice and policies), all of which may involve substantial expense and may cause us to need to divert resources from other aspects of our business, all of which may adversely affect our business;
- unexpected changes in regulatory requirements, taxes, trade laws, tariffs, export quotas, custom duties or other trade restrictions;
- difficulties in managing systems integrators and technology partners;
- differing technology standards;
- different pricing environments, longer sales cycles, longer accounts receivable payment cycles and difficulties in collecting accounts receivable;
- increased financial accounting and reporting burdens and complexities;
- difficulties in managing and staffing international operations including the proper classification of independent contractors and other contingent workers, differing employer/employee relationships and local employment laws;
- recruiting and retaining contractors in the Ukraine, in light of its current war with Russia and any aftermath thereof;
- increased costs involved with recruiting and retaining an expanded employee population outside Israel and the United States through cash and equity-based incentive programs and unexpected legal costs and regulatory restrictions in issuing our shares to employees outside the United States;
- global political and regulatory changes may lead to restrictions on immigration and travel for our employees outside Israel, the United States and our other office locations;
- economic recessions or uncertainty in financial markets, including the impact of rising global inflation and interest rates;
- fluctuations in exchange rates that may decrease the value of our foreign-based revenue or increase our costs;
- potentially adverse tax consequences, including the complexities of foreign value added tax (or other tax) systems, and restrictions on the repatriation of earnings; and
- permanent establishment risks and complexities in connection with international payroll, tax and social security requirements for international employees.

Additionally, operating in international markets also requires significant management attention and financial resources. We cannot be certain that the investment and additional resources required in establishing operations in other countries will produce desired levels of revenue or profitability. In addition, political, economic

and security conditions in countries in which we operate or have users, including Russia and Ukraine, may limit our ability to provide our services in those and in neighboring countries.

Compliance with laws and regulations applicable to our global operations also substantially increases our cost of doing business in foreign jurisdictions. We have limited experience in marketing, selling and supporting our platform in new jurisdictions that we operate in. Our limited experience in operating our business internationally increases the risk that any potential future expansion efforts that we may undertake will not be successful. If we invest substantial time and resources to expand our international operations and are unable to do so successfully and in a timely manner, our business, financial condition, revenue, results of operations or cash flows will suffer. We may be unable to keep current with changes in government requirements as they change from time to time. Failure to comply with these regulations could harm our business. In many countries, it is common for others to engage in business practices that are prohibited by our internal policies and procedures or other regulations applicable to us. Although we have implemented policies and procedures designed to ensure compliance with these laws and policies, there can be no assurance that all of our employees, contractors, partners and agents will comply with these laws and policies. Violations of laws or key control policies by our employees, contractors, partners or agents could result in delays in revenue recognition, financial reporting misstatements, enforcement actions, reputational harm, disgorgement of profits, fines, civil and criminal penalties, damages, injunctions, other collateral consequences or the prohibition of the importation or exportation of our solutions and could harm our business, financial condition, revenue, results of operations or cash flows.

***Our international sales and operations subject us to additional risks and costs, including the ability to engage with customers in new geographies, exposure to foreign currency exchange rate fluctuations, that can adversely affect our business, financial condition, revenue, results of operations or cash flows.***

There are a variety of risks and costs associated with our international sales and operations, which include making investments prior to the proven adoption of our solutions, the cost of conducting our business internationally and hiring and training international employees and the costs associated with complying with local law. Furthermore, we cannot predict the rate at which our platform and solutions will be accepted in international markets by potential customers. We currently have sales and/or customer support personnel outside Israel and the United States in the United Kingdom, France, Japan, Australia, Singapore, Germany, Chile, Switzerland and the Czech Republic; however, our sales organization outside Israel and the United States is substantially smaller than our Israeli and U.S. sales organizations. We believe our ability to attract new customers to subscribe to our platform or to attract existing customers to renew or expand their use of our platform is directly correlated to the level of engagement we obtain with the customer. To the extent we are unable to effectively engage with international customers due to our limited sales force capacity, we may be unable to effectively grow in international markets.

As our international operations expand, our exposure to the effects of fluctuations in currency exchange rates grows. While we have primarily transacted with customers in U.S. dollars, Euros, Great Britain Pounds, Japanese Yen, and with vendors in NIS and U.S dollars, historically, we expect to continue to expand the number of transactions with our customers that are denominated in foreign currencies in the future. However, a significant portion of our operating expenses, consisting principally of personnel-related costs, office and occupancy related costs and certain other operating expenses, are denominated in NIS. In the years ended December 31, 2022, 2023 and 2024, respectively, approximately 45%, 40% and 38% of our expenses were denominated in NIS. As a result, we are exposed to exchange rate risks that may materially and adversely affect our financial results. Additionally, fluctuations in the value of the U.S. dollar, Euros, Great Britain Pounds, Japanese Yen and/or NIS and foreign currencies may make our subscriptions more expensive for international customers, which could harm our business. Additionally, we incur expenses for employee compensation and other operating expenses at our non-Israeli and non-U.S. locations in the local currency for such locations. Fluctuations in the exchange rates between the U.S. dollar, Euros, Great Britain Pounds, Japanese Yen and/or NIS and other currencies could result in an increase to the U.S. dollar, Euros and/or NIS equivalent of such expenses. These fluctuations could cause our results of operations to differ from our expectations or the expectations of our investors. Additionally, such foreign currency exchange rate fluctuations could make it more difficult to detect underlying trends in our business and results of operations.

As of the data of this Annual Report, we maintain a program to hedge transactional exposures (for certain expenses, but not for revenues or accounts receivable) in certain foreign currencies. We may continue to use derivative instruments, such as foreign currency forward and option contracts, to hedge certain exposures to fluctuations in foreign currency exchange rates. The use of such hedging activities may not offset any or more than a

portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place. We cannot predict any future trends in the rate of inflation or deflation in Israel or the rate of appreciation or devaluation of the New Israeli Shekel against the U.S. dollar. The Israeli annual rate of inflation amounted to 5.3%, 3.0% and 3.2% for the years ended December 31, 2022, 2023 and 2024, respectively. The annual devaluation of the New Israeli Shekel in relation to the U.S. dollar amounted to (13.2)%, (3.1)% and (0.6)% for the years ended December 31, 2022, 2023, and 2024, respectively. Moreover, the use of hedging instruments may introduce additional risks if we are unable to structure effective hedges with such instruments. For example, the United States has recently experienced historically high levels of inflation. The annual inflation rate for the United States was approximately 6.5%, 3.4% and 2.9% for the years ended December 31, 2022, 2023 and 2024, respectively. Continued high inflation rates may affect our expenses, including employee compensation expenses and benefits as well as general and administrative costs. In the event inflation continues to increase, we may seek to increase the sales prices of our products and services in order to maintain satisfactory margins. Any attempts to offset cost increases with price increases may result in reduced sales, increase customer dissatisfaction or otherwise harm our reputation. Moreover, to the extent inflation has other adverse effects on the market, it may adversely affect our business, financial condition and results of operations.

***If we fail to determine the optimal prices for our solutions, our ability to attract new customers or retain existing customers could suffer.***

Demand for our platform and solutions is sensitive to price, and current or prospective customers may choose not to subscribe or renew or upgrade their subscriptions due to costs. Further, certain of our competitors offer, or may in the future offer, lower-priced or free solutions or services that compete with our solutions and services or may bundle functionality compatible with our solutions and services and offer a broader range of solutions and services. Similarly, certain competitors may use marketing strategies that enable them to acquire customers more rapidly or at a lower cost than us, or both. As we expand to additional international markets, we may find that pricing and packaging appropriate in our current markets is not acceptable to prospective customers in certain new markets.

We continue to develop new products and solutions for our customers, including the use of new technologies and capabilities such as AI, all of which is a significant part of our growth strategy. It is difficult to find the right pricing model, structure and price point for new products and solutions that may not have a comparable or existing market against which we can benchmark. If we are unable to price new products effectively or optimally, our growth prospects and business will suffer.

***If we fail to offer a high-quality customer experience, our business and reputation will suffer.***

While we have designed our platform to be easy to adopt and use, once organizations and customers begin using our platform, those organizations and customers rely on our support services to resolve any technical, administrative or other issues. High-quality customer education and experience has been key to the adoption of our platform, for the conversion of individuals, teams and organizations on our trial version into paying customers, expansion of accounts, and for growth or maintenance of our retention rates. The importance of a high-quality customer experience will increase as we expand our business and pursue new customers. For example, if we do not help customers on our platform quickly resolve issues and provide effective ongoing customer experience at the individual, team and organizational levels, our ability to convert organizations and customers on our free offering into paying customers will suffer and our reputation with existing or potential customers will be harmed. Further, our sales are highly dependent on our business reputation and on positive recommendations from existing individuals, teams and organizations using our platform and solutions. Any failure to maintain a high-quality customer experience, or a market perception that we do not maintain a high-quality customer experience, could harm our reputation, our ability to sell our solutions to existing and prospective customers, and our business, financial condition, revenue, results of operations or cash flows.

In addition, as we continue to grow our operations and reach a larger and increasingly global customer base, we need to be able to provide efficient customer support that meets the needs of organizations using our solutions globally at scale, which puts additional pressure on our support organization. If we are unable to provide efficient solution support globally at scale, including through the use of third-party contractors and self-service support, our ability to grow our operations may be harmed and we may need to hire additional support personnel, which could harm our business, financial condition, revenue, results of operations or cash flows.

***Our business could be negatively affected by changes in search engine algorithms and dynamics or other traffic-generating arrangements.***

We rely on internet search engines and digital distribution channels, including through the purchase of keywords and the indexing of our public-facing directory pages and other web pages, to generate a significant portion of the traffic to our website. Search engines frequently update and change the logic that determines the placement and display of results of a customer's search, such that the purchased or algorithmic placement of links to our website can be negatively affected. Pricing and operating dynamics for these traffic sources can change rapidly, both technically and competitively. Moreover, a search engine could, for competitive or other purposes, alter its search algorithms or results, which could cause a website to place lower in search query results or inhibit participation in the search query results. If a major search engine changes its algorithms or results in a manner that negatively affects the search engine ranking, paid or unpaid, of our website, if competitive dynamics impact the costs or effectiveness of search engine optimization, or if search engine marketing or other traffic-generating arrangements in a negative manner, our business and financial performance would be adversely affected.

***Our financial results may fluctuate due to increasing variability in our sales cycles as a substantial portion of our sales efforts are targeted at large organizations.***

We sell and our strategy is to continue to sell subscriptions of our platform to our varied customer base of enterprise, mid-market and small business customers, as well as governments, non-profits, educational institutions and individuals with our Investor Intelligence solutions. Selling to individuals and small-to-medium businesses may involve greater credit risk and uncertainty, as well as lower retention rates and limited interaction with our sales and other personnel. Conversely, sales to enterprise customers may entail longer sales cycles and more significant selling efforts. The average length of our sales cycle is approximately between one and two months for small-to-medium businesses and approximately between two and six months for enterprise customers. However, sales cycles are subject to lengthening for various reasons, including macroeconomic factors. Any such lengthening of our average sales cycle may adversely affect our financial results. We plan our expenses based on certain assumptions about the length and variability of our sales cycle based upon historical trends for sales and conversion rates associated with our existing customers. If we are successful in expanding our customer base to include more enterprise customers, our sales cycles may lengthen and become less predictable, which, in turn, may adversely affect our financial results. Factors that may influence the length and variability of our sales cycle include:

- the need to educate prospective customers about the uses and benefits of our platform and solutions;
- the discretionary nature of purchase and budget cycles and decisions;
- the competitive nature of evaluation and purchasing processes;
- evolving functionality demands;
- announcements of planned introductions of new solutions, features or functionality by us or our competitors; and
- lengthy and multi-faceted purchasing approval processes.

If there are changes in the mix of customers and organizations that purchase our platform and solutions, our gross margins and operating results could be adversely affected, and fluctuations increasing the variability in our sales cycles could negatively affect our financial results. In addition, our yearly operating results have fluctuated in the past and are expected to fluctuate in the future due to a variety of factors, many of which are outside of our control. As a result, our past results may not be indicative of our future performance and comparing our operating results on a period-to-period basis may not be meaningful.

***Because we recognize subscription revenue over the subscription term, downturns or upturns in new sales and renewals or changes to pricing are not reflected in full in our results of operations until future periods.***

We recognize revenue from subscriptions to our platform and other subscription products on a straight-line basis over the term of the contract subscription period beginning on the date access to our platform is granted, provided all other revenue recognition criteria have been met. Our subscription arrangements generally have contractual terms requiring advance payment for annual or quarterly periods. As a result, much of the revenue we report each quarter is the recognition of deferred revenue from recurring subscriptions entered into during previous quarters. Consequently, a decline in new or renewed recurring subscription contracts in any one quarter will not be fully reflected in revenue in that quarter but will negatively affect our revenue in future quarters. Accordingly, the effect of significant downturns in new or renewed sales of our recurring subscriptions are not reflected in full in our

results of operations until future periods. Similarly, an increase in the pricing of our subscription contracts would not be reflected in full in our results of operations until future periods. Our subscription model also makes it difficult for us to rapidly increase our revenue through additional sales in any period, as revenue from new customers is typically recognized over the applicable subscription term. By contrast, a majority of our costs are expensed as incurred, which could result in our recognition of more costs than revenue in the earlier portion of the subscription term, and we may not attain profitability in any given period.

***Seasonality may cause fluctuations in our sales and results of operations.***

Historically, we have experienced seasonality in new customer bookings, as we typically enter into a higher percentage of subscription agreements with new customers and renewals with existing customers in the fourth quarter of the year. We believe that this results from the procurement, budgeting and deployment cycles of many of our customers, particularly our enterprise customers. We expect that this seasonality will continue to affect our bookings and our results of operations in the future and might become more pronounced as we continue to target larger enterprise customers.

***Our corporate culture has contributed to our success, and if we cannot maintain this culture as we grow, we could lose the innovative approach, creativity and teamwork fostered by our culture and our business could be harmed.***

We believe that an important contributor to our success has been our corporate culture, which creates an environment that drives and perpetuates our strategy to create a better, more productive way to work and focuses on the development of our employees. As we continue to grow, including across multiple geographies or following acquisitions, and continue to develop the infrastructure of a public company, we may find it difficult to preserve our corporate culture, which could reduce our ability to innovate, create and operate effectively. In turn, the failure to preserve our culture could adversely affect our business, financial condition, revenue, results of operations or cash flows by negatively affecting our ability to attract, recruit, integrate and retain employees, continue to perform at current levels and effectively execute our business strategy.

***If we fail to retain and motivate members of our management team or other key employees or fail to attract additional qualified personnel to support our operations, our business and future growth prospects would be harmed.***

Our success and future growth depend largely upon the continued services of our executive officers as well as our other key employees in the areas of research and development and sales and marketing functions. From time to time, there may be changes in our executive management team or other key employees resulting from the hiring or departure of these personnel. Our executive officers and other key employees are employed on an at-will basis, which means that these personnel could terminate their employment with us at any time. The loss of one or more of our executive officers, or the failure by our executive team to effectively work with our employees and lead our company, could harm our business. We also are dependent on the continued service of our existing software engineers because of the complexity of our solutions and platform capabilities.

In addition, to execute our growth plan, we must attract and retain highly qualified personnel. Competition for these personnel is intense, especially data scientists and for engineers experienced in designing and developing SaaS applications and experienced sales professionals, and such competition often results in increasing wages, especially in Israel, where most of our research and development positions are located, and in the United States, where we have a significant presence. We also engage a team of developers in the Ukraine in order to benefit from the significant pool of talent that is more readily available in such market (see General Risk Factor titled “Catastrophic events may disrupt our business” for a further discussion of the impact of conflict in Ukraine on our business). If we are unable to attract such personnel in cities where we are located, we may need to hire in other locations which may add to the complexity and costs of our business operations. From time to time, we have experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel have greater resources than we have. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees or we have breached their legal obligations, resulting in a diversion of our time and resources. In addition, prospective and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived value of our equity awards declines, experiences significant volatility, or increases such that prospective employees believe there is limited upside to the value of our equity



awards, it may adversely affect our ability to recruit and retain key employees. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects would be harmed.

***Competition for highly skilled technical and other personnel in Israel and other regions is intense, and as a result we may fail to attract, recruit, retain and develop qualified employees, which could materially and adversely impact our business, financial condition and results of operations.***

We compete in a market marked by rapidly changing technologies and an evolving competitive landscape. In order for us to successfully compete and grow, we must attract, recruit, retain and develop personnel with requisite qualifications to provide expertise across the entire spectrum of our intellectual capital and business needs.

Our principal research and development as well as significant elements of our sales and marketing and general and administrative activities are conducted at our headquarters in Israel, as well as in our development center in the Czech Republic, and we face significant competition for suitably skilled employees in both locations. The high-tech industry in Israel has experienced significant levels of employee attrition and currently faces a shortage of skilled human capital, including engineering, research and development and sales and customer support personnel. Many of the companies with which we compete for qualified personnel have greater resources than we do, and we may not succeed in recruiting additional experienced or professional personnel, retaining personnel or effectively replacing current personnel who may depart with qualified or effective successors. We are new to the Czech Republic and we do not yet have an established employer brand in the local market. As such, we need to invest resources on marketing Similarweb as a place to work in order to attract talent. This represents an additional cost as we establish ourselves and continue to expand in the Czech Republic.

In addition, as a result of the intense competition for qualified human resources, the Israeli high-tech market has also experienced and may continue to experience significant wage inflation. Accordingly, our efforts to attract, retain and develop personnel may also result in significant additional expenses, which could adversely affect our profitability. Furthermore, in making employment decisions, particularly in the high-technology industry, job candidates often consider the value of the equity they are to receive in connection with their employment. Employees may be more likely to leave us if the shares they own or the shares underlying their equity incentive awards have significantly appreciated or significantly decreased in value. Many of our employees may receive significant proceeds from sales of our equity in the public markets, which may reduce their motivation to continue to work for us and could heighten the risk of employee attrition. Conversely, if the value of our ordinary shares depreciates in value then this too could heighten the risk of employee attrition.

While we utilize non-competition agreements with our employees as a means of improving our employee retention, those agreements may not be effective towards that goal. These agreements prohibit our employees, if they cease working for us, from competing directly with us or working for our competitors for a limited period. We may be unable to enforce these agreements under Israeli law and in other jurisdictions in which we operate, and it may be difficult for us to restrict our competitors from benefiting from the expertise our former employees developed while working for us.

In light of the foregoing, there can be no assurance that qualified employees will remain in our employ or that we will be able to attract and retain qualified personnel in the future. Failure to retain or attract qualified personnel could have a material adverse effect on our business, financial condition and results of operations.

***We have a credit facility secured by substantially all of our assets under which we have borrowed and may in the future borrow additional amounts; any indebtedness thereunder could adversely affect our financial position and our ability to raise additional capital and prevent us from fulfilling our obligations.***

On December 30, 2020, we entered into a Loan and Security Agreement with Silicon Valley Bank, or SVB, which was amended by a Loan Modification Agreement, dated as of November 13, 2022 and further amended as of August 6, 2024 (the "LSA"). The credit facility has an available borrowing capacity of (a) the lesser of (i) \$75 million or (ii) the amount available under the borrowing base, minus (b) the outstanding principal balance of any advances made under the credit facility. The borrowing base is the product of (a) monthly recurring revenue, as

defined in the LSA, multiplied by (b) an advance rate as set forth in the LSA. As of December 31, 2024, we had no outstanding indebtedness under the LSA. Any future indebtedness incurred under the LSA may:

- limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions, or other general business purposes;
- require us to use a portion of our cash flow from operations to make debt service payments instead of for other purposes, thereby reducing the amount of cash flow available for future working capital, capital expenditures, acquisitions, or other general business purposes;
- expose us to the risk of increased interest rates as borrowings under the LSA are subject to interest at the greater of (i) a floating per annum rate equal to 0.25% above the prime rate, or (ii) a fixed per annum rate equal to 3.50%, also paid on a monthly basis;
- limit our flexibility to plan for, or react to, changes in our business and industry;
- increase our vulnerability to the impact of adverse economic, competitive and industry conditions; and
- increase our cost of borrowing.

The credit facility is secured by substantially all of our assets. In addition, the LSA contains, and the agreements governing our future indebtedness may contain, restrictive covenants that may limit our ability to engage in activities that may be in our long-term best interest. These restrictive covenants include, among others, financial reporting requirements and limitations on indebtedness, liens, mergers, consolidations, liquidations and dissolutions, sales of assets, dividends and other restricted payments, investments (including acquisitions) and transactions with affiliates. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of substantially all of our debt. Under the LSA, we are also required to maintain liquidity of at least \$35 million.

In March 2023, SVB was closed by the California Department of Financial Protection and Innovation, and the Federal Deposit Insurance Corporation (FDIC) was appointed as receiver. The FDIC transferred all deposits, both insured and uninsured, to Silicon Valley Bridge Bank, N.A. (Bridge Bank), which later became part of First Citizens Bank. The Bridge Bank initially assured that all commitments under existing credit agreements would be honored, backed by the FDIC and the full faith and credit of the US government. We believe our SVB credit facility has been assumed by First Citizens Bank and remains operational. However, if the credit facility becomes unavailable, we may need to seek alternative credit sources. Failure to secure a comparable credit facility could require us to use our cash reserves for operations, potentially affecting growth strategies, acquisitions, and our financial stability, which may impact the value of our shares. Additionally, available credit may come with more restrictive covenants and higher interest rates, reducing our borrowing capacity and operating flexibility.

The LSA expires on December 31, 2026. In the event that we are unable to renew or extend the term of the LSA on similar terms or if the terms and covenants of the LSA are less favorable than those of the current LSA, we may need to seek an alternative source of credit facility. In the event that we cannot secure a competitive and/or comparable credit facility to the LSA, we would need to use our current cash balances to support our day-to-day business operations, which could adversely affect certain growth strategies or potential future acquisitions and our perceived liquidity and financial stability by customers, partners and investors, which may reduce the value of our ordinary shares. In addition, even if credit is made available, lenders may seek more restrictive covenants and higher interest rates that may reduce our borrowing capacity, increase our costs, and reduce our operating flexibility.

***Our failure to raise additional capital or generate cash flows necessary to expand our operations and invest in new technologies in the future could reduce our ability to compete successfully and harm our results of operations.***

Historically, we have funded our operations and capital expenditures primarily through equity issuances, borrowings under our credit facilities and cash payments from our customers. Although we currently anticipate that our existing cash and cash equivalents and cash flow from operations and under our credit facility will be sufficient to meet our cash needs for the foreseeable future, we may require additional financing, and we may not be able to obtain debt or equity financing on favorable terms, if at all. If we raise equity financing to fund operations or on an opportunistic basis, our shareholders may experience significant dilution of their ownership interests. If we need additional capital and cannot raise it on acceptable terms, or at all, we may not be able to, among other things:

- develop new features, capabilities and enhancements;
- continue to expand our solution development, sales and marketing organizations;
- expand internationally;
- hire, train and retain employees;
- respond to competitive pressures or unanticipated working capital requirements; or
- pursue acquisition opportunities.

### **Risks Relating to Our Intellectual Property and Technology**

*Any failure to obtain, maintain, protect or enforce our intellectual property rights could impair our competitive position and ability to generate revenue and cause us to lose valuable assets.*

Our success depends to a significant degree on our ability to obtain, maintain, protect and enforce our intellectual property rights, including those in our proprietary technology, know-how and brand. We rely on a combination of trademark, trade secret, patent, copyright and other intellectual property laws, as well as contractual restrictions, and confidentiality procedures to establish and protect our intellectual property rights. However, the steps we take to obtain, maintain, protect and enforce our intellectual property rights may be inadequate to prevent infringement, misappropriation, dilution or other violation of our intellectual property rights.

We will not be able to protect our intellectual property rights if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property rights. Policing unauthorized use of our know-how, technology and intellectual property is difficult, costly, time-consuming and may not be effective. Despite our precautions, it may be possible for unauthorized third parties to copy our solutions and platform capabilities and use information that we regard as proprietary to create solutions that compete with ours. If we fail to protect our intellectual property rights adequately, our competitors and other third parties may gain access to our proprietary technology and develop and commercialize substantially identical solutions, services or technologies, which can harm our business, financial condition, results of operations or prospects. In addition, defending our intellectual property rights might entail significant expense. Any patents, registered trademarks, or other intellectual property rights that we have or may obtain may be challenged or circumvented by others or invalidated or held unenforceable through administrative processes, including opposition, cancellation, re-examination, inter *partes* review, interference and derivation proceedings and equivalent proceedings in foreign jurisdictions or litigation.

Circumstances outside our control could also pose a threat to our intellectual property rights. For example, patent, trademark, copyright, trade secret and other intellectual property protection may not be available to us in every country in which our solutions are available. In addition, the laws of some foreign countries may not be as protective of intellectual property rights as those in the United States, and mechanisms for enforcement of intellectual property rights may be inadequate. As we expand, our international activities, our exposure to unauthorized copying and use of our solutions and platform capabilities and proprietary information will likely increase. Moreover, policing unauthorized use of our technologies, trade secrets, and intellectual property may be difficult, expensive, and time-consuming, particularly in foreign countries where the laws may not be as protective of intellectual property rights as those in the United States and where mechanisms for enforcement of intellectual property rights may be weak. Changes in the law or adverse court rulings may also negatively affect our ability to prevent others from using our technology.

We enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with other third parties with whom we share our confidential information, including suppliers and other partners. However, we cannot guarantee that we have entered into such agreements with every party that has or may have had access to our proprietary information, know-how and trade secrets. These agreements may not effectively grant all necessary rights to any inventions that may have been developed by the employees or consultants party thereto. Moreover, no assurance can be given that these agreements will be effective in controlling access to, distribution, use, misuse, misappropriation, reverse engineering or disclosure of our proprietary information, know-how, trade secrets and our confidential information or provide an adequate remedy in the event of unauthorized use of our proprietary information, know-how or trade secrets or unauthorized access, use or disclosure of our confidential information. Some of the provisions of our agreements that protect us against unauthorized use, copying, transfer, and disclosure of our platform, may be unenforceable under the laws of certain jurisdictions and foreign countries. Further, these agreements may not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our solutions and platform capabilities. Unauthorized parties may also attempt to copy or obtain and use our technology to develop applications with the same functionality as our solutions. Additionally, these agreements may be breached, and we may not have adequate

remedies for any such breach. Any unauthorized disclosure or use of our trade secrets or other confidential proprietary information could make it more expensive to do business, thereby harming our operating results.

The value of our intellectual property could diminish if others assert rights in or ownership of our trademarks and other intellectual property rights, or trademarks that are similar to our trademarks. We may be unable to successfully resolve these types of conflicts to our satisfaction. We may also be required to spend significant resources to monitor, protect and enforce our intellectual property rights. Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming, and distracting to management, and could result in the impairment or loss of portions of our intellectual property. Further, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights, and if such defenses, counterclaims or countersuits are successful, we could lose valuable intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay further sales or the implementation of our solutions and platform capabilities, impair the functionality of our solutions and platform capabilities, delay introductions of new solutions, result in our substituting inferior or more costly technologies into our solutions, or injure our reputation.

***We may become subject to intellectual property disputes, which are costly and may subject us to significant liability and increased costs of doing business.***

We may become subject to intellectual property disputes. Our success depends, in part, on our ability to develop and commercialize our solutions and services without infringing, misappropriating, diluting or otherwise violating the intellectual property rights of third parties. However, we may not be aware that our solutions or services are infringing, misappropriating, diluting or otherwise violating third-party intellectual property rights and such third parties may bring claims alleging such infringement, misappropriation, dilution or violation. Lawsuits are time-consuming and expensive to resolve, and they divert management's time and attention. Companies in the software industry are often required to defend against litigation claims based on allegations of infringement, misappropriation, dilution or other violations of intellectual property rights. Third parties may assert intellectual property claims against us, and we may be subject to liability, required to enter into costly license agreements, or required to rebrand or redesign our solutions and/or prevented from selling some of our solutions if third parties successfully oppose or challenge our trademarks or successfully claim that we infringe, misappropriate or otherwise violate their trademarks or other intellectual property rights. Our technologies may not be able to withstand any third-party claims against their use. In addition, many companies have the capability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. We do not currently have a large patent portfolio, which could prevent us from deterring patent infringement claims through our own patent portfolio, and our competitors and others may now and in the future have significantly larger and more mature patent portfolios than we have. There also may be pending patent applications, of which we are not aware, that may result in issued patents, which could be alleged to be infringed by our current or future technologies or solutions. Any litigation may also involve patent holding companies or other adverse patent owners that have no relevant solution revenue, and therefore, our patent applications may provide little or no deterrence as we would not be able to assert them against such entities or individuals. If a third party is able to obtain an injunction preventing us from accessing such third-party intellectual property rights, or if we cannot license or develop alternative technology for any infringing aspect of our business, we would be forced to limit or stop sales of our solutions and platform capabilities or cease business activities related to such intellectual property.

Although we carry general liability insurance, our insurance may not cover potential claims of this type or may not be adequate to indemnify us for all liability that may be imposed. There is a risk that our operations, platforms and services may infringe or otherwise violate, or be alleged to infringe or otherwise violate, the intellectual property rights of third parties. We cannot predict the outcome of lawsuits and cannot ensure that the results of any such actions will not have an adverse effect on our business, financial condition or results of operations. Any intellectual property litigation to which we might become a party, or for which we are required to provide indemnification, regardless of the merit of the claim or our defenses, may require us to do one or more of the following:

- cease selling or using solutions or services that incorporate the intellectual property rights that we allegedly infringe, misappropriate, dilute or violate;
- make payment of substantial royalty or license fees, lost profits or other damages;
- make substantial payments for legal fees, settlement payments or other costs or damages;
- indemnify our platform users or third-party service providers;

- obtain a license, which may not be available on reasonable terms or at all, to sell or use the relevant technology; or
- redesign or rebrand our allegedly infringing solutions to avoid infringement, misappropriation, dilution or violation of third-party intellectual property rights, which could be costly, time-consuming or impossible.

Any of the foregoing could materially and adversely affect our business, prospects, financial condition and results of operations.

Even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business and operating results. Moreover, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our ordinary shares. We expect that the occurrence of infringement claims is likely to grow as the market for our platform and solutions grows. Accordingly, our exposure to damages resulting from infringement claims could increase and this could further exhaust our financial and management resources.

***We may become subject to claims for remuneration or royalties for assigned service invention rights by our employees, which could result in litigation and would adversely affect our business.***

A significant portion of our intellectual property is developed in Israel and has been developed by our employees in the course of their employment for us. Under the Israeli Patents Law, 5727-1967, or the Patents Law, inventions conceived by an employee in the course and as a result of or arising from his or her employment with a company are regarded as “service inventions,” which belong to the employer, absent a specific agreement between the employee and employer giving the employee service invention rights. The Patents Law also provides that if there is no such agreement between an employer and an employee, the Israeli Compensation and Royalties Committee, or the Royalties Committee, a body constituted under the Patents Law, shall determine whether the employee is entitled to remuneration for his or her inventions. Case law clarifies that the right to receive consideration for “service inventions” can be waived by the employee and that in certain circumstances, such waiver does not necessarily have to be explicit. The Royalties Committee will examine, on a case-by-case basis, the general contractual framework between the parties, applying interpretation rules of the general Israeli contract laws. Further, the Royalties Committee has not yet determined one specific formula for calculating this remuneration, but rather uses the criteria specified in the Patents Law. Although we generally enter into assignment-of-invention agreements with our employees pursuant to which such individuals assign to us all rights to any inventions created in the scope of their employment or engagement with us, we may face claims demanding remuneration in consideration for assigned inventions. As a consequence of such claims, we could be required to pay additional remuneration or royalties to our current and former employees, or be forced to litigate such claims, which could negatively affect our business.

***We use open source software, which could negatively affect our ability to offer our solutions and subject us to litigation or other actions.***

We use software licensed to us by third-party authors under “open source” licenses in connection with the development or deployment of our proprietary platform and solutions and expect to continue to use open source software in the future. Some open source licenses contain express requirements, which may be triggered under certain circumstances, that licensees make available source code for modifications or derivative works created, or prohibit such modifications or derivative works from being licensed for a fee. Although we monitor our use of open source software to avoid subjecting our platform to such requirements, there are uncertainties regarding the proper interpretation of and compliance with open source licenses, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to use such open source software, and consequently to develop, provide or distribute our proprietary platform and solutions. We may from time to time face claims from third parties claiming ownership of, or seeking to enforce the terms of, an open source license, including by demanding release of source code for the open source software, derivative works or our proprietary source code that was developed using or that is distributed with such open source software. These claims could also result in litigation and could require us to make our proprietary software source code freely available, require us to devote additional research and development resources to re-engineer our platform, seek costly licenses from third parties or otherwise incur additional costs and expenses, any of which could result in reputational harm and would have a negative effect on our business and operating results.

In addition, if the license terms for the open source software we utilize change, we may be forced to reengineer our platform or incur additional costs to comply with the changed license terms or to replace the affected open source software. Further, use of certain open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide support, warranties or controls on the origin or quality of the software or indemnification for third-party infringement claims. To the extent that our platform depends upon the successful operation of open source software, any undetected errors or defects in open source software that we use could prevent the deployment or impair the functionality of our systems and injure our reputation. In addition, the public availability of such software may make it easier for others to compromise our platform. Additionally, although use of open source software has historically been free, recently several open source providers have begun to charge license fees for use of their software. If our current open source providers were to begin to charge for these licenses or increase their license fees significantly, this would increase our research and development costs and have a negative impact on our results of operations and financial condition. Any of these risks could be difficult to eliminate or manage and, if not addressed, could have an adverse effect on our business and operating results.

***Our implementation and use of AI, large language models and machine learning technologies may not be successful, which may impair our ability to compete effectively, result in reputational harm and have an adverse effect on our business.***

We use machine learning, AI and automated decision making technologies throughout our business, and are making significant investments to continuously improve our use of such technologies. As with many technological innovations, there are significant risks and challenges involved in developing, maintaining and deploying these technologies and there can be no assurance that the usage of such technologies will enhance our products or services or be beneficial to our business, including our efficiency or profitability.

Further, changes and ongoing development in how we use AI and machine learning technologies including generative AI and large language models, and how we train our models, in particular if those AI, large language models or machine learning technologies are (i) incorrectly designed or implemented; (ii) trained or reliant on incomplete, inadequate, inaccurate, biased or otherwise poor quality data; and/ or (iii) are adversely impacted by unforeseen defects, technical challenges, cybersecurity threats or material performance issues, the performance of our platform and business, as well as our reputation and the reputations of our customers and partners, could suffer or we could incur liability through the violation of laws or contracts to which we are a party or through civil claims.

The market for AI and machine learning technologies, particularly generative AI and large language models, and solutions based on such technologies, is rapidly evolving and remains unproven in many industries, including our own. We cannot be sure that the market will continue to grow or that it will grow in ways we anticipate. We are in varying stages of development in relation to our products or services which utilize generative AI, large language models and other machine learning technologies, and we may not be successful in our ongoing development of products and services utilizing these technologies in the face of novel and evolving technical, reputational and market factors. Our failure to successfully develop and commercialize our products or services which utilize proprietary machine learning, large language models and artificial intelligence technologies could depress the market price of our stock and impair our ability to (i) raise capital; (ii) expand our business; (iii) provide, improve and diversify our product offerings; (iv) continue our operations and efficiently manage our operating expenses; and (v) respond effectively to competitive developments.

The continuous development, maintenance and operation of our AI, large language models and machine learning technologies, and products and services utilizing these technologies, is expensive and complex, and may involve unforeseen difficulties including material performance problems, undetected defects or errors. We may encounter technical obstacles, and it is possible that we may discover additional problems that may prevent our proprietary technologies from operating properly, which could adversely affect our business, customer relationships and reputation.

We face significant competition from other companies in our industry in relation to the development and deployment of AI, large language models and machine learning technologies and/or products and services utilizing these technologies. Those other companies may develop AI technologies, or products or services utilizing these technologies, that are similar or superior to ours and/or are more cost-effective and/or quicker to develop and deploy. If we cannot develop, offer or deploy new AI, large language models or machine learning technologies, or products or services utilizing these technologies, as effectively, as quickly and/or as cost-efficiently as our competitors, we could experience a material adverse effect on our operating results of operation, customer relationships and growth.

***Indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement and other losses.***

Our agreements with our platform customers and other third parties may include indemnification or other provisions under which we agree to indemnify or otherwise be liable to them for losses suffered or incurred as a result of claims of intellectual property infringement, damages caused by us to property or persons, or other liabilities relating to or arising from our platform, solutions or other acts or omissions. For some of our larger customers, we sometimes negotiate additional indemnification for breaches of our obligations, representations or warranties in the subscription agreement, gross negligence or willful misconduct, breaches of confidentiality, losses related to security incidents, breach of the data processing addendum or violations of applicable law. The term of these contractual provisions often survives termination or expiration of the applicable agreement. Large indemnity payments or damage claims from contractual breach could harm our business, financial condition, revenue, results of operations or cash flows.

From time to time, third parties may assert intellectual property infringement claims against our platform customers. These claims may require us to initiate or defend protracted and costly litigation on behalf of our customers, regardless of the merits of these claims. If any of these claims succeed, we may be forced to pay damages on behalf of our customers or may be required to obtain costly licenses from third parties for the platform or solutions they use or modify our platform or solutions to be non-infringing or resolve a claim of infringement. If we cannot obtain all necessary licenses on commercially reasonable terms or make such modifications to avoid a claim, our customers may be forced to stop using our platform or solutions. Further, our customers may require us to indemnify or otherwise be liable to them for breach of confidentiality or failure to implement adequate security measures with respect to their data stored, transmitted or processed by our employees, platform or solutions. Although we normally contractually limit our liability with respect to such obligations, we may still incur substantial liability related to them. Any dispute with a customer with respect to such obligations could have adverse effects on our relationship with that customer and other current and prospective customers, reduce demand for our platform or solutions and harm our revenue, business and operating results.

**Risks Relating to Regulatory Compliance and Legal Matters**

***Laws, regulations and public perception concerning data privacy and cybersecurity, or changes in the patterns of enforcement of existing laws and regulations, could impact our ability to gather, process, update the data that we use to generate our solutions and/or provide some or all of our solutions. Furthermore, our actual or perceived failure to comply with such obligations could harm our business.***

Our ability to operate our business and provide our services relies heavily on the collection and use of information. In recent years, there has been an increase in attention to and regulation of data protection and data privacy across the globe. We are subject to a variety of laws, directives and regulations relating to the collection, use, retention, security, disclosure, transfer and other processing of personal data, such as the European Union's and United Kingdom's General Data Protection Regulation (together referred to as "GDPR"), the EU e-Privacy Directive, and many state privacy laws such as the California Consumer Privacy Act, or CCPA, the Virginia Consumer Data Protection Act, or VCDPA, the Colorado Privacy Act, or CPA, and similar laws that have been enacted in more than 20 US states, and additional privacy laws are currently being considered in many US states. Other data privacy or data protection laws or regulations are under consideration in other jurisdictions as well. These laws are not always uniform in the way they define and treat certain data types, including business-to-business data or "sensitive data" (as such term is defined under privacy laws), and we must often update our consumer notices and adapt our compliance programs to account for the differences among such laws. These laws impose restrictions on our ability to gather and process data we require in order to provide our products to our customers and could require us to take on more onerous obligations in our contracts and add provisions to our data protection agreements related to the processing of personal data.

These laws set out extensive compliance requirements, including providing detailed disclosures about how personal data is collected and processed; demonstrating that an appropriate legal basis is in place or otherwise exists to justify data processing activities; granting new rights for data subjects in regard to their personal data (including rights to be informed of the processing of their personal data, to consent, and withdraw consent to such processing,

object to, limit or opt-out of certain processing of personal data, the right to access, correct or delete personal data, the right not to be subject to decisions with significant effects, based solely on automated processing, and the right to data portability); notifying affected individuals, data protection regulators or supervisory authorities of data incidents or security breaches; defining requirements in connection with deidentified, aggregated or pseudonymized (i.e., key-coded) data; imposing limitations on retention, use and sale or sharing of personal data; restricting the collection of data via cookies or other online tracking tools; maintaining a record of data processing and/or conducting data risk assessments; and complying with various privacy principles and the obligation to demonstrate compliance through written policies, procedures, trainings and audits.

Concern regarding our use of the personal data we collect as well as the validity of the consents we obtain, could keep prospective customers from subscribing to our services or could limit our ability to maintain and grow our contributory network. Industry-wide incidents or incidents with respect to our practices, including misappropriation of third-party information, security breaches, or changes in industry standards, regulations, or laws, together with more active regulatory enforcement from privacy authorities could deter people from using the B2C products that we rely upon to grow and maintain our contributory network, or from using the internet, our solutions and/or our B2C products, which could harm our business. Further, US state privacy laws are making it easier for individuals to opt out of having their personal data collected for purposes beyond those necessary to provide our products. Although we already honor opt-out requests, such legal and regulatory changes could increase public awareness of this option, resulting in higher rates of opting out. Third-party intermediaries have emerged, and will likely continue to emerge, that offer services involving opting individuals out of their personal data being collected at scale (i.e., from all platforms). Consequently, our ability to grow our business may be harmed.

In addition, the processes we use to deidentify, aggregate or pseudonymize data or to clean data such as by identifying and removing potentially personal data from URLs may prove to be insufficient under applicable data protection laws.

We also receive data from third-party sources (e.g., other data providers). We must rely on our data providers to ensure that personal data was collected and is being shared with us for our use in compliance with all applicable data privacy laws and contractual obligations and with appropriate notices and consents in place. Furthermore, we use third-party service providers some of which process personal data on our behalf.

We maintain policies concerning the collection, processing, use and retention of information, including personal data and, where appropriate, we publicly post documentation regarding our practices concerning the collection, processing, use and disclosure of personal data. Although we endeavor to comply with our policies, we may at times fail to do so or be subject to a claim alleging our failure to do so. Also, although we require certain undertakings from our third-party data providers regarding their compliance with these requirements, we may fail to conduct proper due diligence, adequately monitor their compliance or may fail to discover their failure to comply with these requirements with respect to the data they provide to us. Any such non-compliance can subject us to potential governmental action, class action lawsuits, private rights of action or third-party claims.

Given the nature of our business and the fact that we do not always have a direct relationship with the relevant data subject, it can be difficult for us to ensure that individuals are aware of such policies or our processing of the personal data at the point of data collection. As such, we may be subject to complaints from individuals, third-parties or regulators for failing to meet the necessary transparency obligations or obtaining valid consents under applicable data privacy laws. The publication of our privacy policy and other documentation that provide information about our privacy and security practices can subject us to potential state and federal action in the United States and elsewhere if they are found to be deceptive, unfair, or a misrepresentation of our actual practices. Any failure by us, our suppliers or other parties with whom we do business to comply with this documentation or with federal, state, or local laws in the United States or international regulations, could result in proceedings against us by governmental entities or others. In many jurisdictions, enforcement actions and consequences for noncompliance are rising. In the United States, these include enforcement actions in response to rules and regulations promulgated under the authority of federal agencies and state attorneys general and legislatures and consumer protection agencies. In addition, privacy advocates and industry groups have regularly proposed, and may propose in the future, self-regulatory standards with which we must legally comply or that contractually apply to us. If we fail to follow these standards even if no user information is compromised, we may incur significant fines, adverse publicity, or experience a significant increase in costs.



Certain of our activities could be found by a government or regulatory authority to be noncompliant or become noncompliant in the future with one or more data protection or data privacy laws, even if we have implemented and maintained a strategy that we believe to be compliant. For example, we process some personal data collected in the EU and UK pursuant to the legitimate interest provision under the GDPR. However, regulators may disagree with our application of this basis for data collection and processing and find that our data collection and processing has violated the GDPR or find that we have not sufficiently justified use of the provision.

Certain data privacy laws impose sanctions for violations. For example, GDPR imposes a reprimand, a temporary or definitive ban on processing and/or a fine of up to €20 million or 4% of the business's total annual worldwide turnover. Furthermore, new interpretations of existing data protection laws or regulations could be inconsistent with our interpretations, increase our compliance burden, make it more difficult to comply and/or increase our risk of regulatory investigations and fines. For example, we are subject to complex and evolving regulatory requirements regarding the collection, sharing and use of personal data, including state laws such as the CCPA, VCDPA, CPA and similar US state privacy laws in other jurisdictions, related to collection and "selling" (a broadly defined term under a majority of US state privacy laws) of personal data. We may also be subject to laws and regulations, including the Directive on Privacy and Electronic Communications (in the EU), the Privacy and Electronic Communications Regulations (in the UK) or the Telephone Consumer Protection Act (in the US), applying to the processing of personal data in the context of marketing, advertising, and other communications with individuals.

In Israel, where we are incorporated and have significant operations, including our corporate headquarters, we are subject to the Israeli Privacy Protection Law, 5741-1981, as amended ("PPL"), and its regulations, including the Israeli Privacy Protection Regulations (Data Security), 5777-2017 (the "Data Security Regulations"), and the guidelines of the Israeli Privacy Protection Authority ("IPPA"). The PPL, the Data Security Regulations, and the IPPA guidelines impose obligations regarding how personal data is processed, maintained, transferred, disclosed, accessed, and secured. Material changes to the PPL or the Data Security Regulations may require us to adjust our data protection and data security practices. For example, the Protection of Privacy (Amendment No. 13) Law, 5784-2024 ("Amendment 13"), passed by the Knesset in August 2024, takes effect on August 14, 2025. Amendment 13 expands the IPPA's authority to investigate suspected privacy violations and impose significantly higher monetary sanctions than those currently available. Amendment 13 also introduces additional obligations for parties that process personal data, which may require us to modify our data practices and policies, appoint a data protection officer, and incur substantial costs to adjust our privacy and data protection practices in Israel. Additionally, the Privacy Protection (Provisions Regarding Information Transferred to Israel from the European Economic Area) Regulations, 5784-2023 ("EU Transfer Regulations"), took effect in January 2025 and apply to personal data of Israeli individuals. As a result, we may need to adjust our practices, especially those related to data subjects' rights.

Failure to comply with the PPL, its regulations, and guidelines issued by the IPPA may expose us to administrative fines, civil claims (including class actions), and in certain cases, criminal liability. The IPPA may initiate administrative inspection proceedings from time to time. In addition, if an administrative inspection procedure initiated by the IPPA reveals irregularities with respect to our compliance with the PPL, we may need to take remedial actions to rectify such irregularities, which may increase our costs, in addition to our exposure to administrative fines, civil claims (including class actions), and in certain cases, criminal liability. Upon Amendment 13 entering into effect in August 2025, the sanctions for non-compliance with the requirements of the PPL and its regulations (including the Data Security Regulations and the EU Transfer Regulations) will be significantly increased and, in certain cases, may reach substantial amounts in the millions of NIS.

Complying with applicable data protection laws may cause us to incur substantial operational costs or require us to change our business practices. Despite our efforts to bring practices into compliance with these laws, we may not be successful in our efforts to achieve compliance either due to internal or external factors such as resource allocation limitations or a lack of vendor cooperation. Non-compliance could result in proceedings against us by governmental entities, users, data subjects or others. We may also experience difficulty retaining or obtaining new European or multi-national users due to the legal requirements, compliance cost, potential risk exposure, and uncertainty for these entities, and we may experience significantly increased liability with respect to these users pursuant to the terms set forth in our engagements with them.

Additionally, many U.S. state legislatures have adopted legislation that regulates how businesses operate online, including measures relating to privacy, data security, data breaches, and data brokers. Laws in all 50 states require businesses to provide notice to users whose personally identifiable information has been disclosed as a result of a data breach. The laws are not consistent, and compliance in the event of a widespread data breach is costly. Penalties for the failure to adequately protect personal information, notify as required or provide timely notice vary by jurisdiction. In the U.S., most state data breach notification laws consider violations to be unfair or deceptive trade practices and give the applicable state attorney general authority to levy fines or bring enforcement actions. States are also constantly amending existing laws, requiring attention to frequently changing regulatory requirements. Furthermore, additional states have passed or introduced pending legislation, which marks the beginning of a trend toward more stringent United States privacy legislation, which could increase our potential liability and adversely affect our business.

A few states have enacted data broker registration laws that create additional obligations for businesses that sell certain personal data. If we are required to register as a data broker in some states, this could increase public awareness of a consumer's ability to opt out of having their personal data processed by us, resulting in higher rates of opting out. Consequently, our ability to grow our business may be harmed. As laws place more stringent restrictions upon companies with business models such as ours, compliance will only become more complex, which could adversely affect our business.

Because the interpretation and application of privacy and data protection laws along with contractually imposed industry standards are uncertain, it is possible that these laws may be interpreted and applied in a manner that is inconsistent with our existing data processing practices or the features of our solutions and platform capabilities. If so, in addition to the possibility of fines, lawsuits, regulatory investigations, imprisonment of company officials and public censure, other claims and penalties, and significant costs for remediation and damage to our reputation, we could be required to fundamentally change our business activities and practices or modify our solutions and platform capabilities, any of which could have an adverse effect on our business. Any inability to adequately address privacy and security concerns, even if unfounded, or comply with applicable privacy and data security laws, regulations, and policies, could result in additional cost and liability to us, damage our reputation, inhibit sales and adversely affect our business. Furthermore, the costs of compliance with, and other requirements imposed by, the laws, regulations, and policies that are applicable to the businesses of our users may limit the use and adoption of, and reduce the overall demand for, our solutions. Privacy and data security concerns, whether valid or not valid, may inhibit market adoption of our solutions, particularly in certain industries and foreign countries. If we are not able to adjust to changing laws, regulations, and standards related to the internet, our business may be harmed. Future legal requirements could reduce demand for our services, require us to take on more onerous obligations in our contracts, restrict our ability to store, transfer and process personal and other data or, in some cases, impact our ability to offer our services in certain locations, to deploy our solutions, to reach current and prospective customers, or to derive insights from data globally.

Legal developments in Europe have created complexity regarding transfers of personal data from the European Economic Area ("EEA") and the UK to the United States. On July 16, 2020, in a case known as Schrems II, the Court of Justice of the European Union ("CJEU") invalidated the EU-US Privacy Shield Framework under which personal data could be transferred from the EEA (which included the UK at the time) to the U.S. In 2023, the Privacy Shield scheme was replaced by the EU-U.S. Data Privacy Framework ("DPF") and the UK Extension to the DPF, which were developed to facilitate transatlantic commerce by providing U.S. organizations with appropriate mechanisms for personal data transfers to the U.S. from the EEA and the UK. Only U.S. legal entities subject to the jurisdiction of the Federal Trade Commission or the U.S. Department of Transportation are currently eligible to participate in the DPF program, by self-certification. Companies that do not self-certify under the DPF would need to rely on an alternative transfer mechanism, such as an applicable derogation or contractual safeguards (e.g. Binding Corporate Rules or the standard contractual clauses ("SCCs")). However, the Schrems II decision makes it clear that reliance on them alone may not necessarily be sufficient. The use of contractual safeguards must now be assessed on a case-by-case basis taking into account the legal regime applicable in the destination country, in particular applicable surveillance laws and rights of individuals and additional technical and organizational measures and/or contractual provisions may need to be put in place. The nature of the additional measures would depend on the residual risk to personal data transferred when relying on contractual safeguards like SCCs. In 2020, the European Data Protection Board (EDPB) issued guidance on the recommended measures that could supplement transfer tools in order to ensure compliance with the EU/UK level of protection of personal data export..

These developments require us to review and amend the legal mechanisms governing our personal data transfers from EEA and UK to the United States and other non-European countries. Currently, we rely on contractual safeguards for such transfers. Without conducting transfer risk assessments and implementing appropriate transfer mechanisms and supplementary measures, we risk incurring additional costs, complaints, regulatory investigations or fines. Furthermore, if we are unable to transfer personal data between and among the countries and regions in which we operate, it could affect how we provide our solutions, the geographical location or segregation of our relevant systems and operations, reduce demand for our solutions from companies subject to European and UK data protection laws, and could adversely affect our financial results.

Compliance with any of the foregoing laws and regulations (including as subsequently interpreted) can be costly and can delay or impede the development of new products or services. We may incur substantial fines if we violate any laws or regulations relating to the collection or use of personal data. Such penalties may be in addition to any civil litigation claims by users and data subjects. Our actual or alleged failure to comply with applicable privacy or data security laws, regulations, and policies, or to protect personal data, could result in legal actions by private actors, enforcement actions by governmental entities and significant penalties against us, which could result in negative publicity or costs, subject us to claims or other remedies, and have a material adverse effect on our business, financial condition, and results of operations.

***Our practice of automated data collection or use of files extracted from third party mobile applications could expose us to legal action or financial penalties. Furthermore, website proprietors could assert claims for breach of their terms and conditions and/or increase their use of technological barriers to protect against automated data collection, which may impact our ability to gather data from a range of sources.***

Our business relies in large part on the practice of automated data collection to gather data from third-party websites. Certain datasets and features offered in some of our products rely on our analysis of files extracted from third party mobile applications through the use of publicly available, open-source tools designed for that file extraction. Although we include disclosures regarding the use of such practices and tools in our terms and conditions under which those datasets and features are provided to customers, such data collection and analysis creates various legal risks for us including intellectual property right infringement, breach of contract and infringement of certain laws directed to protect against unauthorized access to computer material, such as the United Kingdom Computer Misuse Act 1990 and the Computer Fraud and Abuse Act, or CFAA. Such claims of infringement of intellectual property rights or laws against unauthorized access to computer material could result in an increase in the cancellation or non-renewal of customer agreements and negatively affect our revenue. Additionally, shifts in the legal enforcement and public perception of automated data collection, in particular, could significantly impact our ability to gather data this way. Any limitation on our ability to use automated data collection or files extracted from third party mobile applications could significantly diminish the value of some of our services and cause us to lose clients and revenue.

Our automated data collection via this method is limited to publicly available information. However, many third-party websites may seek to restrict our ability to utilize such data collection methods to collect information from their websites through operational, technological or contractual measures as well as through legal action. Any such restriction on our use, whether due to operational, technological, or contractual (i.e., prohibiting the use of such third-party websites for our own commercial purposes) measures deployed by third parties or to legal actions, would reduce the amount of data we acquire and could therefore negatively affect our products and therefore our business. In addition, we would likely need to invest considerable resources and suffer potential business interruption in identifying and acquiring the same or similar data through alternate means. Some of our products and services include or rely on applications and plugins available through third-party app platforms and are subject to the developer rules for these platforms, which are subject to change, and could be removed or suspended by the platform providers. If this happens, it could impact the availability or value of some of our products and services, which could adversely affect our business.

We may also automatically collect and gather data from third-party websites that upon discovering our practice will send us a letter demanding that we stop such practice. If we continue to collect data, we may face claims of breach of the website's terms or violations of other laws. Specifically, the CFAA and the Computer Misuse Act 1990 impose liability on individuals or entities that intentionally access a computer without authorization or exceed authorized access. In some jurisdictions, the CFAA has been successfully used to hold companies liable for exceeding their authorized access where the company continues to collect data from another company's website despite the company demanding they stop or terminating the governing terms of service. If a

Court holds that a company can rely on the CFAA to enforce violations of a demand letter or its terms and conditions, our ability to obtain data could be significantly impacted.

***The actionable insights we provide to customers, the data we acquire and process or the datasets and features we provide to customers derived from our access to and analysis of files extracted from third party mobile applications may be determined by securities regulators as constituting material non-public information, or MNPI, and could result in a significant increase in the cancellation or non-renewal of customer agreements that could adversely impact our business. Additionally, in such event, we could be exposed to regulatory investigation or legal action.***

Information may be considered MNPI for securities law purposes due to various factors including whether that information is obtained in an unlawful manner. The SEC is increasingly focusing on the use of alternative data, or data sets comprised of information about a particular company that is published by sources outside of the company, which can provide unique and timely insights into investment opportunities such as the data we provide as part of our investor intelligence solution. Specifically, the SEC is focusing on whether investment funds have received MNPI from an alternative data vendor and on whether the fund has and enforces policies and procedures designed to address the MNPI and other risks posed by the use of alternative data. To date, there is limited case law or regulatory guidance with respect to the classification of alternative data as MNPI. In light of this heightened regulatory focus and legal uncertainty, current and potential investment fund and other customers are conducting rigorous due diligence reviews of our data acquisition processes and regulatory compliance both at the on-boarding stage and subsequently on an ongoing basis. We cannot guarantee that our data acquisition processes and regulatory compliance efforts will be sufficient to meet the requirements of existing or potential customers or regulatory standards. Failure to meet those requirements or standards could result in an increase in the cancellation or non-renewal of customer agreements and negatively affect our revenue.

Furthermore, if the actionable insights we provide, the data we acquire and process, or the datasets and features we offer derived from our access to and analysis of files extracted from third party mobile applications that we provide to customers, especially to purchasers of our investor intelligence solutions, may be determined, in light of the facts and circumstances, as constituting MNPI by securities regulators, including the SEC. In such event, many customers, especially purchasers of our investor intelligence solutions, would most likely cease to purchase that solution, and we could be exposed to direct legal actions and/or penalties from regulatory authorities, including the SEC. In that event we would likely need to invest considerable resources and suffer potential business interruption in making changes to our solutions to remove the relevant information deemed to be MNPI.

***As the regulatory framework for machine learning technology and AI evolves, including with respect to unintentional bias and discrimination, our business, financial condition, and results of operations may be adversely affected.***

Our business increasingly relies on AI (including machine learning and automated decision making). The regulatory framework for this technology is rapidly evolving, and we may not always be able to anticipate how to respond to these laws or regulations. Many federal, state and foreign government bodies and agencies have introduced or are currently considering additional laws and regulations governing the use of such technologies. There is also an increase in litigation in a number of jurisdictions, including the United States, relating to the development, security and use of artificial intelligence.

In October 2023, President Biden issued the Executive Order on Safe, Secure and Trustworthy Artificial Intelligence (the “Order”) with the goal of promoting the “safe, secure, and trustworthy development and use of AI in the United States. The Order established certain new standards for the training, testing and cybersecurity of sophisticated AI models, and also instructed other federal agencies to promulgate additional regulations within certain timeframes from the date of the Order. On January 20, 2025, President Trump revoked the Order, and on January 23, 2025, issued an Executive Order directing government departments and agencies “to revise or rescind all policies, directives, regulations, orders, and other actions taken under [The Order] that are inconsistent with enhancing America’s leadership in AI.” Federal artificial intelligence legislation has also been introduced in the U.S. House of Representatives and Senate. Such additional regulations may impact our ability to develop, use and commercialize AI technologies in the future.

Additionally, in December 2023, new laws regulating AI have been enacted in China, and the European Parliament and Council reached a political agreement on the European Union's Artificial Intelligence Act (the "EU AI Act"), which seeks to create a comprehensive legal framework for the regulation of AI systems across the EU. The EU AI Act (Regulation (EU) 2024/1689) entered into force on August 1, 2024 with the majority of obligations expected to take effect by 2026. The EU AI Act will have a material impact on the way AI is regulated in the EU, including requirements around transparency, conformity assessments and monitoring, risk assessments, human oversight, security, accuracy, general purpose artificial intelligence and foundation models, and fines for breach of up to 7% of worldwide annual turnover or 35,000,000 EUR, whichever is higher. In 2022 and 2023, China implemented a number of regulations to govern generative artificial intelligence, algorithmic recommendation and deep synthesis technologies, namely the Interim Provisions on Management of Generative Artificial Intelligence Services, Administrative Provisions on Algorithm Recommendation for Internet Information Services and Provisions on Management of Deep Synthesis in Internet Information Service, respectively. Such regulations impose strict obligations on service providers, among other entities, with respect to their provision and use of generative AI, algorithmic recommendation and deep synthesis technologies. For example, service providers must file the algorithms used and complete a security assessment with the local CAC before the provision of the service. The regulatory framework in China is expected to have a material impact on the way AI is regulated in China, and together with developing guidance and/or decisions in this area, may affect our use of AI and our ability to provide and to improve our services, require additional compliance measures and changes to our operations and processes, result in increased compliance costs and potential increases in civil claims against us, and could adversely affect our business, operations and financial condition.

It is possible that the EU AI Act and the US AI regulatory and litigation landscape, along with the adoption of new laws and regulations in other jurisdictions, or the interpretation of existing laws and regulations, may affect the operation of our products and services and the way in which we use AI technology, including with respect to how we train our models, unintentional bias and discrimination. Failure to comply with such laws or regulations could subject us to legal or regulatory liability. Further, the cost to comply with such laws or regulations could be significant and would increase our operating expenses, which could adversely affect our business, financial condition and results of operations.

***Changes in laws and regulations related to the Internet or changes in the Internet infrastructure itself may diminish the demand for our solutions and could harm our business.***

The future success of our business depends upon the continued use of the Internet as a primary medium for commerce, communication, and business applications. Federal or state governments in the United States, or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting the use of the Internet as a commercial medium. The adoption of any laws or regulations that could reduce the growth, popularity, or use of the Internet, including laws or practices limiting Internet neutrality, could decrease the supply of data upon which our business model relies, which would increase our cost of doing business and harm our results of operations. Changes in these laws or regulations could require us to modify our platform and solutions, or certain aspects of our solutions, in order to comply with these changes. In addition, government agencies or private organizations have imposed and may impose additional taxes, fees, or other charges for accessing the Internet or commerce conducted via the Internet. These laws or charges could limit the growth of Internet-related commerce or communications or result in reductions in the demand for Internet-based solutions such as ours. In addition, the use of the Internet as a business tool could be harmed due to delays in the development or adoption of new standards and protocols to handle increased demands of Internet activity, security, reliability, cost, ease-of-use, accessibility and quality of service. Further, we depend on the quality of our customers' access to the Internet. Certain features of our platform require significant bandwidth and fidelity to work effectively. Internet access is frequently provided by companies that have significant market power that could take actions that degrade, disrupt or increase the cost of customer access to our platform, which would negatively impact our business. The performance of the Internet and its acceptance as a business tool has been harmed by "viruses," "worms" and similar malicious programs and the Internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If the use of the Internet is adversely affected by these issues, demand for our platform and solutions could decline.

Furthermore, federal or state governments in the United States, or foreign government bodies or agencies, have in the past adopted, and may in the future adopt, laws or regulations requiring the inclusion of features and

design elements in websites and online services and platforms to enhance their accessibility, including for people with disabilities. These laws and regulations could require us to modify our websites, platform and solutions, which could increase our cost of doing business and harm our results of operations.

***We are subject to anti-corruption, anti-bribery and similar laws, and non-compliance with such laws can subject us to criminal penalties or significant fines and harm our business and reputation.***

We are subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended, or the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, the U.K. Bribery Act 2010, Chapter 9 (sub-chapter 5) of the Israeli Penal Law, 1977, the Israeli Prohibition on Money Laundering Law–2000 and other anti-corruption, anti-bribery and anti-money laundering laws in countries in which we conduct activities. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly and prohibit companies, their officers, directors, employees and business partners, including agents from promising, authorizing, making, offering, or providing anything of value to recipients in the public or private sector for the purposes of influencing official decisions or obtaining or retaining business, or otherwise obtaining favorable treatment. The FCPA further requires us to make and keep books, records and accounts that accurately reflect transactions and dispositions of assets and to maintain a system of internal accounting controls. The UK Bribery Act 2010 also prohibits “commercial” bribery not involving government officials, and accepting bribes, and requires companies to implement adequate procedures to prevent bribery. Our efforts to comply with these laws, including with respect to the screening of customers and vendors, are ongoing. As we increase our international sales and business, our risks under these laws may increase. Noncompliance with these laws could subject us to investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, adverse media coverage and other consequences. Any investigations, actions or sanctions could harm our business, financial condition, revenue, results of operations or cash flows.

In addition, we currently use third parties to sell access to our platform and conduct business on our behalf abroad. We and such third-party intermediaries, have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities, and we can be held liable for the corrupt or other illegal activities of such future third-party intermediaries, and our employees, representatives, contractors, partners and agents, even if we do not explicitly authorize such activities. While we have policies, internal controls and procedures to address compliance with anti-corruption laws, there is a risk that our employees, agents, or business partners may take actions in violation of our policies and applicable law, for which we may be ultimately held responsible. Any such improper actions or allegations of such acts could subject us to significant sanctions, including civil or criminal fines and penalties, disgorgement of profits, injunctions and debarment from government contracts, as well as related stockholder lawsuits and other remedial measures, all of which could adversely affect our reputation, business, financial condition, revenue, results of operations or cash flows.

Any violation of the FCPA or other applicable anti-corruption laws or anti-money laundering laws could also result in whistleblower complaints, adverse media coverage, investigations, loss of export privileges, severe criminal or civil sanctions, suspension or debarment from U.S. government contracts, any of which could have a materially adverse effect on our reputation, business, results of operations and prospects.

***Our international operations require us to comply with trade restrictions, such as economic sanctions laws and regulations of the United States and applicable international jurisdictions.***

Our business must be conducted in compliance with applicable economic and trade sanctions laws and regulations, such as those administered and enforced by the U.S. Department of Treasury’s Office of Foreign Assets Control, the U.S. Department of State, the U.S. Department of Commerce, the Israeli Ministry of Finance, and other relevant authorities. Such laws and regulations restrict or prohibit the export or provision of certain products and services to certain countries, regions, governments, and persons targeted by sanctions.

Our global operations expose us to the risk of violating, or being accused of violating, economic and trade sanctions laws and regulations. Our failure to comply with these laws and regulations may expose us to reputational harm as well as significant penalties, including criminal fines, imprisonment, civil fines, disgorgement of profits, injunctions and debarment from government contracts, as well as other remedial measures. Investigations of alleged violations can be expensive and disruptive. Despite our compliance efforts and activities we cannot assure compliance by our employees or representatives for which we may be held responsible, and any such violation could materially adversely affect our reputation, business, financial condition and results of operations.

We believe that we operate within the structures of applicable trade restrictions. However, we cannot predict the nature, scope or effect of future regulatory requirements to which our operations might become subject. We also cannot predict the manner in which existing laws might be administered or interpreted. Future regulations could limit the countries in which some of our products may be developed, exported or sold, or could restrict our access to, or increase the cost of obtaining, products from foreign sources. The occurrence of any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

***Action by governments to restrict access to our solutions in their countries or to require us to disclose or provide access to information in our possession could harm our business, financial condition, revenue, results of operations or cash flows.***

We depend on the ability of our customers to access the Internet and our platform could be blocked or restricted in some countries for various reasons. Further, it is possible that governments of one or more foreign countries may seek to limit access to our solutions or certain features of ours in their countries, or impose other restrictions that may affect the availability of our platform, or certain features of our platform, in their countries for an extended period of time or indefinitely. In addition, governments in certain countries may seek to restrict or prohibit access to our website if they consider us to be in violation of their laws and may require us to disclose or provide access to information in our possession. If we fail to anticipate developments in the law, or fail for any reason to comply with relevant law, our website could be further blocked or restricted and we could be exposed to significant liability that could harm our business. In the event that access to our website is restricted, in whole or in part, in one or more countries or our competitors are able to successfully penetrate geographic markets that we are restricted from accessing, our ability to grow or maintain our NRR may be adversely affected, we may not be able to maintain or grow our revenue as anticipated and our business, financial condition, revenue, results of operations or cash flows could be adversely affected.

***Sales to government entities and highly regulated organizations are subject to a number of challenges and risks.***

We currently sell, and may continue to sell in the future, to U.S. federal, state and local, as well as foreign, governmental agency customers, as well as to customers in highly regulated industries such as financial services, telecommunications and healthcare. Sales to such entities are subject to a number of challenges and risks. Selling to such entities can be highly competitive, expensive and time-consuming, often requiring significant upfront time and expense without any assurance that these efforts will generate a sale. Government contracting requirements may change and in doing so restrict our ability to sell into the government sector until we meet the specific requirements or certifications required for the particular project. Government demand and payment for our solutions are affected by public sector budgetary cycles and funding authorizations, with funding reductions or delays adversely affecting public sector demand for our solutions.

Further, governmental and highly regulated entities may demand contract terms that differ from our standard arrangements and are less favorable than terms agreed with private sector customers. Such entities may have statutory, contractual, or other legal rights to terminate contracts with us or our partners for convenience or for other reasons. Any such termination may adversely affect our ability to contract with other government customers as well as our reputation, business, financial condition and results of operations.

#### **Risks Relating to Being a Public Company**

***The requirements of being a U.S. public company may strain our resources and divert management's attention.***

We are required to comply with various corporate governance and financial reporting requirements under the Securities Exchange Act of 1934, as amended, or the Exchange Act, the Sarbanes-Oxley Act and the rules and regulations adopted by the SEC and the Public Corporation Accounting Oversight Board (the "PCAOB"). Further, compliance with various regulatory reporting requirements requires significant commitments of time from our management and our directors, which reduces the time available for the performance of their other responsibilities and may also require us to continue to incur significant expenses. Our failure to track and comply with the various rules may materially adversely affect our reputation, ability to obtain the necessary certifications to financial statements, lead to additional regulatory enforcement actions, and could adversely affect the value of our ordinary shares as well as our ability to finance our operations and growth through offerings of our ordinary shares.

***Our management team has limited experience managing a public company.***

Our management team may not successfully or efficiently manage our responsibilities related to our being a public company that is subject to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. These obligations and stakeholders require significant attention from our senior management and could divert their attention away from the day-to-day management of our business, which could adversely affect our business, financial condition and results of operations.

***If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.***

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, and the listing standards of the New York Stock Exchange. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. We are also continuing to improve our internal control over financial reporting. Ensuring that we have adequate internal disclosure, financial and accounting controls and procedures in place to produce accurate financial statements on a timely basis is a costly and time-consuming effort that needs to be re-evaluated frequently. The rapid growth of our operations creates a need for additional resources within the accounting and finance functions due to the need to produce timely financial information and to ensure the level of segregation of duties customary for a U.S. public company. We continue to assess the sufficiency of finance personnel in response to these increasing demands and expectations.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our management does not expect that our internal control over financial reporting will prevent or detect all errors and all fraud. An internal control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that such system's objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within our company will have been detected. In addition, our current sets of controls and any new controls that we develop may become inadequate because of changes in the conditions in our business, including increased complexity resulting from any international expansion, new product offerings, or from strategic transactions, including acquisitions.

In addition to our results determined in accordance with U.S. GAAP, we believe certain non-GAAP measures and key metrics may be useful in evaluating our operating performance. We present certain non-GAAP financial measures and key performance metrics in this Annual Report and intend to continue to present certain non-GAAP financial measures and key performance metrics in future filings with the SEC and other public statements. Any failure to accurately report and present our non-GAAP financial measures and key performance metrics could cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the trading price of our ordinary shares.

Additionally, we expect to expend significant resources in developing the necessary documentation and testing procedures required by Section 404 of the Sarbanes-Oxley Act. We cannot be certain that the actions we will be taking to improve our internal controls over financial reporting will be sufficient, or that we will be able to implement our planned processes and procedures in a timely manner. Any failure to develop or maintain effective controls, or any difficulties encountered in their implementation or improvement, could harm our results of operations or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting could also adversely affect the results of our annual management evaluations regarding the effectiveness of our internal control over financial reporting that we are required to include in our annual reports. In addition, if we are unable to produce accurate financial statements and other disclosures on a timely basis, based upon ineffective disclosure controls and procedures and internal controls over financial reporting, investors could lose confidence in the reliability of our financial statements and disclosures, which could have material and adverse effects on our



business, financial condition and results of operations and may cause the market price of our ordinary shares to decline, making it more difficult for us to finance our operations and growth.

***We incur increased costs as a result of operating as a public company, and our management is required to devote substantial time to new compliance initiatives and corporate governance practices.***

As a public company, and particularly after we are no longer an emerging growth company, we have incurred and will continue to incur significant legal, accounting and other expenses to meet reporting, listing and compliance requirements. The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and the listing requirements of the NYSE and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel have devoted and we expect will continue to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations increase our legal and financial compliance costs and make some activities more time-consuming and costly. For example, these rules and regulations make it more difficult and more expensive for us to obtain director and officer liability insurance and could also make it more difficult for us to attract and retain qualified members of our board.

We cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. These rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

Pursuant to Section 404 of the Sarbanes-Oxley Act, we are required to furnish a report by our management on our internal control over financial reporting. However, while we remain an emerging growth company, we are not required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Section 404 within the prescribed period, we have engaged in a process to document and evaluate our internal control over financial reporting. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to continue to assess and document the adequacy of our internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. If we identify one or more material weaknesses in our internal control over financial reporting, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our consolidated financial statements. Additionally, as a publicly traded company, we are required to comply with the SEC's rules implementing Sections 302, 906, and 404 of the Sarbanes-Oxley Act, which require management to certify financial and other information in our annual reports and provide an annual management report on the effectiveness of control over financial reporting. We currently have limited accounting personnel and we continue to evaluate the adequacy of our accounting personnel staffing level and other matters related to our internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed timeframe or at all, that our internal control over financial reporting is effective as required by Section 404. During the evaluation and testing process of our internal controls, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to certify that our internal control over financial reporting is effective. We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our ordinary shares could decline, and we could be subject to penalties or investigations by the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

As a result, the market price of our ordinary shares could be negatively affected, and we could become subject to investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources.

***Changes in existing financial accounting standards or practices may harm our results of operations.***

Changes in existing accounting rules or practices, new accounting pronouncements rules, or varying interpretations of current accounting pronouncements practice could harm our results of operations or the manner in which we conduct our business. Further, such changes could potentially affect our reporting of transactions completed before such changes are effective.

GAAP is subject to interpretation by the Financial Accounting Standards Board, or FASB, the SEC and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results and could affect the reporting of transactions completed before the announcement of a change. As an “emerging growth company,” we are allowed under the JOBS Act to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. Any difficulties in implementing new pronouncements promulgated by the FASB, the SEC or similar bodies could cause us to fail to meet our financial reporting obligations, which could result in regulatory discipline and harm investors’ confidence in us.

***If our estimates or judgments relating to our critical accounting policies prove to be incorrect, our results of operations could be adversely affected.***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and related notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled “Management’s discussion and analysis of financial condition and results of operations.” The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Significant assumptions and estimates used in preparing our consolidated financial statements include those related to revenue recognition, provision for income taxes, uncertain tax positions, internal-use software costs, purchase price allocation on acquisitions including the determination of useful lives and contingent liabilities. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the trading price of our ordinary shares.

**Risks Relating to Taxes**

***We may be classified as a passive foreign investment company, which could result in adverse U.S. federal income tax consequences to U.S. Holders of our ordinary shares.***

We would be classified as a passive foreign investment company, or PFIC, for any taxable year if, after the application of certain look-through rules, either: (i) 75% or more of our gross income for such year is “passive income” (as defined in the relevant provisions of the Internal Revenue Code of 1986, as amended), or (ii) 50% or more of the value of our assets (generally determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income. Based on the estimated composition of our income, assets and operations, we do not believe that we were classified as a PFIC for U.S. federal income tax purposes for the taxable year ended December 31, 2024. The determination of whether we are classified as a PFIC is a factual determination that must be made annually after the close of each taxable year. Moreover, this determination will depend on, among other things, the composition of our income and assets, as well as the value of our assets (which for purposes of the PFIC determination may fluctuate with our market capitalization). The United States Internal Revenue Service, or IRS, or a court may disagree with our expectations. Therefore, there can be no assurance that we were not a PFIC for our 2024 taxable year or will not be classified as a PFIC in the current taxable year or in the future. Certain adverse U.S. federal income tax consequences could apply to a U.S. Holder (as defined in “*Material income tax considerations—Material U.S. federal income tax considerations for U.S. holders*”) if we are treated as a PFIC for any taxable year during which such U.S. Holder (defined below) holds our ordinary shares, including (1) the treatment of all or a portion of any gain on disposition of our ordinary shares as ordinary income, (2) the application of an interest charge with respect to such gain and certain dividends and (3) compliance with certain reporting requirements.

***If a United States person is treated as owning at least 10% of the value or voting power of our ordinary shares, such holder may be subject to adverse U.S. federal income tax consequences.***

Depending upon the aggregate value and voting power of our ordinary shares that United States persons are treated as owning (directly, indirectly or constructively), we could be treated as a controlled foreign corporation. If a United States person is treated as owning (directly, indirectly, or constructively) at least 10% of the value or voting power of our ordinary shares, such person may be treated as a “United States shareholder” with respect to each “controlled foreign corporation” in our group (if any). Because our group includes a U.S. subsidiary, certain of our non-U.S. subsidiaries will be treated as controlled foreign corporations (regardless of whether or not we are treated as a controlled foreign corporation). A United States shareholder of a controlled foreign corporation may be required to report annually and include in its U.S. taxable income its pro rata share of “Subpart F income,” “global intangible low-taxed income,” and investments of earnings in “United States property” by controlled foreign corporations, regardless of whether we make any distributions of profits or income of a controlled foreign corporation to such United States shareholder. Failure to comply with these reporting obligations may subject a United States shareholder to significant monetary penalties and may prevent the statute of limitations with respect to such shareholder’s U.S. federal income tax return for the year for which reporting was due from starting. An individual that is a United States shareholder with respect to a controlled foreign corporation generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a United States shareholder that is a U.S. corporation. We cannot provide any assurances that we will assist investors in determining whether we are or any of our non-U.S. subsidiaries is treated as a controlled foreign corporation or whether any investor is treated as a United States shareholder with respect to any such controlled foreign corporation or furnish to any United States shareholders information that may be necessary to comply with the aforementioned reporting and tax paying obligations. The IRS has provided limited guidance on situations in which investors may rely on publicly available information to comply with their reporting and taxpaying obligations with respect to foreign-controlled controlled foreign corporations. A United States investor should consult its advisors regarding the potential application of these rules to an investment in our ordinary shares.

***Changes in tax laws or regulations in the various tax jurisdictions we are subject to that are applied adversely to us or our paid customers could increase the costs of our solutions and harm our business.***

New income, sales, use, value-added or other tax laws, statutes, rules, regulations, or ordinances could be enacted at any time. Those enactments could harm our domestic and international business operations, and our business, results of operations and financial condition. Further, existing tax laws, statutes, rules, regulations, or ordinances could be interpreted, changed, modified, or applied adversely to us. These events could require us or our paid customers to pay additional tax amounts on a prospective or retroactive basis, as well as require us or our paid customers to pay fines and/or penalties and interest for past amounts deemed to be due. If we raise our prices to offset the costs of these changes, existing and potential future paid customers may elect not to purchase our solutions in the future. Additionally, new, changed, modified, or newly interpreted or applied tax laws could increase our paid customers’ and our compliance, operating and other costs, as well as the costs of our solutions. Further, these events could decrease the capital we have available to operate our business. Any or all of these events could harm our business, financial condition, revenue, results of operations or cash flows.

Additionally, the application of U.S. federal, state, local and non-U.S. tax laws to services provided electronically is unclear and continuously evolving. Existing tax laws, statutes, rules, regulations, or ordinances could be interpreted or applied adversely to us, possibly with retroactive effect, which could require us or our paid customers to pay additional tax amounts, as well as require us or our paid customers to pay fines or penalties, as well as interest for past amounts. If we are unsuccessful in collecting such taxes due from our paid customers, we could be held liable for such costs, thereby adversely affecting our results of operations and harming our business.

As a multinational organization, we may be subject to taxation in several jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The amount of taxes we pay in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws, or revised interpretations of existing tax laws and precedents, which could harm our liquidity and results of operations. Our existing corporate structure and intercompany arrangements have been implemented in a manner we believe is in compliance with current prevailing tax laws. In addition and in accordance with the domestic statute of limitation provisions, the authorities in these jurisdictions could review our tax returns and impose additional tax, interest and penalties, and the authorities could claim that various withholding requirements apply to us or our subsidiaries or assert that benefits of tax treaties are not available to us or our subsidiaries, any of which could harm us and our financial condition, results of operations and cash flows.

***The tax benefits that may be available to us will require us to meet various conditions and may be terminated or reduced in the future, which could increase our costs and taxes.***

We may be eligible for certain tax benefits provided to a “Preferred Technological Enterprise” under the Israeli Law for the Encouragement of Capital Investments, 5719-1959, referred to as the Investment Law. However, we have not yet examined our eligibility due to the irrelevance of the Investment Law to us in light of our current loss-making status. In order to be eligible for the tax benefits for a “Preferred Technological Enterprise” we must meet certain conditions stipulated in the Investment Law and its regulations, as amended. If we increase our activities outside of Israel through acquisitions, for example, our expanded activities might not be eligible for inclusion in future Israeli tax benefit programs. See the section 10.E titled “Taxation—Israeli tax considerations.”

***Our results of operations may be harmed if we are required to collect sales or other related taxes for subscriptions to our solutions in jurisdictions where we have not historically done so.***

The application of indirect taxes (such as sales and use tax, VAT, GST, business tax and gross receipt tax) to businesses that transact online, such as ours, is a complex and evolving area. An increasing number of states have considered or adopted laws that attempt to impose tax collection obligations on out-of-state companies. Following the U.S. Supreme Court decision in *South Dakota v. Wayfair, Inc.*, states are now free to levy taxes on sales of goods and services based on an “economic nexus,” regardless of whether the seller has a physical presence in the state. As a result, it may be necessary to reevaluate whether our activities give rise to sales, use and other indirect taxes as a result of any nexus in those states in which we are not currently registered to collect and remit taxes. A successful assertion by one or more states requiring us to collect taxes where we presently do not do so, could result in substantial tax liabilities, including taxes on past sales, as well as penalties and interest. Additionally, we may need to assess our potential tax collection and remittance liabilities based on existing economic nexus laws’ dollar and transaction thresholds. We continue to analyze our exposure for such taxes and liabilities including the need to provide to loss contingencies resulting from these potential taxes and liabilities. The application of existing, new, or future laws, whether in the U.S. or internationally, could harm our business. There have been, and will continue to be, substantial ongoing costs associated with complying with the various indirect tax requirements in the numerous markets in which we conduct or will conduct business.

It is possible, however, that we could face sales tax or VAT audits and that our liability for these taxes could exceed our estimates as state tax authorities could still assert that we are obligated to collect additional tax amounts from our paid customers and remit those taxes to those authorities. We could also be subject to tax audits in states and international jurisdictions for which we have not accrued tax liabilities. A successful assertion that we should be collecting additional sales or other taxes on our services in jurisdictions where we have not historically done so and do not accrue for sales taxes could result in substantial tax liabilities for past sales, discourage organizations from subscribing to our solutions, or otherwise harm our business, financial condition, revenue, results of operations or cash flows.

***Our international operations may subject us to potential adverse tax consequences.***

We are expanding our international operations to better support our growth into international markets. Our corporate structure and associated transfer pricing policies contemplate future growth in international markets, and consider the functions, risks and assets of the various entities involved in intercompany transactions. The amount of taxes we pay in different jurisdictions may depend on the application of the tax laws of the various jurisdictions, including the United States, to our international business activities, changes in tax rates, new or revised tax laws or interpretations of existing tax laws and policies, and our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for pricing intercompany transactions pursuant to our intercompany arrangements or disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a challenge or disagreement were to occur, and our position was not sustained, we could be required to pay additional taxes, interest and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows and lower overall profitability of our operations. Our financial statements could fail to reflect adequate reserves to cover such a contingency.

***The enactment of legislation implementing changes in taxation of international business activities, the adoption of other corporate tax reform policies, or changes in tax legislation or policies could impact our future financial position and results of operations.***

Corporate tax reform, base-erosion efforts and tax transparency continue to be high priorities in many tax jurisdictions where we have business operations. As a result, policies regarding corporate income and other taxes in numerous jurisdictions are under heightened scrutiny and tax reform legislation is being proposed or enacted in a number of jurisdictions.

In 2015, the Organization for Economic Co-operation and Development, or OECD, released various reports under its Base Erosion and Profit Shifting, or BEPS, action plan to reform international tax systems and prevent tax avoidance and aggressive tax planning. These actions aim to standardize and modernize global corporate tax policy, including cross-border taxes, transfer-pricing documentation rules and nexus-based tax incentive practices which in part are focused on challenges arising from the digitalization of the economy. The reports have a very broad scope including, but not limited to, neutralizing the effects of hybrid mismatch arrangements, limiting base erosion involving interest deductions and other financial payments, countering harmful tax practices, preventing the granting of treaty benefits in inappropriate circumstances and imposing mandatory disclosure rules. It is the responsibility of OECD members to consider how the BEPS recommendations should be reflected in their national legislation. Many countries are beginning to implement legislation and other guidance to align their international tax rules with the OECD's BEPS recommendations, for example, by signing up to the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS, or MLI, which currently has been signed by over 95 jurisdictions, including Israel who signed and ratified the MLI on September 13, 2018. The MLI implements some of the measures that the BEPS initiative proposes to be transposed into existing treaties of participating states. Such measures include the inclusion in tax treaties of one, or both, of a "limitation-on-benefit," or LOB, rule and a "principle purposes test," or PPT, rule. The application of the LOB rule or the PPT rule could deny the availability of tax treaty benefits (such as a reduced rate of withholding tax) under tax treaties. There are likely to be significant changes in the tax legislation of various OECD jurisdictions during the period of implementation of BEPS. Such legislative initiatives may materially and adversely affect our plans to expand internationally and may negatively impact our financial condition, tax liability, results of operations and could increase our administrative efforts.

## Risks Relating to Our Ordinary Shares

*Our share price may be volatile, which may cause you to lose all or part of your investment.*

The public trading price of our ordinary shares has been and may continue to be volatile and could be subject to fluctuations in response to various factors, including those listed in this Annual Report, some of which are beyond our control. These fluctuations could cause you to lose all or part of your investment in our ordinary shares since you might be unable to sell your shares at or above the price you paid. Factors that could cause fluctuations in the public trading price of our ordinary shares include the following:

- The number of our ordinary shares publicly owned and available for trading;
- price and volume fluctuations in the overall stock market from time to time;
- volatility in the trading prices and trading volumes of technology stocks;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- sales or expected sales of our ordinary shares of stock by us or our shareholders;
- short-selling of our ordinary shares or related derivative securities;
- failure of securities analysts to maintain coverage of us, changes in financial estimates by securities analysts who follow our company or our failure to meet these estimates or the expectations of investors;
- any financial projections we may provide to the public, any changes in those projections or our failure to meet those projections;
- the public's reaction to our press releases, other public announcements, and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated fluctuations in our revenue growth or results of operations;
- changes in our net retention rates;
- variance in our financial performance from the expectations of market analysts;
- announcements by us or our direct or indirect competitors of significant business developments, changes in service provider relationships, acquisitions or expansion plans;
- our involvement in litigation;
- developments or disputes concerning our intellectual property or other proprietary rights;
- future sales of our ordinary shares by us or our shareholders;
- market conditions in our industry;

- changes in key personnel;
- changes in the estimation of the future size and growth rate of our markets; and
- general economic, geopolitical, political, and market conditions or events (such as the current conflicts in Ukraine and in Israel);
- new laws or regulations, public expectations regarding new laws or regulations or new interpretations of existing laws or regulations applicable to our business; and
- changes in accounting standards, policies, guidelines, interpretations, or principles;

In addition, the stock markets have experienced extreme price and volume fluctuations. Broad market and industry factors may materially harm the market price of our ordinary shares, regardless of our operating performance. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted against that company. If we were involved in any similar litigation, we could incur substantial costs and our management's attention and resources could be diverted.

***If we do not meet the expectations of equity research analysts, if they do not publish research or reports about our business or if they issue unfavorable commentary or downgrade our ordinary shares, the price of our ordinary shares could decline.***

The trading market for our ordinary shares relies in part on the research and reports that equity research analysts publish about us and our business. The analysts' estimates are based upon their own opinions and are often different from our estimates or expectations. If our results of operations are below the estimates or expectations of public market analysts and investors, the price of our ordinary shares could decline. Moreover, the price of our ordinary shares could decline if one or more securities analysts downgrade our ordinary shares or if those analysts issue other unfavorable commentary or cease publishing reports about us or our business.

***The concentration of our share ownership with insiders will likely limit your ability to influence corporate matters, including the ability to influence the outcome of director elections and other matters requiring shareholder approval.***

Our executive officers, directors, current 5% or greater shareholders and affiliated entities together beneficially owned approximately 44.6% of our ordinary shares outstanding as of February 14, 2025. As a result, these shareholders, acting together, will have control over most matters that require approval by our shareholders, including matters such as, the appointment and dismissal of directors, approval of certain related party transactions, including the terms of compensation of our directors and chief executive officer, capital increases, amendments to our articles of associations, approval of significant corporate transactions and declarations of dividends. Corporate action might be taken even if other shareholders oppose them. This concentration of ownership could also have the effect of delaying or preventing a change of control of us that other shareholders may view as beneficial.

***Future sales of our ordinary shares in the public market could cause the market price of our ordinary shares to decline.***

Sales of a substantial number of ordinary shares in the public market, or the perception that these sales might occur, could depress the market price of our ordinary shares and could impair our ability to raise capital through the sale of additional equity securities. Many of our shareholders who held our share capital prior to completion of our IPO have substantial unrecognized gains on the value of the equity they hold based upon the price at which shares were sold in our IPO, and therefore, they may take steps to sell their shares or otherwise secure the unrecognized gains on those shares. We are unable to predict the timing of or the effect that such sales may have on the prevailing market price of our ordinary shares.

Additionally, our ordinary shares that are subject to outstanding options and restricted stock unit awards under our equity incentive plans, and the shares reserved for future issuance under our equity incentive plans will become eligible for sale in the public market upon issuance, subject to compliance with applicable securities laws. Further, certain holders of our ordinary shares have rights, subject to some conditions, to require us to file registration statements covering the sale of their shares or to include their shares in registration statements that we may file for ourselves or other shareholders.

As of December 31, 2024, there were 82,618,511 ordinary shares outstanding. Sales by us or our shareholders of a substantial number of ordinary shares in the public market, or the perception that these sales might occur, could cause the market price of our ordinary shares to decline or could impair our ability to raise capital through a future sale of, or pay for acquisitions using, our equity securities. Of our issued and outstanding shares, all

of our ordinary shares are freely transferable, except for any shares held by our “affiliates,” as that term is defined in Rule 144 under the Securities Act.

Additionally, as of December 31, 2024, we had 6,408,897 shares available for future grants under our 2021 Plan (which amount increased to 10,539,823 shares as of January 1, 2025 pursuant to the evergreen feature of our 2021 Plan) and 10,169,174 ordinary shares that were subject to outstanding share options and restricted share units, or RSUs. Of this amount, 5,088,188 were vested and exercisable as of December 31, 2024. We filed a registration statement on Form S-8 under the Securities Act on May 20, 2021 registering the shares under our equity incentive plans. Shares included in such registration statement are available for sale in the public market following that filing, subject to vesting provisions, except for shares held by affiliates who will have certain restrictions on their ability to sell. See “Shares eligible for future sale.”

***We are an “emerging growth company,” and the reduced disclosure requirements applicable to “emerging growth companies” may make our ordinary shares less attractive to investors.***

We are an “emerging growth company” as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

For as long as we continue to be an emerging growth company, we also intend to take advantage of certain other exemptions from various reporting requirements that are applicable to other public companies including, but not limited to, including (i) presenting only limited selected financial data, (ii) not being required to comply with the auditor attestation requirements of Section 404 of SOX, (iii) not being required to comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements, (iv) reduced disclosure obligations regarding executive compensation and (v) exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. As a result, the information we provide shareholders will be different than the information that is available with respect to other public companies that are not emerging growth companies. We cannot predict if investors will find our ordinary shares less attractive because we will rely on these exemptions. If some investors find our ordinary shares less attractive as a result, there may be a less active trading market for our ordinary shares and our stock price may be more volatile.

We will remain an emerging growth company until the earliest of (i) the last day of the year in which we have total annual gross revenue of \$1.235 billion or more; (ii) the last day of the year following the fifth anniversary of the date of the closing of our IPO (December 31, 2026); (iii) the date on which we have issued more than \$1.0 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

***We are a foreign private issuer and, as a result, we are not be subject to U.S. proxy rules and are subject to Exchange Act reporting obligations that, to some extent, are more lenient and less frequent than those of a U.S. domestic public company.***

We report under the Exchange Act as a non-U.S. company with foreign private issuer status. Because we qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including (1) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act, (2) the sections of the Exchange Act requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades made in a short period of time and (3) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, although we are subject to Israeli laws and regulations with regard to certain of these matters and furnish comparable quarterly information on Form 6-K. In addition, foreign private issuers are not required to file their annual report on Form 20-F until 120 days after the end of each fiscal year, while U.S. domestic issuers that are accelerated filers are required to file their annual report on Form 10-K within 75 days after the end of each fiscal year and U.S. domestic issuers that are large accelerated filers are required to file their annual report on

Form 10-K within 60 days after the end of each fiscal year. Foreign private issuers are also exempt from Regulation FD, which is intended to prevent issuers from making selective disclosures of material information.

As a result of all of the above, you may not have the same protections afforded to shareholders of a company that is not a foreign private issuer.

***We may lose our "foreign private issuer" status in the future, which could result in significant additional costs and expenses.***

As discussed above, we are a foreign private issuer, and therefore, we are not required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act. The determination of foreign private issuer status is made annually on the last business day of an issuer's most recently completed second fiscal quarter, and, accordingly, the next determination will be made with respect to us on June 30, 2025. In the future, we would lose our foreign private issuer status if (1) more than 50% of our outstanding voting securities are owned by U.S. residents and (2) a majority of our directors or executive officers are U.S. citizens or residents, or we fail to meet additional requirements necessary to avoid loss of foreign private issuer status. If we lose our foreign private issuer status, we will be required to file with the SEC periodic reports and registration statements on U.S. domestic issuer forms, which are more detailed and extensive than the forms available to a foreign private issuer. We will also have to mandatorily comply with U.S. federal proxy requirements, and our officers, directors and principal shareholders will become subject to the short-swing profit disclosure and recovery provisions of Section 16 of the Exchange Act. In addition, we will lose our ability to rely upon exemptions from certain corporate governance requirements under the listing rules of the NYSE. As a U.S. listed public company that is not a foreign private issuer, we will incur significant additional legal, accounting and other expenses that we will not incur as a foreign private issuer.

***As we are a "foreign private issuer" and intend to follow certain home country corporate governance practices, our shareholders may not have the same protections afforded to shareholders of companies that are subject to all NYSE corporate governance requirements.***

As a foreign private issuer, we have the option to follow certain home country corporate governance practices rather than those of the NYSE, provided that we disclose the requirements we are not following and describe the home country practices we are following. We rely on this "foreign private issuer exemption" with respect to the NYSE rules for shareholder meeting quorums, NYSE rules requiring shareholder approval and NYSE rules regarding the composition of the nominating/corporate governance committee. We may in the future elect to follow home country practices with regard to other matters. As a result, our shareholders may not have the same protections afforded to shareholders of companies that are subject to all NYSE corporate governance requirements.

***We do not expect to pay any dividends in the foreseeable future.***

We do not anticipate paying any dividends in the foreseeable future. We currently intend to retain future earnings, if any, to finance operations and expand our business. Consequently, investors who purchase our shares may be unable to realize a gain on their investment except by selling such shares after price appreciation, which may never occur.

Our board of directors has sole discretion whether to pay dividends. If our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our directors may deem relevant. The Companies Law, imposes restrictions on our ability to declare and pay dividends. See "Description of share capital and articles of association—Dividend and liquidation rights" for additional information. In addition, we are subject to a restriction on paying dividends pursuant to our LSA with SVB.

Payment of dividends may also be subject to Israeli withholding taxes. See "Material income tax considerations—Israeli tax considerations" for additional information.

***Our amended and restated articles of association provide that unless we consent to an alternate forum, the federal district courts of the United States shall be the exclusive forum of resolution of any claims arising under the Securities Act, which may impose additional litigation costs on our shareholders.***

Our amended and restated articles of association provide that, unless we consent otherwise, the federal district courts of the United States shall be the exclusive forum for the resolution of any claims arising under the Securities Act (for the sake of clarification, this provision does not apply to causes of action arising under the



Exchange Act). While this provision of our amended and restated articles of association does not restrict the ability of our shareholders to bring claims under the Securities Act, nor does it affect the remedies available thereunder if such claims are successful, we recognize that it may limit shareholders' ability to bring a claim in a judicial forum that they find favorable and may increase certain litigation costs which may discourage the filing of claims under the Securities Act against the Company, its directors and officers. However, the enforceability of similar forum provisions in other companies' organizational documents has been challenged in legal proceedings and there is uncertainty as to whether courts would enforce the exclusive forum provisions in our amended and restated articles of association. If a court were to find the choice of forum provision contained in our amended and restated articles of association to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could materially adversely affect our business, financial condition and results of operations.

## **Risks relating to Our Incorporation and Location in Israel**

*Conditions in Israel, including Israel's conflicts with Hamas and other terrorist organizations, and ongoing regional conflicts, as well as political and economic instability, may adversely affect our operations and limit our ability to market our products, which would lead to a decrease in revenues.*

Since a material portion of our operations are conducted in Israel, and certain members of our board of directors and management, as well as many of our employees and consultants, including employees of our service providers, are located in Israel, our business and operations are directly affected by economic, political, geopolitical, and military conditions in Israel. Since the establishment of the State of Israel in 1948, and in recent years, a number of armed conflicts have occurred between Israel and its neighboring countries and terrorist organizations active in the region. These conflicts have involved missile strikes, hostile infiltrations, abduction of soldiers and citizens, and terrorism against civilian targets in various parts of Israel, which have negatively affected business conditions in Israel.

Following the October 7, 2023 attacks by Hamas terrorists on Israel's southern border area, Israel declared war against Hamas. Since then, Israel has been involved in military conflicts with Hamas, Hezbollah (a terrorist organization based in Lebanon), and Iran, both directly and through proxies like the Houthi movement in Yemen and armed groups in Iraq and other terrorist organizations. Additionally, following the fall of the Assad regime in Syria, Israel has conducted limited military operations targeting the Syrian army, Iranian military assets and infrastructure linked to Hezbollah and other Iranian-supported groups. Although certain ceasefire agreements have been reached with Hamas and Lebanon (with respect to Hezbollah), and some Iranian proxies have declared a halt to their attacks, there is no assurance that these agreements will be upheld. Military activity and hostilities continue at varying levels of intensity, and the situation remains volatile, with the potential for escalation into a broader regional conflict involving additional terrorist organizations and possibly other countries.

The continuation of the war, as well as ongoing regional conflicts (including tensions with Hezbollah, Iran, and its proxies), may adversely affect our operations and limit our ability to market our products. The war has also contributed to a deterioration of Israel's economic standing, including downgrades in Israel's credit rating by agencies such as Moody's, S&P Global, and Fitch. Additional risks include instability in Syria following the fall of the Assad regime and other regional geopolitical instability, economic instability, supply chain disruptions due to Red Sea conflicts, and potential impacts from international legal proceedings against Israel, all of which could lead to decreased revenues and adversely affect our access to credit lines and ability to raise capital.

In connection with the Israeli security cabinet's declaration of war against Hamas and possible hostilities with other organizations, several hundred thousand Israeli military reservists were drafted to perform immediate military service. Although many of such military reservists have since been released, they may be called up for additional reserve duty, depending on developments in the war in Gaza and along Israel's other borders. Certain of our employees and consultants in Israel, in addition to employees of our service providers located in Israel, have been called, and additional employees may be called, for service in the current or future wars or other armed conflicts, and such persons may be absent for an extended period of time. As a result, our operations may be disrupted by such absences, which could materially and adversely affect our business and results of operations.

Additionally, the absence of employees of our Israeli suppliers and service providers due to their military service in the current or future wars or other armed conflicts may disrupt their operations, which in turn could materially and adversely affect our ability to deliver or provide products and services to customers.

The ongoing hostilities with Hamas, Hezbollah, Iran, its proxies, and others have caused, and may continue to cause, damage to Israeli private and public facilities, infrastructure, utilities, and telecommunication networks, potentially disrupting our operations and supply chains. In addition, Israeli organizations, government agencies, and companies have been subject to extensive cyberattacks. These events could lead to increased costs, risks to employee safety, and challenges to business continuity, potentially resulting in financial losses. Our commercial insurance does not cover losses arising from acts of war or terrorism. Although the Israeli government currently provides compensation for certain direct damages caused by such acts, we cannot assure you that this coverage will be maintained or will adequately compensate us for potential losses. Any losses or damages we incur could have a material adverse effect on our business.

The global perception of Israel and Israeli companies, influenced by actions of international judicial bodies, may lead to increased sanctions and other negative measures against Israel, as well as Israeli companies and academic institutions. There is also a growing movement among countries, activists, and organizations to boycott Israeli goods, services, and academic research or restrict business with Israel, which could affect business operations. If these efforts become widespread, along with any future rulings from international tribunals against Israel, they could significantly and negatively impact our business operations.

Prior to the October 2023 war, the Israeli government pursued changes to Israel's judicial system and has recently renewed its efforts to effect such changes. In response to the foregoing developments, certain individuals, organizations, and institutions, both within and outside of Israel, voiced concerns that such proposed changes, if adopted, may negatively impact the business environment in Israel. Such proposed changes may also lead to political instability or civil unrest. If such changes to Israel's judicial system are pursued by the government and approved by the parliament, this may have an adverse effect on our business, results of operations, and ability to raise additional funds, if deemed necessary by our management and board of directors.

***It may be difficult to enforce a U.S. judgment against us, our officers and directors named in this Annual Report in Israel or the United States, or to assert U.S. securities laws claims in Israel or serve process on our officers and directors.***

Not all of our directors or officers are residents of the United States and most of their and our assets are located outside the United States. Service of process upon us or our non-U.S. resident directors and officers and enforcement of judgments obtained in the United States against us or our non-U.S. our directors and executive officers may be difficult to obtain within the United States. We have been informed by our legal counsel in Israel that it may be difficult to assert claims under U.S. securities laws in original actions instituted in Israel or obtain a judgment based on the civil liability provisions of U.S. federal securities laws. Israeli courts may refuse to hear a claim based on a violation of U.S. securities laws against us or our non-U.S. officers and directors because Israel may not be the most appropriate forum to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not U.S. law is applicable to the claim. If U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by Israeli law. There is little binding case law in Israel addressing the matters described above. Israeli courts might not enforce judgments rendered outside Israel, which may make it difficult to collect on judgments rendered against us or our non-U.S. officers and directors. Moreover, an Israeli court will not enforce a non-Israeli judgment if it was given in a state whose laws do not provide for the enforcement of judgments of Israeli courts (subject to exceptional cases), if its enforcement is likely to prejudice the sovereignty or security of the State of Israel, if it was obtained by fraud or in the absence of due process, if it is at variance with another valid judgment that was given in the same matter between the same parties, or if a suit in the same matter between the same parties was pending before a court or tribunal in Israel at the time the foreign action was brought.

***Your rights and responsibilities as our shareholder will be governed by Israeli law, which may differ in some respects from the rights and responsibilities of shareholders of U.S. corporations.***

We are incorporated under Israeli law. The rights and responsibilities of holders of our ordinary shares are governed by our amended and restated articles of association and the Companies Law. These rights and responsibilities differ in some respects from the rights and responsibilities of shareholders in typical U.S. corporations. In particular, pursuant to the Companies Law each shareholder of an Israeli company has to act in good faith and in a customary manner in exercising his or her rights and fulfilling his or her obligations toward the Company and other shareholders and to refrain from abusing his or her power in the Company, including, among other things, in voting at the general meeting of shareholders, on amendments to a company's articles of association, increases in a company's authorized share capital, mergers and certain transactions requiring shareholders' approval under the Companies Law. In addition, a controlling shareholder of an Israeli company or a shareholder who knows that it possesses the power to determine the outcome of a shareholder vote or who has the power to appoint or prevent the appointment of a director or officer in the Company, or has other powers toward the Company has a duty of fairness toward the Company. However, Israeli law does not define the substance of this duty of fairness. There is little case law available to assist in understanding the implications of these provisions that govern shareholder behavior.

***Provisions of Israeli law and our amended and restated articles of association may delay, prevent or make undesirable an acquisition of all or a significant portion of our shares or assets.***

Provisions of Israeli law and our amended and restated articles of association could have the effect of delaying or preventing a change in control and may make it more difficult for a third party to acquire us or our shareholders to elect different individuals to our board of directors, even if doing so would be considered to be beneficial by some of our shareholders, and may limit the price that investors may be willing to pay in the future for our ordinary shares. Among other things:

- Israeli corporate law regulates mergers and requires that a tender offer be effected when more than a specified percentage of shares in a company are purchased;
- Israeli corporate law does not provide for shareholder action by written consent, thereby requiring all shareholder actions to be taken at a general meeting of shareholders;
- our amended and restated articles of association divide our directors into three classes, each of which is elected once every three years;
- our amended and restated articles of association generally require a vote of the holders of a majority of our outstanding ordinary shares entitled to vote present and voting on the matter at a general meeting of shareholders (referred to as simple majority); however, the amendment of a limited number of provisions, such as (i) the provision empowering our board of directors to determine the size of the board, (ii) the provision setting forth the procedures and the requirements that must be met in order for a shareholder to require us to include a matter on the agenda for a general meeting of our shareholders, (iii) the provisions relating to the election and removal of members of our board of directors and empowering our board of directors to fill vacancies on the board, and (iv) the provision dividing our directors into three classes, requires a vote of the holders of 65% of our outstanding ordinary shares entitled to vote at a general meeting;
- our amended and restated articles of association do not permit a director to be removed except by a vote of the holders of at least 65% of our outstanding shares entitled to vote at a general meeting of shareholders; and
- our amended and restated articles of association provide that director vacancies may be filled by our board of directors.

Further, Israeli tax considerations may make potential transactions undesirable to us or to some of our shareholders whose country of residence does not have a tax treaty with Israel granting tax relief to such shareholders from Israeli tax. With respect to mergers, Israeli tax law allows for tax deferral in certain circumstances but makes the deferral contingent on the fulfillment of numerous conditions, including a holding period of two years from the date of the transaction during which certain sales and dispositions of shares of the participating companies are restricted.

***Our amended and restated articles of association provide that unless the Company consents otherwise, the Tel Aviv District Court (Economic Division) shall be the sole and exclusive forum for substantially all disputes between the Company and its shareholders under the Companies Law and the Israeli Securities Law, which could limit its shareholders' ability to bring claims and proceedings against, as well as obtain favorable judicial forum for disputes with the Company, its directors, officers and other employees.***

Unless we consent otherwise, the Tel Aviv District Court (Economic Division) shall be the exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of the Company to the Company or the Company's shareholders, or (iii) any action asserting a claim arising pursuant to any provision of the Companies Law or the Israeli Securities Law. This exclusive forum provision is intended to apply to claims arising under Israeli Law and would not apply to claims brought pursuant to the Securities Act or the Exchange Act or any other claim for which federal courts would have exclusive jurisdiction. Such exclusive forum provision in our amended and restated articles of association will not relieve the Company of its duties to comply with federal securities laws and the rules and regulations thereunder, and shareholders of the Company will not be deemed to have waived the Company's compliance with these laws, rules and regulations. This exclusive forum provision may limit a shareholder's ability to bring a claim in a judicial forum of its choosing for disputes with the Company or its directors or other employees which may discourage lawsuits against the Company, its directors, officers and employees. However, there is uncertainty as to whether courts would enforce the exclusive forum provisions in our amended and restated articles of association. If a court were to find the choice of forum provision contained in our amended and restated articles of association to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could materially adversely affect our business, financial condition and results of operations.

## General Risk Factors

***The estimates of market opportunity and forecasts of market growth included in this Annual Report may prove to be inaccurate, and even if the market in which we compete achieves the forecasted growth, our business could fail to grow at similar rates, if at all.***

The estimates of market opportunity and forecasts of market growth included in this Annual Report may prove to be inaccurate. Market opportunity estimates and growth forecasts included in this Annual Report, including those we have generated ourselves, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate, including the risks described herein. Even if the market in which we compete achieves the forecasted growth, our business could fail to grow at similar rates, if at all.

The variables that go into the calculation of our market opportunity are subject to change over time, including global inflation rates, and there is no guarantee that any particular number or percentage of addressable customers or companies covered by our market opportunity estimates will purchase our solutions at all or generate any particular level of revenue for us. Any expansion in our market depends on a number of factors, including the cost, performance and perceived value associated with our platform and those of our competitors. Even if the market in which we compete meets the size estimates and growth forecasted in this Annual Report, our business could fail to grow at similar rates, if at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties. Accordingly, the forecasts of market growth included in this Annual Report should not be taken as indicative of our future growth. We may be subject to liability claims if we breach our contracts and our insurance may be inadequate to cover our losses.

We are subject to numerous obligations in our contracts with organizations using our solutions. Despite the procedures, systems and internal controls we have implemented to comply with our contracts, we may breach these commitments, whether through a weakness in these procedures, systems and internal controls, negligence or the willful act of an employee or contractor. Our insurance policies, including our errors and omissions insurance, may be inadequate to compensate us for the potentially significant losses that may result from claims arising from breaches of our contracts, disruptions in our services, failures or disruptions to our infrastructure, catastrophic events and disasters or otherwise. Further, our insurance may not cover all claims made against us and defending a suit, regardless of its merit, could be costly and divert management's attention. In addition, such insurance may not be available to us in the future on economically reasonable terms, or at all.

***Future acquisitions, strategic investments, partnerships, or alliances could be difficult to identify and integrate, divert the attention of key management personnel, disrupt our business, dilute stockholder value and harm our results of operations and financial condition.***

We intend to continue to seek to acquire or invest in businesses, solutions, or technologies that we believe could complement our platform or expand its breadth, enhance our technical capabilities, or otherwise offer growth opportunities. In furtherance of this strategy, we acquired two companies in 2024 and two additional companies in the first quarter of 2025 to add complimentary services to our platform and to optimize our products. The pursuit of

potential acquisitions may divert the attention of management and cause us to incur various expenses in identifying, investigating and pursuing suitable acquisitions, whether or not they are consummated. Any acquisition, investment or business relationship may result in unforeseen operating difficulties and expenditures. In addition, we have limited experience in acquiring other businesses. If we acquire additional businesses, we may not be able to integrate successfully the acquired personnel, operations and technologies or effectively manage the combined business following the acquisition. Specifically, we may not successfully evaluate or utilize the acquired technology or personnel, or accurately forecast the financial impact of an acquisition transaction, including accounting charges. Moreover, the anticipated benefits of any acquisition, investment or business relationship may not be realized or we may be exposed to unknown risks or liabilities.

We may not be able to find and identify desirable acquisition targets or we may not be successful in entering into an agreement with any one target. Acquisitions could also result in dilutive issuances of equity securities or the incurrence of debt, which could harm our results of operations. In addition, if an acquired business fails to meet our expectations, our business, financial condition, revenue, results of operations or cash flows may suffer.

***We may be subject to litigation for a variety of claims, which could harm our reputation and adversely affect our business, financial condition, revenue, results of operations or cash flows.***

In the ordinary course of business, we may be involved in and subject to litigation for a variety of claims or disputes and receive regulatory inquiries. These claims, lawsuits and proceedings could include labor and employment, wage and hour, commercial, data privacy, antitrust, alleged securities law violations or other investor claims and other matters. The number and significance of these potential claims and disputes may increase as our business expands. Any claim against us, regardless of its merit, could be costly, divert management's attention and operational resources and harm our reputation. As litigation is inherently unpredictable, we cannot assure you that any potential claims or disputes will not have a material adverse effect on our business, financial condition, revenue, results of operations or cash flows. Any claims or litigation, even if fully indemnified or insured, could make it more difficult to compete effectively or to obtain adequate insurance in the future.

In addition, we may be required to spend significant resources to monitor and protect our contractual, property and other rights, including collection of payments and fees. Litigation has been and may be necessary in the future to enforce such rights. Such litigation could be costly, time consuming distracting to management and could result in the impairment or loss of our rights. Furthermore, our efforts to enforce our rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of such rights. Our inability to protect our rights as well as any costly litigation or diversion of our management's attention and resources, could have an adverse effect on our business, financial condition, revenue, results of operations or cash flows or injure our reputation.

***Catastrophic events may disrupt our business.***

Natural disasters, geopolitical conditions or events (such as the current armed conflict between Russian and Ukraine and the war in Israel), and other catastrophic events may cause damage or disruption to our operations, international commerce and the global economy, and thus could harm our business. We have our headquarters and a large employee presence in Givatayim, Israel, which is located in a considerably volatile area of the world and has been impacted by the war against the terrorist organization Hamas in the Gaza Strip and related matters, as further described above in the section "Risks relating to our incorporation and location in Israel." In the event of a major earthquake, hurricane, or catastrophic event such as fire, power loss, telecommunications failure, cyber-attack, war or terrorist attack, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our application development, lengthy interruptions to our platform, breaches of data security and loss of critical data, all of which could harm our business, financial condition, revenue, results of operations or cash flows. Acts of terrorism could also cause disruptions to the Internet or the economy as a whole. In addition, the insurance we maintain would likely not be adequate to cover our losses resulting from disasters or other business interruptions.

Unrest in certain countries may pose security risks to our people, our facilities, our systems, our operations and local infrastructure, such as utilities and network services, and the disruption of any or all of them could materially adversely affect our operations and/or financial results. In particular, we engage approximately 50 people from the Ukraine, primarily in software development and quality assurance roles. Russian military troops launched significant military action in Ukraine on February 24, 2022, and the ongoing military conflict could materially disrupt our development efforts targeted at customer interface and experience, including by forcing our personnel

there to relocate. This may increase our costs, disrupt or delay current or future planned development activities in Ukraine or force us to shift development efforts to resources in other geographies that may not afford the same level of cost efficiencies. Whether in these countries or in others in which we operate, civil unrest, political instability or uncertainty, military activities, or broad-based sanctions, should they continue for the long term or escalate, could require us to re-balance our geographic concentrations and could have an adverse effect on our operations and financial performance, including through increased costs of compliance, restrictions on our ability to sell into specific regions, higher volatility in foreign currency exchange rates, increased use of less cost-efficient resources and negative impacts to our business resulting from deteriorating general economic conditions and adverse impacts to the operations and financial condition of our suppliers, partners and customers.

In addition, the current invasion of Ukraine by Russia has escalated tensions among the U.S., the North Atlantic Treaty Organization, and Russia. The U.S., other North Atlantic Treaty Organization member states, as well as non-member states, have announced new sanctions against Russia and certain Russian banks, enterprises and individuals. These and any future additional sanctions and any resulting conflict between Russia, the U.S. and other countries could have an adverse impact on our operations in Ukraine, create global security concerns, increase the risk of cyber-attacks and have a lasting impact on regional and global economies. Any such sanctions and resulting conflict could also negatively impact or even restrict our ability to market and sell our products in Russia and other countries, which would adversely affect our revenue.

Operational disruptions from events such as pandemics could result in a reduction to information technology budgets, delayed purchasing decisions, longer sales cycles, extended payment terms, the timing of payments, and postponed or canceled projects, all of which would negatively impact our business and operating results, including sales and cash flows. Additionally, it is possible that continued widespread remote work arrangements may have a negative impact on our operations, the execution of our business plans, the productivity and availability of key personnel and other employees necessary to conduct our business, and on third-party service providers who perform critical services for us, or otherwise cause operational failures due to changes in our normal business practices. If a natural disaster, power outage, connectivity issue, or other event occurs that impacts our employees' ability to work remotely, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time. The increase in remote working may increase exposure vulnerabilities, resulting in privacy, data protection, data security and fraud risks and operational inefficiencies.

***We are subject to evolving corporate governance and public disclosure regulations and expectations, including with respect to environmental, social and governance matters that could expose us to numerous risks.***

We are subject to both mandatory requirements and voluntary expectations regarding ESG matters from various governmental and self-regulatory organizations, including the SEC and NYSE. Recent regulatory developments include the SEC's new climate-related disclosure rule (Final Rule 33-11275), currently stayed pending litigation, California's Climate Corporate Data Accountability Act (SB-253) requiring disclosure of greenhouse gas (GHG) emissions, and the EU's Corporate Sustainability Reporting Directive (CSRD). These regulations, along with voluntary ESG initiatives we may undertake in response to stakeholder expectations, could result in increased expenses and management attention.

The collection, measurement, and reporting of ESG information, including GHG emissions data, can be costly and complex, particularly given the lack of harmonized reporting standards across jurisdictions. Our ESG initiatives and goals regarding GHG emissions reduction, environmental matters, diversity, responsible sourcing, and social investments may be challenging to implement and verify. Any failure to meet regulatory requirements or stakeholder expectations, whether mandatory or voluntary, could impact our reputation, relationships with stakeholders, and access to capital markets.

We may also be affected by market responses to climate change and broader ESG considerations, including efforts to reduce GHG emissions. Compliance with varying requirements across jurisdictions adds operational complexity and potential costs. The accuracy, adequacy, and completeness of our ESG disclosures, whether required by regulation or voluntarily provided, present operational, reputational, financial, and legal risks.

The information contained in this section is accurate as of the date hereof, but may become outdated due to changing circumstances beyond our present awareness or control.

#### **Item 4. Information on the Company**

##### **A. History and Development of the Company**

The legal and commercial name of our company is Similarweb Ltd. We were incorporated in February 2009 under the Israel Companies Law, 5759-1999, or the Companies Law, of the State of Israel and commenced operations on that date. Our principal executive offices are located at 33 Yitzhak Rabin Rd., Givatayim 5348303, Israel. Our agent for service of process in the United States is Similarweb, Inc., 6 East 32nd Street, 8th Floor, New York, NY 10016. Our website address is [www.similarweb.com](http://www.similarweb.com), and our telephone number is +972-3-544-7782. Information contained on, or that can be accessed through, our website does not constitute a part of this Annual Report and is not incorporated by reference herein. We have included our website address in this Annual Report solely for informational purposes. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers, such as we, that file electronically, with the SEC at [www.sec.gov](http://www.sec.gov).

For a description of our principal capital expenditures and divestitures for the three years ended December 31, 2024 and for those currently in progress, see Item 5. “*Operating and Financial Review and Prospects.*”

##### **B. Business Overview**

###### **Overview**

Similarweb is a leading provider of digital data and analytics that power critical business decisions. We uncover what is happening online and seek to provide businesses with the most comprehensive, actionable and trusted digital data to build strategy, optimize customer acquisition and enhance monetization.

While we are well known for our productized software solutions, as well as for our application programming interface (API) and our freemium offerings estimating website and app usage, at our core we are a data business. Similarweb Digital Data is our estimate of all the actions and transactions in the digital world across websites and apps worldwide.

Our customers use Similarweb Digital Data to power critical decisions for running their businesses and optimizing their activities in the digital world. Today, businesses have access to unprecedented amounts of internal data that they can utilize for decision-making. However, the data generally available to them only relates to the transactions and interactions with their own audience across their digital properties, such as the websites, apps and social media channels that they own. Businesses have limited visibility into the broader behaviors of consumers or the digital performance of competitors, partners, and other players. As a result, companies operate frequently with a lack of external visibility, impairing their ability to execute everything from corporate strategy to day-to-day operations. Similarweb provides this visibility. We believe we are becoming recognized as the standard for powering data-driven decisions for businesses across all channels within the digital world. Like wattage powers cities, Similarweb Digital Data powers decisions related to the digital world that create significant competitive advantages.

To create our proprietary data asset, we collect billions of raw web and mobile data points on activity related to companies and products. Our data scientists and engineers transform the unrefined data on interactions and transactions into Similarweb Digital Data using proprietary algorithms that leverage machine learning and artificial intelligence.

We deliver our Digital Data in three distinct and impactful ways:

- (1) Our robust software platform with products including Similarweb Web Intelligence, Similarweb App Intelligence, Similarweb Shopper Intelligence, Similarweb Sales Intelligence and Similarweb Stock Intelligence, empowers business teams and leaders to drive better strategic and operational decisions to grow and win their markets.
- (2) We enable customers to seamlessly integrate our Digital Data through APIs into enterprise workflows, processes and systems to facilitate data powered decisions at scale.
- (3) As the demand for differentiated digital data increases, more and more of our customers are amplifying the value of their own offerings by embedding our data into their products and services.



Businesses utilize our productized SaaS solutions to enhance the capabilities of their professionals at all levels of the organization- from business leaders, strategy teams, analysts, marketers, and category managers to salespeople - to quickly and efficiently discover their best growth opportunities, identify potential competitive threats and make critical decisions to acquire customers and grow revenue.

Our Data as a Service (DaaS) solution provides strategic accounts, enterprises and SMBs with data feed APIs and exports, allowing them to integrate Similarweb Digital Data into their own dashboards and internal applications. We also provide advisory services, typically to businesses at the enterprise and strategic account level who require assistance with business challenges for which we have not yet productized a solution or who need extensively customized data and analytics to accomplish their objectives using Similarweb Digital Data.

We provide bespoke data integrations and data feeds to customers who have their own teams of data scientists and their own data integration and analytics infrastructure. Integrations are useful for clients who want to combine our data with their own business intelligence systems. For clients who require customized and streamlined data delivery at scale, we provide bespoke datasets that enhance their data models.

We sell to companies with commercial activities in the digital world across a wide range of industries such as retail, consumer packaged goods, luxury & premium consumer brands, consumer finance, consultancies, marketing and advertising agencies, media and publishers, business-to-business software, payment processors, travel, and institutional investors. As of December 31, 2024, we had 5,534 paying customers.

Revenue from multi-year contracts at December 31, 2024 accounted for 49% of our ARR and increased from 42% and 39% at December 31, 2023 and December 31, 2022, respectively. We believe this metric is a good indicator of the value our customers ascribe to our data and their desire to ensure access to our data.



Our business has grown rapidly, and in 2024 we achieved our goal of generating cash while being profitable on a non-GAAP basis. Our revenue growth accelerated to 15% for the year ended December 31, 2024 compared to the year ended December 31, 2023 and by 13% for the year ended December 31, 2023 compared to the year ended December 31, 2022. Additionally, we had \$74.4 million in cash, cash equivalents and restricted deposits as of December 31, 2024 compared to \$81.8 million as of December 31, 2023. We generated revenue of \$193.2 million, \$218.0 million and \$249.9 million in the years ended December 31, 2022, 2023 and 2024, respectively. We generated operating cash flow of \$30.2 million and free cash flow of \$27.4 million in the year ending December 31, 2024 compared to negative operating cash flow of \$46.1 million and \$3.0 million and negative free cash flow of \$77.2 million and \$5.4 million in the years ended December 31, 2022 and 2023, respectively. See the section titled “— Non-GAAP financial measures—Free cash flow” for additional information regarding free cash flow, a measure that is not calculated under GAAP. For the years ended December 31, 2022, 2023 and 2024, our net loss was \$83.7 million, \$29.4 million and \$11.5 million, respectively. These results reflect our focus on operational efficiency and the pursuit of profitable growth.

## **Our Market Opportunity**

We believe that through our delivery of Similarweb Digital Data, we provide businesses with mission-critical insights to make better decisions that can be used by companies of all sizes across most industries. We estimate that the current total addressable market, or TAM, for our offerings is approximately \$55 billion. We calculate our market opportunity by combining our estimates for B2B, B2C companies and Investors customers.

For B2C and B2B companies, we calculate the potential annual spend on Similarweb products by SMEs (20-1000 employees) and Large Enterprises (1000+ employees). We calculate the number of B2C and B2B companies in the United States in each of these categories based on US Census Bureau’s “Statistics of US Businesses” Data, and extrapolate the global number of B2C and B2B companies. Based on data from Statista, we estimate that 80% of SMEs and 90% of Large Enterprises have a digital presence that would benefit from utilizing our data and products. For Investors, our calculation is based on our estimate of the potential annual spend on Similarweb products by investors in private markets (e.g. Private Equity and Venture Capital firms) and public market investors (e.g. Mutual Funds, Pension Funds, Hedge Funds and other Institutional Investors). We calculated the global number of Private and Public Investors using data from Preqin, Statista, The National Venture Capital Association, as well as Industry Reports by Bain & Company, EY and PwC.

We believe there are several key trends in the global macroeconomic environment generating additional growth in our TAM and increasing the potential demand for our solutions:

- **Growing Recognition of Analytics and Data-Informed Business Decisioning.** Due to the pervasive digital transformation that nearly all industries are experiencing, we believe businesses are increasingly recognizing the value of incorporating data-driven insights into their organizations. We believe businesses are leveraging the advancements of technology in data creation and interpretation to analyze business practices with the aim of improving efficiency, reducing risk, and driving growth. We expect companies will continue to recognize the value in relying on insightful and accurate B2B data in their strategy, sales, and marketing workflows.
- **Growth in Data Creation and Applications.** We believe that as a result of the increasing recognition of data’s value, the volume of data sets being collected and assembled continues to increase. Not only is the size of these data sets significantly large, but the data being collected covers a wider range of topics and subjects. The proliferation of mobile phones and connected devices has created a "digital exhaust" of data that can be captured and tracked. This alternative data can be incorporated in predictive models alongside traditional data to provide more sophisticated and accurate business insights. Businesses now have a massive amount of data at their fingertips but often have to rely on large-scale providers to help them curate, match, append, and create insights in order to convert that data into improved outcomes.

- **Advances in Analytical Capabilities Unlocking the Value of Data.** The combination of increasingly available data sets with effective artificial intelligence and machine learning capabilities allows for the generation of mission-critical insights integrated into clients' workflows. Businesses that lack the resources for developing these complex tools and solutions internally turn to data and analytics providers, creating market demand. The availability of more insightful analytical tools, in turn, drives growing recognition of the power of analytics in everyday business processes. Further, for various strategic and other reasons, some businesses may prefer the delivery of certain types of data and analytics with a distinct layer of independence and/or objectivity included as part of the value created by the provider.

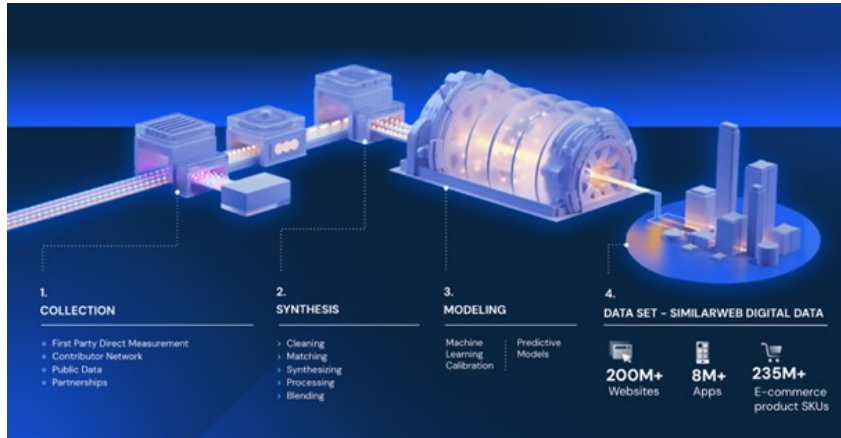
- The transformation of the digital customer journey driven by proliferation of AI chat bots and large language models (LLMs). The rise of LLMs is transforming how consumers access information, drawing them away from traditional search engines and disrupting the digital customer journey. This creates uncertainty for brands and other entities that rely on digital channels for their sales and marketing efforts. This shift could necessitate the reevaluation of digital strategies, including an increased investment in digital data to better understand the evolving landscape and rethink strategies to remain relevant in this evolving digital landscape.

We believe that due to our differentiated capabilities and our long-term client relationships, we are well-positioned to capture this market opportunity and benefit from these long-term trends.

Further, we believe we have the opportunity to increase our penetration within our potential customer base and are addressing a very small portion of our market opportunity today. We believe over the longer term the expanded market potential for our services will manifest within the intersections of the markets for business intelligence software, marketing research and analysis services, sales intelligence software and services, marketing analytics software, audience analytics and alternative data for investors.

### **Our Digital Data**

In order to power business decisions that build corporate strategy, accelerate customer acquisition, and maximize monetization, we have created a comprehensive view of the digital landscape, Similarweb Digital Data. To create this proprietary data we collect real-time digital signals of interactions and transactions on millions of websites and mobile apps, and analyze billions of search terms, digital ads, eCommerce product stock-keeping units, or SKUs, articles, and content pages across digital platforms, channels, industries, and geographies. Through synthesis, modeling and analysis, we transform these digital data points into Similarweb Digital Data, which we deliver to our customers through SaaS, DaaS, or Integrations. Since our inception, we have invested substantial resources to establish our data sets, methodology, and leading technology. Our unique, multi-dimensional approach to analyzing the digital world leverages the experience of a team of PhDs and data scientists to cleanse and model vast amounts of data collected into reliable and actionable insights which comprise Similarweb Digital Data.



### Data Collection

We design our system to collect a diversified universe of digital data signals constructed of statistically representative data sets that draw from sources across countries, industries, user groups and devices. We have been proactive in diversifying our data inputs such that the metrics we present in our solutions are derived from multiple sources and are self-adjusting to changes in the market. We do not acquire a significant portion of our data from a single data partner or group of data partners, and routinely enter into agreements with additional data partners. Our sources represent over 3 billion digital interactions and transactions per day and 1 million events per minute.

We collect our data across sources that we classify into four distinct categories:

- **First-party direct measurement data** and analytics that millions of websites and mobile app owners share with Similarweb directly, giving us visibility into specific websites and mobile apps:

Millions of website and app owners share their aggregated first-party analytics directly with us. These direct measurement tools feed our machine learning algorithms and enrich our data and analytics solutions. In addition, many of these companies who share with us their first-party analytics data regarding their website traffic also choose to have us publicly share that data on our platform, and we believe they do so given our high brand awareness and popular free offering, and because these companies monetize traffic. As part of the process in which most website and app owners register as Similarweb users, they indicate whether they are willing to share their first-party direct measurement data (such as data provided by Google Analytics) with us; the data in this category comes from those that opt to allow such access.

- **Contributory network** of a collection of consumer products that aggregate de-identified or anonymous device behavioral data:

We aggregate de-identified or anonymous traffic data from a collection of proprietary and third-party consumer-oriented desktop products and mobile apps. These consumer products and apps are generally provided in exchange for the ability to gather de-identified or anonymous users' digital activity. The data collected is used to understand website and app usage and traffic sources. This data is sourced from diverse audiences to maintain an accurate and consistent view of the digital world over time. The data in this category is collected pursuant to the terms of use of the respective apps or products, which enable the use of de-identified or anonymous data subject to the terms of their privacy policies.

- **Public data capture** where we use advanced algorithmic and proprietary technology that captures and indexes public data from hundreds of millions of websites and apps:

Our public data sources represent an aggregation of online information available to the public. We employ algorithmic and proprietary automated techniques to capture and index publicly-available data from billions of web pages and apps every month. These data sources help us to further refine our predictive models.

- **Partnerships** with a global network of companies that collect digital signals:

We partner with a global network of companies that capture digital data points and provide us with additional data from three data types (first-party direct measurement data, contributory network data and public data) to supplement our own direct data collection, and to provide us with additional types of data to help us understand behavior across the digital world. These partners include consumer apps, internet operators, measurement companies and demand-side platforms that aggregate behavioral data across websites and apps. We partner with these companies pursuant to data license or similar agreements. As part of the process of contracting with such companies, we conduct due diligence on their data collection processes and privacy practices and require representations and warranties with respect to those matters in the agreements that we enter into with them.

#### ***Data synthesis***

In addition to creating robust data collection methodologies, we have built sophisticated machine learning algorithms that synthesize data inputs collected for further modeling.

- **Cleaning** the inputs to remove abnormal data points, behavior anomalies and to confirm the de-identification or anonymization of any personal data.
- **Matching** the data points in a sequential order to identify meaningful behavioral sequences or transactional streams of events.
- **Pre-Processing** the billions of data points for estimation with our proprietary URL classification system to measure website traffic by acquisition channel.
- **Blending** of multiple sources and historical digital signals to attain a comprehensive learning set of digital signals.

This process aggregates these mixed data sources and types into a single data set at the website or mobile app level, removing irregularities.

#### ***Data modeling***

After data has been normalized and synthesized it is then run through our specialized machine learning training to generate predictive models that provide a consistent view of the digital world over time. This process includes:

- **Training** machine learning models continuously refining for irregularities and estimation of biases in the digital signals.
- **Blending** models for refined accuracy and consistency of our industry-leading estimations.
- **Reporting** key insights across countries, industries, user groups and devices for a comprehensive view of the digital world.

This final process results in the finished product of Similarweb Digital Data that is ready for delivery, spanning the categories below.



## Data delivery

After our data transformation engine generates powerful, ready-to-use insights in the form of Similarweb Digital Data, we then deliver it through our SaaS, DaaS or Integrations to help companies make critical decisions about business strategy, customer acquisition, and monetization. Our delivery models include:

- **Software-as-a-Service.** Our SaaS solutions help businesses accelerate their growth, empowering our users to discover and capture the best business opportunities and proactively respond to emerging threats to the business. These solutions are powered by our proprietary technology that analyzes billions of digital interactions and transactions every day, from millions of websites, Marketplaces and apps, and turns these digital signals into actionable insights. Our digital data and analytics solutions address the needs of users across entire organizations, from entry-level employees to the C-suite. Our solutions are easy to use and integrated into our users’ workflows for seamless adoption and maximum business impact. They provide a unified view of the digital world to power data-driven decision-making. Our SaaS solutions include:

- **Web Intelligence.** Allows senior leaders, strategy and business intelligence teams to benchmark performance against competitors, analyze trends in the market, conduct deeper research into specific companies and analyze audience behavior. It also allows marketing leaders, search engine optimization, or SEO, and content managers, to understand their competitors’ digital acquisition strategies across marketing channels, and optimize their own strategies in response. This solution is used to build strategy and enhance customer acquisition.

Examples of business objectives and questions that can be addressed by our Web Intelligence solution include:

### Strategy formation

- “What is the size and growth rate of the online banking industry in the US?”
- “Which online marketplace is gaining the most market share?”

### Revenue maximization

- “What is a good conversion rate in the apparel industry?”
- “What news topics are drawing the highest engagement with audiences?”

### Risk mitigation

- “In which geographies and marketing channels are my competitors outpacing my online growth?”
- “To which competitors and topics am I losing audience engagement?”

### Marketing spend planning

- “Are my competitors generating more efficient acquisition gains from paid or organic channels?”
- “From which marketing channel do travel businesses get the most traffic?”

### **User acquisition optimization**

- “Which keywords drive the most traffic share for shoe companies?”
- “Which digital ad types perform the best for luxury brands?”

### **Traffic loss mitigation**

- “From which of my top keywords are competitors stealing traffic share?”
- “Which of my affiliate partners are shifting traffic to competitors?”

- **App Intelligence.** Allows senior leaders, strategy and growth teams and market leaders to identify trends and monitor usage and retention, user reviews, audience behavior, and overall sentiment. It also enables businesses to benchmark their performance against competitors across the funnel from app store downloads to usage and stickiness. This solution is used to build strategy, improve monetization and enhance customer acquisition. Combined with Web intelligence, these two solutions provide a holistic view of the digital landscape.

Examples of business objectives and questions that can be addressed by our App Intelligence solution include:

### **Essential App metrics**

- “How do I track downloads worldwide across platforms?”
- “How do I track my ranking worldwide across platforms?”
- “What is my MAU (monthly active users) and DAU (Daily active users) worldwide across platforms?”

### **Growth rate optimization**

- “How can I spot more growth opportunities in my market and with my audience?”
- “How can I keep up with market trends that are happening constantly?”

### **Relationship building & Retention maximization**

- “How can I know session length and sessions per user metrics?”
- “How can I view my overall retention rate and historical retention metrics?”

- **Sales Intelligence.** Allows sales management and operations, sales representatives and account management teams to access relevant buying signals and digital insights of their customers in order to generate more leads more quickly, enrich leads automatically and collaboratively engage with prospects and customers. This solution is used primarily to enhance customer acquisition.

Examples of business objectives and questions that can be addressed by our Sales Intelligence solution include:

### **Pipeline generation**

- “How can I identify the fastest growing eCommerce companies, so that I can target them?”

- “Which companies outside my CRM fit my ideal customer profile?”

**Win rate optimization**

- “How can I create the most powerful pitch to win my prospect's business?”
- “What is the most important factor for my prospect’s buying decision?”

**Relationship building & Retention maximization**

- “When should I engage my customers to ensure the best conversion?”
- “In what additional offerings would my customer be interested?”

- **Shopper Intelligence.** Allows digital commerce leadership and category and product managers to analyze a complete view of their customers’ digital journeys, monitor consumer demand, increase brand visibility in the search process and optimize category and product level conversion in the purchase process. This solution is used primarily to maximize monetization.

Examples of business objectives and questions that can be addressed by our Shopper Intelligence solution include:

**Strategy formation**

- “How can I get more visibility in online marketplaces like Amazon, Walmart, or Target?”
- “On which marketplaces or first-party websites do personal care products convert better?”

**Revenue maximization**

- “How much money are consumers willing to spend on my products?”
- “What is the average purchase frequency in my category?”

**Risk mitigation**

- “Which of my customers are cross-shopping? Which brands are they evaluating?”
- “Which of my competitor’s products are selling the most on Amazon? What other marketplaces is my competitor using to sell their product?”

- **Stock Intelligence.** Allows portfolio managers, investment professionals, data scientists and research analysts to access an end-to-end view of market, sector or company performance in order to ideate and monitor investment opportunities, forecast market performance and perform due diligence. This solution is used primarily to maximize monetization.

Examples of business objectives and questions that can be addressed by our Investor Intelligence solution include:

**Investment ideation**

- “Within the food and grocery sector, which company offers the best opportunity?”
- “Is the apparel re-sale sector on track to grow this year?”

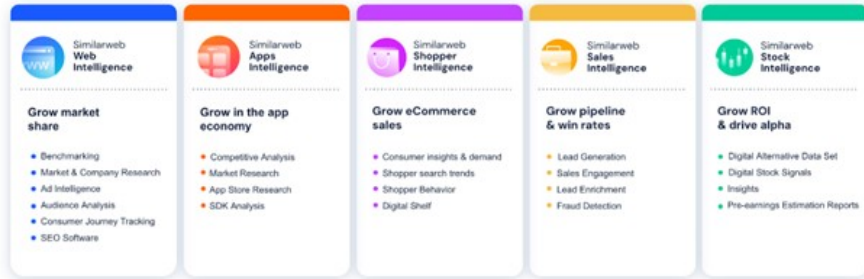
**Investment monitoring & Risk mitigation**

- “In which geographies is this company experiencing the fastest growth?”
- “How can I improve my portfolio company’s brand health and traffic?”

**Hypothesis validation**

- “What does daily digital traffic suggest about company performance against market expectations?”
- “What does travel website activity predict for hotel occupancy rates next summer?”

**Similarweb Digital Data SaaS Solutions**



• **Data-as-a-Service.** We equip businesses with the ability to create their own perspective of the digital world at scale by providing large, configurable, structured, granular datasets of Similarweb Digital Data that are delivered to their data lake. These provide a holistic view of the digital world by combining our datasets, that are mapped to our company data. We provide self-operated access to our data via our batch API, REST API and integrations through Snowflake, AWS, Databricks, Google cloud and more. We also provide Similarweb administered access through data feeds and custom delivery methods. Direct access to Similarweb Digital Data enables our customers to configure their own models that support their critical business decisions.





• **Integrations.** We provide bespoke data sets that can be integrated into the business intelligence solutions and data products of sophisticated customers that have built their own data capabilities including data analyst teams, data infrastructure and proprietary models. Some of these customers use Similarweb Digital Data to enrich and improve the forecasting accuracy of their models. Examples of this use case include quant investors that integrate our data into their algorithmic trading models, LLMs that use our data for training their chatbots and most recently S&P that plans to integrate our data into some of its credit risk products. Bloomberg Terminals has signed a contract to include a subset of our data into its terminal.

• **Advisory Services.** When businesses request our assistance with problems for which we have not yet productized a solution, they often partner with our Advisory Services team to unlock premium analyses from Similarweb Digital Data. Our Advisory Services team provides custom embedded consulting engagements that are tailored to meet specific business needs. Our industry experts and their team of consultants and data scientists work directly with customers to frame and solve their core business challenges, such as mapping the consumer path to purchase, profiling a specific audience, or measuring digital brand performance. We work alongside our customers' teams to help them make critical business decisions. From these engagements, the majority of which provide an additional source of recurring revenue, we regularly utilize the work done to create scalable productized solutions to further expand into our TAM.



## Our Competitive Strengths

We believe our robust data repository and our unique prediction models powered by machine learning represents a significant competitive advantage and makes us the de facto standard for powering decisions with data from the digital world. We have aggregated data for over twelve years and have amassed a quality and quantity of digital data in our corpus that we believe is nearly impossible to replicate. Through synthesis, modeling and analysis, we transform these digital data points into Similarweb Digital Data, which is delivered through Software-as-a-Service (SaaS), Data-as-a-Service (DaaS), or Integrations, and is:

- **Timely.** Digital interactions and transactions generate massive quantities of data, and because of the high velocity of the digital economy, this information quickly becomes out-of-date. As a result of the diversity and scale of data, as well as the need to keep the data current, it is extremely difficult to build and maintain a comprehensive view of all digital activity. We capture digital signals as they occur and provide our customers with timely insights into the digital world that allow them to take action. Within 72 hours of a transaction or interaction, our platform analyzes relevant data and provides actionable insights to our users. In order to be able to make mission critical decisions, our customers rely on the insights they derive from Similarweb Digital Data to be timely and relevant. Fresh data enables companies to be flexible and proactive in responding to developing trends and see the impact of their decisions as they occur. These timely insights make us essential in decision-making processes and drive increased usage by our customers.
- **Comprehensive.** Similarweb Digital Data is powered by a comprehensive set of data points that is:
  - **Multi-industry.** Our data set covers virtually every industry and includes additional granularity on sub-industries and companies, providing our customers with a comprehensive understanding of their market and adjacent competitive landscapes.
  - **Global.** Our data set provides global and country-specific views of digital activity helping our customers create strategies across virtually any geography.
  - **Multi-platform.** We are able to generate a robust data set by aggregating data from all of the various sources that people use to interact and transact digitally. We collect data across desktop, mobile web, iOS and Android, allowing us to provide our customers with a complete picture of digital activity.
  - **Multi-channel.** We analyze data across a variety of channels, including direct traffic, organic and paid search, referrals, display banners, video, e-mail and social media. By measuring engagement across digital channels, we are able to deliver deeper and more valuable insights than point solutions that focus on a single channel or subset of channels.
  - **Artificial Intelligence.** We have developed sophisticated tools allowing users to access valuable insights from Similarweb Digital Data through natural language queries. The first-of-its-kind digital intelligence assistant integrates proprietary data with large language AI models, streamlining the process for users to navigate the competitive landscape and improve digital performance.
  - **Intuitive.** We deliver powerful insights that customers can access through our various offerings. Our SaaS offering does not require a complex analytical skill set or technical expertise to derive value; rather we offer a consumer-oriented user interface that is delightful to use and easy to understand. This ease of use means that anyone in an organization can easily leverage our SaaS solutions to power data-driven decision-making.
  - **Proactive.** Similarweb Digital Data proactively highlights insights and takeaways in a way that any business user can understand. Our dynamic interface provides all relevant information in a digestible manner, allowing users to have all of the information they need to understand performance and make decisions. Through our machine learning capabilities, we proactively anticipate and deliver relevant data, preventing users from needing to run multiple data queries or know all of the potential questions they need to ask ahead of time. For example, our SaaS sales solution will alert a sales lead to engage a prospective customer based on observation of the right buying signals.
  - **Unified.** Similarweb Digital Data provides a unified view of digital data and analytics. All members of an organization using our data can see the same output from the same data set, allowing decision-making processes to become easier as everyone has access to the same data. The democratization of access to the digital insights that our platform provides fosters collaboration across hierarchies and teams within an organization and enables us to be the single source of truth.

- **Actionable.** We not only provide the data, but also offer insights that answer relevant questions to help drive critical business decisions. Customers can easily use our API to integrate our data and insights into their own bespoke analytical models. Our offerings are built to provide granular data including brand, product or page level engagement critical to creation of actionable insights. Additionally, our up-to-date data enables businesses to take action on information while it is still relevant. In today's fast-moving world, our timely, comprehensive data collection and dynamic insight creation enables organizations to optimize decision-making without compromising on speed.

## Our Growth Strategy

We intend to drive the growth of our business through the following strategies:

- **Acquire new customers.** We believe there is substantial opportunity to continue to grow our customer base. Leveraging our efficient go-to-market function, we plan to bring new customers across all geographies and industries to our platform. Similarweb Digital Data is broadly applicable, tracking digital activity across approximately 210 industries and 190 countries. As digital data and analytics becomes an even greater point of emphasis for companies and investors, we believe we are well-positioned to grow our share within our current market, as well as to add new customers who previously had not been in the market for digital intelligence solutions.
- **Expand spend from existing customers.** Our large base of current customers represents a significant opportunity for future sales expansion. We aspire to increase the spending by our existing customers as they add more solutions to get even more value from our platform. We have seen a consistent land-and-expand trend with our customers as they generate value from using our platform, and subsequently add additional users and use cases to their subscriptions. We strategically deploy our sales team to offer support and manage our largest accounts, often helping them identify additional opportunities to derive benefits from our solution.
- **Continue innovation and technology leadership.** Our success is dependent on our ability to sustain innovation and technology leadership in order to maintain our competitive advantage. While we believe that we have the most comprehensive offering in the market today, we plan to add new features and functionality to continue to drive deeper insights for our customers. We intend to continue to invest in expanding our product and engineering staff to innovate and develop additional solutions that expand our capabilities and facilitate the extension of our platform to new use cases - a number of which emerge from our Advisory Services engagements, where customers partner with us to address their needs.
- **The AI revolution presents multiple opportunities.** Amidst the myriad of companies developing new AI modules, we recognize that one of the primary differentiators lies in the unique datasets these modules can access. We believe that our company possesses distinct and valuable data, providing us with a potentially significant competitive advantage in the industry. We see Similarweb Digital Data as a strategic advantage, poised to be a sought-after asset for other companies within the AI space. This may not only generate new and reliable revenue streams but also establish us as a key contributor in the realm of AI.
- **Further democratize access.** We plan to expand the functionality and accessibility of our platform, enabling even further adoption among existing and new customers. We plan to continually add new types of insights and features to our platform, expanding potential use cases. We believe that by democratizing access to info and insights even further, our platform will become an even more critical component of the decision-making process for businesses worldwide.
- **Collect more digital data points.** The continuous acquisition and transformation of new and unique digital data points into Similarweb Digital Data drives valuable scale effects for our business. Increased data collection via manual and customer-driven means constantly enhances our data asset. More Similarweb Digital Data leads to more use cases and greater applicability to more business decisions that our current and prospective customers will make.

• **Pursue M&A opportunities.** We intend to continue to evaluate strategic acquisitions and investments in businesses and technologies to drive solution and market expansion.

## **Our Customers**

We serve a broad range of customers of all sizes across a variety of industries including agencies & consulting, consumer goods, financial services, media, pharmaceuticals, retail, technology and travel, among others. As of December 31, 2024, we had 5,534 customers globally.

As of December 31, 2024, 405 of our customers generated ARR of \$100,000 or more, representing 61% of our total ARR. Most of these larger customers initially began as smaller customers and increased their spending over time as they saw the value of our Similarweb Digital Data. We see a significant opportunity to continue expanding our existing customer spending with a growing number of customers generating ARR of \$1 million or more.

For the years ended December 31, 2022, 2023 and 2024, approximately 53%, 53% and 52% of our revenue, respectively, was generated from customers outside of the United States and no single customer generated more than 5% of our revenue.

## **Our Sales and Marketing Operations**

We deploy a highly efficient approach to sales and marketing in order to grow our business. Our sales and marketing teams collaborate to create brand awareness and demand, build a robust sales pipeline and ensure customer success, driving revenue growth. We believe that our sales and marketing model provides us with a competitive advantage because we attract and engage new businesses efficiently and at scale, and we have established a successful upsell motion to grow existing customer accounts.

We believe that we have a highly efficient sales organization, which includes a global sales force, technical and data experts, and support staff, operating through both an inbound and outbound sales motion. The inbound sales motion accounts for approximately half of our new sales opportunities, where prospective customers display initial interest in our Similarweb Digital Data by visiting or contacting us through our website. These cost-effective leads are efficiently converted to pipeline opportunities for our sales teams to pursue. We complement this inbound motion with an outbound motion focused on developing sales opportunities with larger targeted accounts, where our sales representatives engage organizations based on a geographic coverage model. In general, large enterprises are covered by our field sales team, and smaller organizations by our inside sales team. We have a team of account managers focused on expanding and retaining our existing customer relationships by helping our customers optimize the value they derive through their usage of our platform, solutions and Similarweb Digital Data.

We continually engage with our customers post-purchase through support services and proactive account management team check-ins. As part of this engagement, we also seek to identify additional opportunities to upsell customers to new services based upon the value and experience they are deriving from Similarweb Digital Data. It is our belief that such customers may want to add additional feature functionality, geographic coverage, users, and digital data and analytics solutions.

To drive sales, we leverage free offerings that attract and engage prospects' interest and feature our platform capabilities. Through our website, and through a popular browser extension, we provide free access to a wide range of basic services that provide users with a subset of our robust insights and analytics as well as the opportunity to explore the value they could achieve from our paid offerings. Our free offerings deliver ranking and ratings of websites and apps as of a recent date and act as an entry point for many users who often upgrade to paid subscriptions. In 2024, we attracted over 120 million users with these free offerings, resulting in hundreds of thousands of sales leads. While functional and relevant to a broad swath of businesses, our free offerings offer significantly less functionality than our paid solutions, which address specific use cases with robust insights and time series data, with granular details around web traffic, behavior and user journey that can drive business decisions

and success. We believe this tiered approach creates evangelists within organizations who see the value of our solutions, build trust in and connection with our brand, and spread the word organically.

Our marketing efforts focus on establishing our brand, generating awareness, positioning our products in the market, creating demand, and nurturing the Similarweb community. We focus on promoting our free products, which are integral parts of our customer acquisition process, as well as our paid solutions and the functionality they offer. Our marketing team consists primarily of product marketing, demand generation, field and event marketing, communications and solution campaign management. Marketing leverages both online and offline marketing activities such as events and trade shows, seminars and webinars, paid digital advertising, content marketing, search engine optimization, and email marketing. Our content marketing efforts include publication of educational content, white papers, case studies, and blogs. Our marketing team also creates and publishes digital research, backed by insights derived from our Similarweb Digital Data that effectively capture media attention through our public relation efforts. As Similarweb is increasingly recognized by media and analysts as the best source of comprehensive data on activity within the digital world, our earned media coverage has risen significantly. In 2024, Similarweb Digital Data was featured in over 50,000 print and digital articles, including dozens of features in leading publications such as the New York Times, Wall Street Journal, and Financial Times, driving significant brand awareness in our target markets.

## **Our Competition**

As the world shifts to digital we are disrupting manual legacy approaches to making decisions with web and mobile data, with our cloud-based digital data and analytics platform. The approaches we are disrupting include market research companies such as NIQ and Kantar Group, traditional media measurement solutions such as Nielsen Corporation and Comscore, Inc., project-based approaches to specific business challenges provided by management consulting companies (e.g. McKinsey & Company, Bain & Company and Accenture plc) and marketing and media buying advertising agencies (e.g. WPP plc, Omnicom Group and Interpublic Group).

While we do not believe there are companies that offer the breadth and depth of digital data and analytics we offer, there are companies addressing narrow market segments such as digital marketing (e.g. SEMrush), or mobile application data (e.g. Sensortower).

We believe we compete favorably, and customers select us based on a number of factors, including:

- Market vision and pace of product innovation;
- Ability to deliver reliable, timely analytics;
- Breadth and depth of digital data across the web and mobile continuum;
- Ease of use;
- Digital market expertise;
- Adaptability to a broad range of use cases;
- Brand awareness and reputation;
- Scalability and availability;
- Pricing and total cost of ownership;
- Security and data privacy; and
- Quality of customer support.

## Our Research and Development Operations

Since our founding, we have invested significantly in building a best-in-class tech platform that creates and delivers Similarweb Digital Data. Leveraging a team of PhDs, data scientists and big data engineers, we have built a proprietary foundation for our data platform.

Our technology platform is predicated on:

- **Innovation.** We foster an innovative, fast-paced engineering culture, since we began operating. We have consistently developed and delivered cutting-edge capabilities for our users. Our team of PhDs, data scientists and big data engineers first focused on disrupting competitive intelligence across desktop, then added cross-platform capabilities across mobile web and apps, and has since evolved the platform so it integrates into user workflows, with use case-specific products. We release products quickly and constantly refine and improve upon our leading platform.
- **Scalability.** Our data is load-balanced across two Amazon Web Services regions, and each instance is able to auto-scale to accommodate the full usage of our platform at any time. This processing power allows us to analyze the billions of digital signals that come through our platform daily and analyze them to provide real-time insights to our users.
- **Reliability.** We fully synchronize data across all regions and employ automatic failover and recovery to ensure that users do not lose their data. As a result, we have had no material downtime in the past three years.
- **Security.** Our Chief Information Security Officer (CISO) oversees the information security team and drives the implementation of a comprehensive cybersecurity strategy and advanced technologies to safeguard the organization's operations and digital assets.

All data, whether at rest or in transit, is encrypted utilizing commercial-grade tools that use industry-standard algorithms. Similarweb employs the Cloud Security Posture Management platform to continuously monitor cloud assets, identify potential vulnerabilities, and deploy emergency patches as required. Furthermore, the platform performs ongoing risk assessments across cloud environments and external-facing assets to ensure robust security measures are maintained. In addition, Similarweb's API integrates seamlessly and securely with customers' existing workflows, enabling the generation of customized outputs and analyses leveraging our data.

## Our Commitment to Privacy

We take pride in our dedication to data privacy compliance. Our data collection strategy and practice is built on the fundamental principle of collecting information about use – not users. We are guided in all of our activities by the doctrine of “privacy by design” – we strive to avoid or minimize the collection of personal data, and to collect only the minimal data needed for the development and maintenance of our solutions and the operation of our business. We devote substantial efforts and resources to ensure the data we collect and how we use and share it is compliant with GDPR, CPRA and other privacy laws and regulations.

- **Multi-step verification process** is employed to ensure data collected and used does not contain any personally identifiable information, or PII, or that any PII collected is collected and processed in accordance with applicable privacy laws.
- **Anonymous** and/or de-identified behavioral data is aggregated and analyzed at the site- and app-level.
- **We never use the data** we collect to power our solutions **for individual ad retargeting.**

## Our Intellectual Property

Our intellectual property and our rights to use and protect it are important to the success of our business. We rely on a combination of copyright, trademark, trade secret and patent laws in the United States and other jurisdictions, as well as license agreements, confidentiality procedures, non-disclosure agreements with third parties, and other contractual protections, to protect our intellectual property rights, including our proprietary technology, algorithms, digital insight data, software, know-how and brand. We utilize open source products in various parts of our software and applications in accordance with the respective licenses of those products.

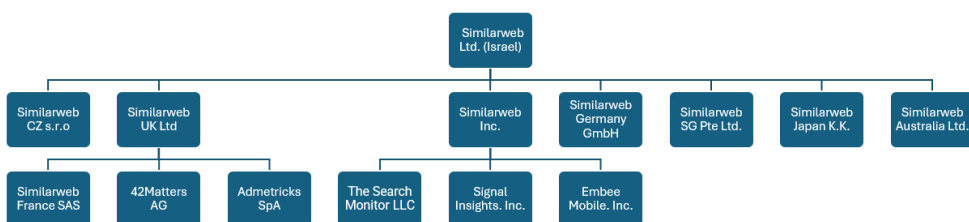
Generally, we do not use patents to protect our intellectual property. As of December 31, 2024, we owned five registered patents: we acquired one patent in the United States and one foreign patent from a third party in 2015; and in 2021, we acquired from another third party an additional patent portfolio, which as of December 31, 2024 is comprised of three patents in the United States. As of December 31, 2024, we owned four registered trademarks in the United States, and we owned thirty trademark applications and registered trademarks in various additional jurisdictions.

Although we rely on intellectual property rights, including copyrights, trademarks and trade secrets, as well as contractual protections to establish and protect our proprietary rights, we believe that factors such as the technological and creative skills of our personnel, creation of new services, features and functionality, and frequent enhancements to our platform are more essential to establishing and maintaining our technology leadership position.

We control access to and use of our proprietary technology and other confidential information through the use of internal and external controls, including contractual protections with employees, contractors, customers and partners. We require our employees, consultants and other third parties to enter into confidentiality and proprietary rights agreements and we control and monitor access to our software, documentation, proprietary digital insights data, proprietary technology and other confidential information. Our policy is to require all employees and independent contractors to sign agreements assigning to us any inventions, trade secrets, works of authorship, developments, processes and other intellectual property generated by them on our behalf and under which they agree to protect our confidential information. In addition, we generally enter into confidentiality agreements with our customers and partners. For additional information about the risks relating to our intellectual property, see the Item 3.D “Risk factors—Risks relating to our intellectual property and technology.”

## C. Organizational Structure

The following diagram illustrates our corporate structure as of the date of this Annual Report. All ownership is 100%.



#### **D. Property, Plants and Equipment**

Our current headquarters is located in Givatayim, Israel, where we lease approximately 141,000 square feet, which lease is set to expire in April 2032. We also have offices in other locations, including New York, Burlington, London, Tokyo, Prague, Zurich, Santiago and Singapore. These offices are leased, and we do not own any real property. We believe that our current facilities are adequate to meet our current needs.

#### **Item 4A. Unresolved Staff Comments**

None.

#### **Item 5. Operating and Financial Review and Prospects**

*You should read the following discussion together with the consolidated financial statements and related notes included elsewhere in this Annual Report. The statements in this discussion regarding industry outlook, our expectations regarding our future performance, planned investments in our expansion into additional geographies, research and development, sales and marketing and general and administrative functions as well as other non-historical statements in this discussion are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described in Item 3.D entitled "Risk factors" and "Special note regarding forward-looking statements" and should be read in conjunction with our consolidated financial statements and related notes in "Item 18. Financial Statements", included elsewhere in this Annual Report. Our actual results may differ materially from those contained in or implied by any forward-looking statements.*

*The following section generally discusses our financial condition and results of operations for the year ended December 31, 2024 compared to the year ended December 31, 2023. A discussion regarding our financial condition and results of operations for the year ended December 31, 2023 compared to the year ended December 31, 2022 can be found in Item 5. "Operating and Financial Review and Prospects" of our Annual Report on Form 20-F for the year ended December 31, 2023.*

#### **Overview**

Similarweb is a leader in digital data and analytics powering critical business decisions. We uncover what is happening online and provide every business with the best digital data & analytics to build strategy, optimize customer acquisition and maximize monetization.

At our core, we are a data business. Similarweb Digital Data is both our core product and our fundamental unit of value. To create our proprietary data asset, we collect billions of unprocessed web and mobile data points on companies and products, which include a variety of digital performance indicators on web and mobile, such as traffic and engagement, audience, search, display, content, referrals, and purchasing data points. Our data scientists and engineers transform the unrefined data into the corpus of Similarweb Digital Data using machine learning and artificial intelligence. Our unique approach to digital data acquisition and transformation involves a proprietary mix of data sources and complex data science, operating continuously at scale. We deliver Similarweb Digital Data to our customers via the methods they choose to purchase primarily on a subscription basis. Our customers then use Similarweb Digital Data to power critical decisions for running their businesses.

Today, businesses have access to unprecedented amounts of digital data that they can utilize for decision making. However, the data generally available to them only relates to the performance of their digital properties, such as websites, apps and social media channels that they own. Businesses have almost no visibility into the broader behaviors of consumers, or the digital performance of competitors, partners and other players. As a result, companies frequently operate with a lack of external visibility, impairing their ability to execute on everything from



corporate strategy to day-to-day operations. Similarweb eliminates this lack of visibility. Similarweb Digital Data unlocks the digital world by giving organizations the keys to understand and gain insight from all relevant digital activity, and powers critical business decisions that create significant competitive advantages.

Our methods of delivering Similarweb Digital Data consists of three models: SaaS, DaaS, and Advisory Services. Starting with SaaS, we organize our SaaS approach by solutions to business challenges, which include market research, digital marketing, sales lead enrichment, ecommerce analytics, and alternative data for investors. Businesses utilize our SaaS solutions to enhance the capabilities of their professionals - from business leaders, strategy teams, analysts, marketers, category managers, to salespeople - to quickly and efficiently discover their best growth opportunities, identify potential competitive threats and make critical decisions to acquire customers and grow revenue. Our DaaS solutions provides enterprises and strategic accounts with direct integration of data feeds via API or other means for deployment of Similarweb Digital Data within their organizations through their own internal interfaces. We provide advisory services to businesses that seek embedded assistance with business challenges for which we have not yet productized a solution, or extensively customized data and analytics to accomplish their objectives using Similarweb Digital Data. Our advisory services clients often purchase Similarweb Digital Data through our SaaS and DaaS offerings as well.

We generate recurring revenue primarily from our SaaS subscriptions, which consists of subscription fees from customers utilizing our cloud-based digital data and analytics solutions, and secondarily from our DaaS offering through our API and other direct access to Similarweb Digital Data, all of which include routine customer support. Our SaaS, DaaS and Advisory Services offerings are generally sold on an annual subscription basis.

Paid SaaS subscriptions to our platform powered by Similarweb Digital Data are available in five categories of solutions:

- Digital Research Intelligence. Provides web traffic research insights, which help companies research markets, companies, and audiences, as well as benchmark their performance against other companies.
- Digital Marketing Intelligence. Provides competitive analysis, keyword optimization, affiliate optimization and advertising and media optimization.
- Sales Intelligence. Provides insights to drive sales acceleration through lead generation, lead enrichment, sales engagement and fraud detection.
- Shopper Intelligence. Provides insights to analyze and optimize the purchase funnel and acquisition strategy, monitor consumer demand and leverage on-site search volume and conversion.
- Investor Intelligence. Provides data-driven investing insights for hedge funds, asset managers, banks, venture capital and private equity firms.

We sell subscriptions to these SaaS solutions with pricing tiers based on feature set, geographic coverage and the number of users who have access to them. Our subscription agreements typically last for a minimum term of one year and are renewable thereafter. We typically invoice customers in advance for annual increments. As of December 31, 2024, 49% of our Annual Recurring Revenue, or ARR, is generated from customer contracts with multi-year terms, compared to 42% as of December 31, 2023.

We deploy a highly efficient approach to sales and marketing in order to grow our business. Our sales and marketing teams collaborate to create brand awareness and demand, build a robust sales pipeline and ensure customer success, driving revenue growth. We believe that our sales and marketing model provides us with a competitive advantage because we attract and engage new businesses efficiently and at scale, and we have established a successful upsell motion to grow existing customer accounts.

Our efficient sales organization includes a global sales force, technical, and data experts, and support staff, operating through both an inbound and outbound sales motion. The inbound sales motion accounts for approximately half of our new sales opportunities, where prospective customers display initial interest in our

platform by visiting or contacting us through our website. These cost-effective leads are efficiently converted to pipeline opportunities for our sales teams to pursue. We complement this inbound motion with an outbound motion focused on developing sales opportunities with larger targeted accounts, where our sales representatives engage organizations based on a geographic coverage model. In general, large enterprises are covered by our field sales team, and smaller organizations by our inside sales team. We have a team of account managers focused on expanding and retaining our existing customer relationships by helping our customers optimize the value they derive through their usage of our platform and solutions. We continually engage with our customers through support services and proactive account management team check-ins, and often upsell customers to new solutions as they see the value in the platform and want to add additional feature functionality, geographic coverage, users and digital data and analytics solutions.

To drive sales, we leverage free offerings that attract and engage prospects' interest and feature our platform capabilities. Through our website, and through a popular browser extension which we own, we provide free access to a wide range of basic services that provide users with a subset of our robust insights and analytics as well as the opportunity to explore the value they could achieve from our paid offerings. Our free offerings deliver rankings and ratings of websites and apps as of a recent date and act as an entry point for many users who often upgrade to paid subscriptions. In 2024, we attracted over 120 million users with these free offerings, resulting in hundreds of thousands of sales leads. While functional and relevant to a broad swath of businesses, our free offerings offer significantly less functionality than our paid solutions, which address specific use cases with robust insights and time series data, with granular details around web traffic, behavior and user journey that can drive business decisions and success. We believe this tiered approach creates champions within organizations who see the value of our solutions, build trust in and connection with our brand, and spread the word organically.

We sell to companies across a wide range of industries such as technology, financial services, retail, household products, apparel and institutional investors. For the years ended December 31, 2023 and 2024, no single customer generated more than 5% of our revenue. As of December 31, 2024 we had 5,534 customers. Once a customer starts to realize the value of our Similarweb Digital Data by deploying one of our solutions in their business, they often significantly increase their usage.

Our business has grown rapidly and is transitioning to value innovation, which is the simultaneous pursuit of growth and profitability. For the year ended December 31, 2023, we grew our revenue by 13% compared to the year ended December 31, 2022 and 15% for the year ended December 31, 2024 compared to the year ended December 31, 2023. Additionally, we have \$81.8 million and \$74.4 million in cash, cash equivalents and restricted deposits as of December 31, 2023 and 2024, respectively. We generated revenue of \$193.2 million, \$218.0 million and \$249.9 million in the years ended December 31, 2022, 2023 and 2024, respectively. We had operating cash flow of \$(46.1) million, \$(3.0) million and \$30.2 million and free cash flow of \$(77.2) million, \$(5.4) million and \$27.4 million in years ended December 31, 2022, 2023 and 2024, respectively. See the section titled “—Non-GAAP financial measures—Free cash flow” for additional information regarding free cash flow, a measure that is not calculated under GAAP. For the years ended December 31, 2022, 2023 and 2024, our net loss was \$83.7 million, \$29.4 million and \$11.5 million, respectively.

## **Key Factors Affecting Our Performance**

### *Acquire new customers*

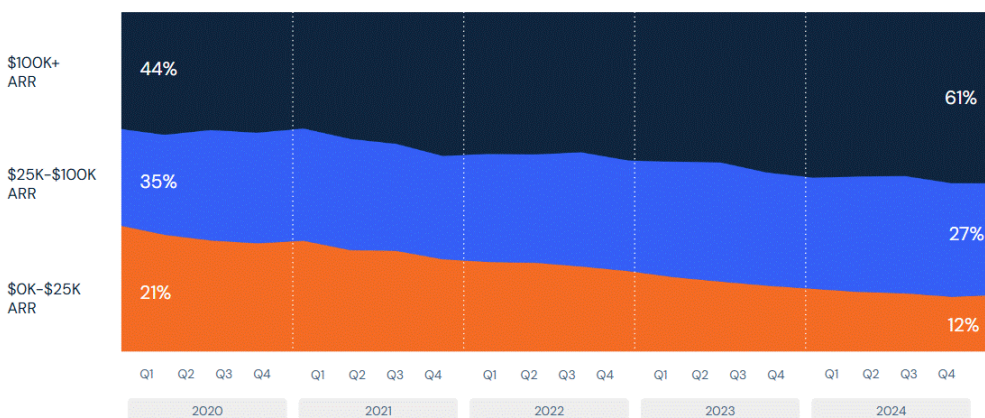
We believe there is substantial opportunity to continue to grow our customer base. We had 5,534 customers as of December 31, 2024, increasing from 4,712 as of December 31, 2023. We plan to continue our investment in sales and marketing in order to drive new customer acquisition. We intend to grow our base of both inside and field sales representatives, which we believe will drive both geographic and vertical expansion. We believe there is a significant opportunity to expand usage of our platform in the geographies in which we operate. We have made and plan to continue to make investments to expand our global operations across North America, Europe and Asia-Pacific, including in the United States, the United Kingdom, France, Germany, Japan, Australia, Singapore, Czech

Republic, Chile and Switzerland. We are also investing in self-serve offerings and distribution channels. Our ability to attract new customers will depend on a number of factors, including the effectiveness and pricing of our solutions, offerings of our competitors, and the effectiveness of our marketing efforts.

We define a customer as a separate legal entity that has an active annual or multi-year subscription with us in the period indicated. A single organization with multiple divisions, segments or subsidiaries is generally counted as a single customer. Users of our free offerings and users who subscribe to our offerings for less than an annual subscription term are not included in our customer count.

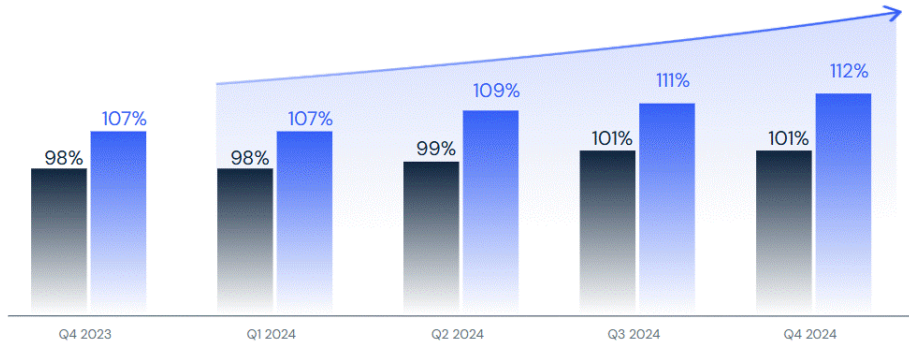
**Expansion from existing customers**

Our large base of customers represents a significant opportunity for further sales expansion. Once a customer has purchased a subscription from us, we have historically experienced significant expansion with them over time as they add additional features, geographic coverage, users and digital intelligence solutions. We look at the increase in spend from our customers as an indication of the value we provide them over time. As an example, as of December 31, 2024, 405 of our customers generated ARR of \$100,000 or more, up from 365 and 337 customers as of December 31, 2023 and 2022, respectively, most of whom began initially as smaller customers. The chart below illustrates the percentage of ARR by customer segments broken out by customers who generated ARR of \$100,000 or more, between \$25,000 and \$100,000 and those who generated under \$25,000 in ARR. As of December 31, 2024, customers who generated more than \$100,000 in ARR represented 61% of our total ARR, as compared to 44% of our total ARR as of December 31, 2019. We define ARR as the annualized subscription revenue we would contractually expect to receive from customers assuming no increases or reductions in their subscriptions.



A further indication of the propensity of our customer relationships to expand over time is our net dollar-based retention rate, or NRR, which compares 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. We calculate our NRR as of a period end by starting with the ARR from the cohort of all customers as of 12 months prior to such period-end, or the Prior Period ARR. We then calculate the ARR from these same customers as of the current period-end, or the Current Period ARR. Current Period ARR includes any expansion and is net of contraction or attrition over the last 12 months, but excludes ARR from new customers in the current period. We then divide the Current Period ARR by the Prior Period ARR to arrive at the point-in-time NRR. We then calculate the average of the trailing four quarter point-in-time NRR to arrive at the NRR. The chart below illustrates the changes to our NRR over the last five fiscal quarters.

■ All Customers ■ \$100K+ ARR Customers



We intend to grow our base of account managers to continue to drive adoption and expansion of additional use cases within our customer base. Our ability to increase sales to existing customers will depend on a number of factors, including our customers' satisfaction with our Similarweb Digital Data, solutions, competition, pricing and overall changes in our customers' spending levels.

***Continued innovation and technology leadership***

Our success is dependent on our ability to sustain innovation and technology leadership in order to maintain our competitive advantage. We believe that we have built highly differentiated data and solutions on a platform that will position us to further expand adoption. We intend to continue to invest in expanding our product and engineering staff to innovate and develop additional data and solutions that increase our capabilities and facilitate the extension of our platform to new use cases. Our future success is dependent on our ability to successfully develop, market and sell existing and new Similarweb Digital Data and solutions to both new and existing customers.

***Continued pursuit of growth and profitability***

We believe that we have a significant market opportunity ahead of us. We seek to grow revenue by offering a unique value proposition powered by Similarweb Digital Data and to pursue operating profit. We intend to continue to invest to support the organic growth and expansion of our business, to increase revenue, and to scale our operations to support our trajectory. Further, we expect to operate effectively and efficiently and to manage our sales and marketing, research and development, and general and administrative expenses with a view towards achieving profitability and sustained free cash flow generation. We expect that our cost of revenue and operating expenses will fluctuate over time. We also intend to continue to evaluate strategic acquisitions and investments in businesses and technologies to drive solution and market expansion.

**Components of Our Results of Operations**

***Revenue***

We generate revenue primarily from SaaS subscriptions, which is comprised of subscription fees from customers utilizing our cloud-based digital intelligence solutions and other subscription-based solutions, such as API, all of which include routine customer support. Our subscription contracts typically have a term of at least 12

months and are generally non-cancellable. Customers enter into subscription contracts to gain access to one or more of our subscription-based solutions. Subscription revenue is recognized on a ratable basis over the contractual term of the subscription beginning on the date that our services are made available to the customer assuming that all other revenue recognition criteria have been met. Payments received in advance of services being rendered are recorded as deferred revenue in our consolidated balance sheets.

#### ***Cost of revenue***

Cost of revenue primarily consists of costs related to supporting our cloud-based platform and solutions. These costs include personnel related costs, such as salaries, bonuses and benefits, and share-based compensation, which we collectively refer to as personnel related costs, for employees principally responsible for data acquisition, production engineering, advisory and technical customer support. In addition to these expenses, we incur third-party service provider costs such as payments to our third-party cloud infrastructure provider for hosting our platform, third-party data providers and amortization of internal use software and intangible assets. We also incur costs related to payments made with respect to our metered panel following our acquisition of Embee Mobile, Inc. We allocate overhead costs such as rent, utilities, depreciation and supplies to all departments based on relative headcount. As such, general overhead expenses are reflected in the cost of revenue in addition to each operating expense category. In recent years, we have experienced significant cost of revenue leverage of our data acquisition costs, which has enabled gross margin expansion. We will continue to invest additional resources in our cloud infrastructure and our data acquisition and customer support organizations to expand the capabilities of our solutions. The level and timing of investment in these areas could affect our cost of revenue in the future.

#### ***Gross profit and gross margin***

Gross profit is revenue less cost of revenue, and gross margin is gross profit as a percentage of revenue. Gross profit has been and will continue to be affected by a variety of factors, including the average sales price of our solutions, volume growth and our ability to leverage our investment in data costs to more customers.

#### ***Operating expenses***

Our operating expenses consist of research and development, sales and marketing and general and administrative expenses. Personnel-related costs are the most significant component of operating expenses and consist of salaries, benefits, bonuses, share-based compensation and sales commissions. Operating expenses also include allocated overhead costs.

##### ***Research and development***

Our research and development expenses consist primarily of personnel related costs for our engineering, data science, product and design teams. Additional expenses include consulting and professional fees for third-party development resources and third-party licenses for software development tools. We expect that we will continue to dedicate substantial resources to develop, improve and expand our Similarweb Digital Data and solutions. We anticipate that research and development expenses will increase in absolute dollars, but will decrease as a percentage of revenue over time, as we expect to realize operating leverage in our business.

##### ***Sales and marketing***

Our sales and marketing expenses consist primarily of personnel related costs for our marketing, sales, account management. Additional expenses include marketing program costs. We expect we will continue to invest in sales and marketing activities to support our growth such as in our inside and field sales and account management teams. We anticipate that sales and marketing expenses will increase in absolute dollars, but will decrease as a percentage of revenue over time, as we expect to realize operating leverage in our business.

***General and administrative***

Our general and administrative expense consists primarily of personnel related costs for our executive, finance, human resources, information technology and legal functions. We anticipate general and administrative expenses as a percentage of revenue to decrease over time, as we expect to realize operating leverage in our business.

***Finance income (expense)***

Finance income (expense) consists of interest expense accrued on our indebtedness, net of interest income earned on our cash balances. Finance income (expense) also includes gains and losses incurred from non-designated hedge transactions as well as the impact of currency exchange rate fluctuations resulting from our global operations and the revaluation of our balance sheet assets and liabilities that are denominated in foreign currencies. We expect finance income (expense) to vary each reporting period depending on the amount of outstanding indebtedness, non-designated hedging transactions, currency exchange rate fluctuations and prevailing interest rates.

We expect interest income will vary in each reporting period depending on our average cash balances during the period and applicable interest rates.

***Provision for income taxes***

We are subject to taxes in Israel, the United States as well as other tax jurisdictions or countries in which we conduct business. Earnings from our non-U.S. activities are subject to local country income tax. We recognize deferred tax assets and liabilities to reflect the net tax effects of temporary differences between the carrying amounts of our assets and liabilities for financial reporting purposes and the amounts used for income tax reporting purposes in each jurisdiction. We consider all available evidence, both positive and negative, in assessing the extent to which a valuation allowance should be applied against our net deferred tax assets. Realization of our net deferred tax assets depends upon future earnings, the timing and amount of which are uncertain and, as a result, and due to our history of cumulative losses, we maintain a full valuation allowance on our net deferred tax assets in Israel and certain other jurisdictions. Our effective tax rate is affected by tax rates in Israel, the United States and foreign jurisdictions and the relative amounts of income we earn in those jurisdictions, as well as non-deductible expenses, such as share-based compensation, and changes in our valuation allowance.

## A. Operating Results

The following tables summarize key components of our results of operations data and such data as a percentage of total revenue for the periods presented. The period-to-period comparisons of our historical results are not necessarily indicative of the results that may be expected in the future.

*Comparison of the years ended December 31, 2023 and 2024:*

	Year Ended December 31,	
	2023	2024
Revenue	\$ 218,019	\$ 249,913
Cost of revenue (1)	47,090	54,814
Gross profit	170,929	195,099
Operating expenses:		
Research and development (1)	56,158	55,596
Sales and marketing (1)	101,198	105,476
General and administrative (1)	42,380	43,691
Total operating expenses	199,736	204,763
Loss from operations	(28,807)	(9,664)
Finance income, net	941	134
Loss before income taxes	(27,866)	(9,530)
Provision for income taxes	1,507	1,927
Net loss	\$ (29,373)	\$ (11,457)

(1) Includes share-based compensation expense as follows:

	Year Ended December 31,	
	2023	2024
	(in thousands)	
Cost of revenue	\$ 635	\$ 812
Research and development	5,782	5,511
Sales and marketing	5,196	4,273
General and administrative	6,514	\$ 7,019
Total share-based compensation expense	\$ 18,127	\$ 17,615





The following table sets forth our consolidated statements of operations data expressed as a percentage of revenue for the period indicated:

	Year Ended December 31,	
	2023	2024
Revenue	100.0 %	100.0 %
Cost of revenue	21.6	21.9
Gross profit	78.4	78.1
Operating expenses:		
Research and development	25.8	22.2
Sales and marketing	46.4	42.2
General and administrative	19.4	17.5
Total operating expenses	91.6	81.9
Loss from operations	(13.2)	(3.9)
Other income, net	—	—
Finance income, net	0.4	0.1
Loss before income taxes	(12.8)	(3.8)
Provision for income taxes	0.7	0.8
Net loss	(13.5) %	(4.6) %

*Revenue*

	Year Ended December 31,		Period-over-Period Change	
	2023	2024	\$ Change	% Change
	(in thousands)			
Revenue	\$ 218,019	\$ 249,913	\$ 31,894	14.6 %

Total revenue increased by \$31.9 million, or 14.6%, for the year ended December 31, 2024 compared to the year ended December 31, 2023, primarily due to an increase in our subscription revenue. \$17.0 million of that increase was generated from customers in the United States, which increased by 16.4% from \$103.5 million in 2023 to \$120.5 million in 2024, and an additional \$5.7 million of the increase in total revenue was generated from customers in Europe and the United Kingdom, which increased 8.9% from \$63.5 million in 2023 to \$69.1 million in 2024. We increased the number of paying customers by 17.4% from 4,712 as of December 31, 2023 to 5,534 as of December 31, 2024. The number of customers in the United States increased from 1,351 as of December 31, 2023 to 1,570 as of December 31, 2024. The number of customers in Europe and the United Kingdom increased from 1,458 as of December 31, 2023 to 1,607 as of December 31, 2024.

*Costs of revenue*

	Year Ended December 31,		Period-over-Period Change	
	2023	2024	\$ Change	% Change
	(in thousands)			
Cost of revenue	\$ 47,090	\$ 54,814	\$ 7,724	16.4 %

Total cost of revenue increased by \$7.7 million, or 16.4%, for the year ended December 31, 2024 compared to the year ended December 31, 2023. Our cost of revenue increased primarily due to an increase of \$6.9 million related to our third-party hosting services and tools, mainly driven by our investment in new GenAI as well as new solutions, in line with our strategy, an increase of \$1.9 million in compensation primarily related to increase in employee headcount, partially offset by a decrease of \$1.7 million related to third-party data providers. Our gross margin decreased from 78.4% in 2023 to 78.1% in 2024,

*Operating expenses**Research and development*

	Year Ended December 31,		Period-over-Period Change	
	2023	2024	\$ Change	% Change
	(in thousands)			
Research and development	\$ 56,158	\$ 55,596	\$ (562)	(1.0) %

Research and development expenses decreased by \$0.6 million, or 1.0%, to \$55.6 million for the year ended December 31, 2024, from \$56.2 million in the year ended December 31, 2023, primarily related to product development infrastructure and tools. We expect research and development expenses to increase in absolute dollars, as we continue to invest in our data moat and innovation and expand our R&D team. Research and development expenses as a percentage of revenue will decrease over time, as we expect to realize operating leverage in our business.

*Sales and marketing*

	Year Ended December 31,		Period-over-Period Change	
	2023	2024	\$ Change	% Change
	(in thousands)			
Sales and marketing	\$ 101,198	\$ 105,476	\$ 4,278	4.2 %

Sales and marketing expenses increased by \$4.3 million, or 4.2%, to \$105.5 million for the year ended December 31, 2024, from \$101.2 million in the year ended December 31, 2023. The increase was primarily due to an increase of \$2.7 million in marketing expenditures primarily in paid acquisition campaigns, an increase of \$2.7 million in compensation related to increase in employee headcount as well as bonuses primarily related to business combinator, partially offset by a decrease of \$0.9 million in share-based compensation. We expect sales and

marketing expenses to increase in absolute dollars, as we continue to invest in our go to market team Sales and marketing expenses as a percentage of revenue will decrease over time, as we expect to realize operating leverage in our business.

*General and administrative*

	Year Ended December 31,		Period-over-Period Change	
	2023	2024	\$ Change	% Change
	(in thousands)			
General and administrative	\$ 42,380	\$ 43,691	\$ 1,311	3.1 %

General and administrative expenses increased by \$1.3 million, or 3.1%, to \$43.7 million for the year ended December 31, 2024, from \$42.4 million for the year ended December 31, 2023. The increase was primarily due to an increase of \$1.1 million in compensation and an increase of \$0.5 million in share-based compensation.

*Finance expenses, net*

	Year Ended December 31,		Period-over-Period Change	
	2023	2024	\$ Change	% Change
	(in thousands)			
Finance income, net	\$ 941	\$ 134	\$ (807)	(85.8)%

Finance income, net decreased by \$0.8 million, or 85.8%, to \$0.1 million of finance income for the year ended December 31, 2024, from \$0.9 million for the year ended December 31, 2023. The change was primarily due to a \$1.6 million impact from foreign exchange due to the appreciation of the U.S. dollar against the New Israeli Shekel and other currencies in 2023, partially offset by an increase of \$1.0 million in interest income in 2024.

*Provision for income taxes*

	Year Ended December 31,		Period-over-Period Change	
	2023	2024	\$ Change	% Change
	(in thousands)			
Provision for income taxes	\$ 1,507	\$ 1,927	\$ 420	27.9 %

Provision for income taxes increased to \$1.9 million for the year ended December 31, 2024 from \$1.5 million for the year ended December 31, 2023, reflecting an effective tax rate of (20)% and (5)% for each of the years, respectively.

## Non-GAAP financial measures

In addition to our results determined in accordance with GAAP, we believe that non-GAAP operating loss and free cash flow, which are non-GAAP financial measures, are useful in evaluating the performance of our business.

### *Non-GAAP operating (loss) income*

Non-GAAP operating (loss) income is a supplemental measure of operating performance that is not prepared in accordance with GAAP and that does not represent, and should not be considered as, an alternative to operating loss, as determined in accordance with GAAP. We define non-GAAP operating (loss) income as operating (loss) income, adjusted for share-based compensation, retention payments related to business combinations, amortization of intangible assets, non-recurring expenses in relation to our initial public offering and certain other non-recurring items.

We use non-GAAP operating (loss) income to understand and evaluate our core operating performance and trends, to prepare and approve our annual budget, and to develop short-term and long-term operating plans. We believe that non-GAAP operating (loss) income facilitates comparison of our operating performance on a consistent basis between periods, and when viewed in combination with our results prepared in accordance with GAAP, helps provide a broader picture of factors and trends affecting our results of operations.

Non-GAAP operating (loss) income has limitations as an analytical tool, and should not be considered in isolation, or as a substitute for analysis of our results as reported under GAAP. Our definition of Non-GAAP operating (loss) income may differ from the definitions used by other companies and therefore comparability may be limited. Because of these limitations, non-GAAP operating (loss) income should not be considered as a replacement for operating loss, as determined by GAAP, or as a measure of our profitability. We compensate for these limitations by relying primarily on our GAAP results and using non-GAAP measures only for supplemental purposes.

A reconciliation of non-GAAP operating (loss) income to GAAP operating loss, the most directly comparable GAAP measure, is as follows:

	<u>Year Ended December 31,</u>	
	<u>2023</u>	<u>2024</u>
	<b>(in thousands)</b>	
Loss from operations	\$ (28,807)	\$ (9,664)
Add:		
Share-based compensation expenses	18,127	17,615
Retention payments related to business combinations	1,072	1,886
Amortization of intangible assets related to business combinations	4,776	4,862
Non-recurring expenses related to termination of lease agreements and others	17	—
Secondary offering costs	—	350
Non-GAAP operating (loss) income	<u>\$ (4,815)</u>	<u>\$ 15,049</u>

### ***Free cash flow***

Free cash flow represents net cash used in or provided by operating activities, reduced by capital expenditures and capitalized software development costs, if any. Free cash flow is a measure used by management to understand and evaluate our liquidity and to generate future operating plans. The reduction of capital expenditures and amounts capitalized for software development, facilitates comparisons of our liquidity on a period-to-period basis and includes items that we consider to be indicative of our liquidity on an operating basis. We believe that free cash flow is a measure of liquidity that provides useful information to our management, investors and others in understanding and evaluating the strength of our liquidity and future ability to generate cash that can be used for strategic opportunities or investing in our business in the same manner as our management and board of directors. Nevertheless, our use of free cash flow has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our financial results as reported under GAAP. Further, our definition of free cash flow may differ from the definitions used by other companies and therefore comparability may be limited. You should consider free cash flow alongside our other GAAP-based financial performance measures, such as net cash used in or provided by operating activities, and our other GAAP financial results.

The following table presents a reconciliation of free cash flow to net cash used in operating activities, the most directly comparable financial measure calculated in accordance with GAAP:

	Year ended December 31,	
	2023	2024
	(in thousands)	
Net cash (used in) provided by operating activities	\$ (3,038)	\$ 30,174
Purchases of property and equipment, net	(1,559)	(1,430)
Capitalized internal use software costs	(821)	(1,304)
Free cash flow	<u>(5,418)</u>	<u>27,440</u>

## **B. Liquidity and Capital Resources**

### **Overview**

Since our inception, we have financed our operations primarily through cash payments from our customers, equity issuances and borrowings under our credit facilities. Our primary requirements for liquidity and capital are to finance working capital, capital expenditures and general corporate purposes. Our principal sources of liquidity are our cash and borrowings available under the credit facility with Silicon Valley Bank (“SVB”), referred to herein as the “SVB LSA” or the “SVB Credit Facility”.

We believe that our net cash provided by operating activities, cash on hand and availability under our SVB Credit Facility (as assumed by the Bridge Bank, as defined and discussed below) will be adequate to meet our operating, investing and financing needs for at least the next 12 months. Our future capital requirements will depend on many factors, including our revenue growth, the timing and extent of investments to support such growth, the expansion of sales and marketing activities, increases in general and administrative costs and many other factors as described under “Risk factors” and “—Key factors affecting our performance.”

### **Credit facilities**

#### ***Credit facility with Silicon Valley Bank***

On December 30, 2020, we entered into a Loan and Security Agreement, or the SVB LSA, with Silicon Valley Bank, or SVB, which was amended by a Loan Modification Agreement, dated as of November 13, 2022 and

further amended by the Second Amendment to the Loan and Security Agreement, dated as of August 6, 2024. The credit facility has an available borrowing capacity of (a) the lesser of (i) \$75 million or (ii) the amount available under the borrowing base, minus (b) the outstanding principal balance of any advances made under the credit facility. The borrowing base is the product of (a) monthly recurring revenue, as defined in the LSA, multiplied by (b) an advance rate as set forth in the LSA.

Under the SVB LSA, which is currently in effect through December 30, 2026, we paid an initial administrative fee of \$262,500 and a one-year anniversary fee of \$262,500, and we pay an unused facility fee in an amount equal to 0.3% per annum of the average unused portion of the credit facility (if applicable). However, there are no additional fees or penalties payable by us in the event we elect to repay the principal amount outstanding under the SVB LSA prior to its maturity date.

Subject to certain exceptions, borrowings under the SVB LSA accrue interest at a rate equal to the greater of (i) a floating per annum rate equal to 0.25% above the prime rate or (ii) a fixed per annum rate equal to 3.50%, also paid on a monthly basis.

The SVB LSA is subject to certain financial covenants, including that we maintain liquidity of at least \$35 million. Liquidity for this purpose is the sum of (i) the aggregate amount of our unrestricted and unencumbered cash and cash equivalents and (b) the Availability Amount (as such term is defined in the SVB LSA).

The SVB LSA is secured by substantially all of our assets. It also contains various affirmative and negative covenants, including financial reporting requirements and limitations on indebtedness, liens, mergers, consolidations, liquidations and dissolutions, sales of assets, dividends and other restricted payments, investments (including acquisitions) and transactions with affiliates. As of December 31, 2024, we were in compliance with all of our financial covenants under the SVB LSA.

As of December 31, 2024, we had no outstanding balance under the SVB LSA.

In March 2023, SVB was closed by the California Department of Financial Protection and Innovation, and the Federal Deposit Insurance Corporation (FDIC) was appointed as receiver. The FDIC transferred all deposits, both insured and uninsured, to Silicon Valley Bridge Bank, N.A. (Bridge Bank), which later became part of First Citizens Bank. The Bridge Bank initially assured that all commitments under existing credit agreements would be honored, backed by the FDIC and the full faith and credit of the US government. We believe our SVB credit facility has been assumed by First Citizens Bank and remains operational. However, if the credit facility becomes unavailable, we may need to seek alternative credit sources. Failure to secure a comparable credit facility could require us to use our cash reserves for operations, potentially affecting growth strategies, acquisitions, and our financial stability, which may impact the value of our shares. Additionally, available credit may come with more restrictive covenants and higher interest rates, reducing our borrowing capacity and operating flexibility.

**Cash flows**

The following table summarizes our cash flows for the periods presented:

	Year ended December 31,	
	2023	2024
Net cash (used in) provided by operating activities	\$ (3,038)	\$ 30,174
Net cash used in investing activities	(2,586)	(18,700)
Net cash provided by (used in) financing activities	1,192	(18,837)
Effect of exchange rates on cash and cash equivalents	(1,646)	(500)
Net decrease in cash and cash equivalents	(6,078)	(7,863)
Cash and cash equivalents at beginning of period	77,810	71,732
Cash and cash equivalents at end of period	\$ 71,732	\$ 63,869

***Operating activities***

Our largest source of operating cash is cash collected from sales of subscriptions to our customers. Our primary uses of cash from operating activities are for personnel expenses, marketing expenses, hosting expenses, data acquisition expenses and allocated overhead expenses. In periods in which we generated negative operating cash flows, we have supplemented working capital requirements through net proceeds from the sale of equity securities and borrowings under our credit facilities.

Net cash provided by operating activities was \$30.2 million for the year ended December 31, 2024, as compared to net cash used in operating activities of \$(3.0) million for the year ended December 31, 2023, primarily due to a \$17.9 million decrease in incremental net loss, in addition to the aggregate changes in the balance sheet, particularly in accounts receivable.

***Investing activities***

Net cash used in investing activities increased to \$(18.7) million during the year ended December 31, 2024, as compared to \$(2.6) million during the year ended December 31, 2023, primarily due to \$15.4 million of payments for business combinations in 2024.

***Financing activities***

Net cash used in financing activities was to \$(18.8) million for the year ended December 31, 2024, as compared to net cash provided by financing activities of \$1.2 million for the year ended December 31, 2023, primarily due to the repayment of \$25.0 million from our credit facility in 2024.

## Contractual obligations and commitments

The following table summarizes our contractual obligations as of December 31, 2024:

	Payments Due by Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
	(in thousands)				
Purchase obligations	34,740	25,136	9,604	—	—
Operating lease commitments	44,851	8,268	12,706	11,084	12,793
Total	79,591	33,404	22,310	11,084	12,793

The commitment amounts in the table above are associated with contracts that are enforceable and legally binding and that specify all significant terms, including fixed or minimum services to be used, fixed, minimum or variable price provisions, and the approximate timing of the actions under the contracts. The table does not include obligations under agreements that we can cancel without a significant penalty.

### *Purchase obligations*

We contract with various service providers for systems and services to perform certain day-to-day activities of our business. The use of these service providers allows us to provide consistent services and products across our platform and meet other business objectives. Our contracts with these service providers may be structured in a manner where the services are provided on a continuous basis for a set fee. Other engagements are established with a defined period for the contract.

### *Operating leases*

We lease offices in various locations in which we conduct our business. These lease agreements are typically for a term of one year or greater. The aggregate future financial obligations under these lease agreements are reflected above as operating lease commitments.

Our current principal offices consist of a facility of 141,000 square feet located in Givatayim, Israel.

## C. Research and Development, Patents and Licenses

Our research and development expenses consist primarily of personnel related costs for our engineering, data science, product and design teams. Additional expenses include consulting and professional fees for third-party development resources and third-party licenses for software development tools. We expect our research and development expenses to increase in absolute dollars for the foreseeable future as we continue to dedicate substantial resources to develop, improve and expand our Similarweb Digital Data and solutions. We also anticipate that research and development expenses will decrease as a percentage of revenue over time, as we expect to realize operating leverage in our business.

Since our founding, we have invested significantly in building a best-in-class tech platform. Leveraging a team of PhDs, data scientists and big data engineers, we have built a proprietary foundation upon which our platform operates.

Our technology platform is predicated on:

- **Innovation.** We foster an innovative, fast-paced engineering culture, since our founding over 10 years ago. We have consistently developed and delivered cutting-edge capabilities for our users. Our team of PhDs, data



scientists and big data engineers first focused on disrupting competitive intelligence across desktop, then added cross-platform capabilities across mobile web and apps, and has since evolved the platform so it integrates into user workflows, with use case-specific products. We release products quickly and constantly refine and improve upon our leading platform.

- **Scalability.** Our data is load-balanced across two Amazon Web Services regions, and each instance is able to auto-scale to accommodate the full usage of our platform at any time. This processing power allows us to analyze the billions of digital signals that come through our platform daily and analyze them to provide real-time insights to our users.
- **Reliability.** We fully synchronize data across all regions and employ automatic failover and recovery to ensure that users do not lose their data.
- **Security.** Our Chief Information Security Officer, or CISO, oversees the information security team and drives the implementation of a comprehensive cybersecurity strategy and advanced technologies to safeguard the organization's operations and digital assets. All data, whether at rest or in transit, is encrypted utilizing commercial-grade tools and industry-standard algorithms. Similarweb employs the Cloud Security Posture Management platform to continuously monitor cloud assets, identify potential vulnerabilities, and deploy emergency patches as required. Furthermore, the platform performs ongoing risk assessments across cloud environments and external-facing assets to ensure robust security measures are maintained. In addition, Similarweb's API integrates seamlessly and securely with customers' existing workflows, enabling the generation of customized outputs and analyses leveraging our data.

#### **D. Trend Information**

Other than as disclosed elsewhere in this Annual Report, we are not aware of any trends, uncertainties, demands, commitments or events for the period from January 1, 2024 to December 31, 2024 that are reasonably likely to have a material adverse effect on our revenue, profitability, liquidity or capital resources, or that caused the disclosed financial information to be not necessarily indicative of future operating results or financial condition.

#### **E. Critical Accounting Estimates**

We have provided a summary of our significant accounting policies, estimates and judgments in Note 2 to our consolidated financial statements, which are included elsewhere in this Annual Report. The following critical accounting discussion pertains to accounting policies management believes are most critical to the portrayal of our historical financial condition and results of operations and that require significant, difficult, subjective or complex judgments. Other companies in similar businesses may use different estimation policies and methodologies, which may impact the comparability of our financial condition, results of operations and cash flows to those of other companies.

Our consolidated financial statements and the related notes thereto included elsewhere in this Annual Report are prepared in accordance with GAAP. The preparation of consolidated financial statements also requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses, and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ significantly from the estimates made by management. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected.

We believe that the accounting policies described below involve a greater degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of operations.

### ***Revenue recognition***

We generate revenue primarily from SaaS subscriptions, which is comprised of subscription fees from customers utilizing our cloud based digital intelligence solutions and other subscription based solutions, such as API access, all of which include routine customer support. We sell our products directly to our customers utilizing our website, direct sales force and distribution partners.

Subscription service arrangements are generally non-cancelable and do not provide for refunds to customers in the event of cancellations or any other right of return. We record revenue net of sales or excise taxes.

We recognize revenue in accordance with ASC Topic 606, *Revenue from Contracts with Customers*, or ASC 606, and determine revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, the performance obligations are satisfied.

Subscription revenue is recognized on a ratable basis over the contractual subscription term of the arrangement beginning on the date that our service is made available to the customer, assuming that all other revenue recognition criteria have been met. Payments received in advance of services being rendered are recorded as deferred revenue in our consolidated balance sheets.

We typically invoice customers in advance for annual increments. Unbilled accounts receivable represents revenue recognized on contracts for which billings have not yet been presented to customers because the amounts were earned but not contractually billable as of the balance sheet date. The unbilled accounts receivable balance is due within one year.

### ***Deferred contract costs***

We account for costs capitalized to obtain revenue contracts in accordance with ASC Topic 340-40, *Other assets and deferred costs*, or ASC 340.

Sales commissions earned by our sales force and associated payroll taxes are considered incremental and recoverable costs of acquiring customer contracts. For initial contracts acquired with new customers and additional revenue acquired with existing contracts, these costs are capitalized and amortized on a straight-line basis over the anticipated period of benefit, which is estimated to be three years. We determined the period of benefit by taking into consideration the length of its customer contracts and its technology lifecycle. For renewal of existing contracts, these costs are capitalized and amortized on a straight-line basis over the term of the renewal, since the sales commissions for renewals are not considered commensurate with the sales commissions for initial contracts acquired, given a substantive difference in the commission rates in proportion to their respective contract values. Amounts expected to be recognized in excess of one year of the balance sheet date are recorded as deferred contract costs, non-current, in the consolidated balance sheets. Deferred contract costs are periodically analyzed for impairment. Amortization expense is recorded in sales and marketing expense within the accompanying consolidated statement of operations. We have elected to apply the practical expedient allowed by ASC 606 according to which incremental costs of obtaining a contract are recognized as an expense when incurred if the amortization period of the asset is one year or less.

### ***Internal use software development costs***

We capitalize certain development costs incurred in connection with the development of our platform and software used in operations. We also capitalize costs related to specific upgrades and enhancements when it is

probable the expenditures will result in additional functionality. Costs incurred in the preliminary stages of development are expensed as incurred. Once an application has reached the development stage, internal and external costs, if direct and incremental, are capitalized until the software is substantially complete and ready for its intended use. Capitalization ceases upon completion of all substantial testing. Maintenance and training costs are expensed as incurred.

Capitalized internal-use software is amortized on a straight-line basis over its estimated useful life. The weighted-average useful life of capitalized internal-use software is 3 years as of December 31, 2024. We evaluate the useful lives of these assets and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets.

We exercise judgment in determining the point at which various projects may be capitalized, in assessing the ongoing value of the capitalized costs and in determining the estimated useful lives over which the costs are amortized. To the extent that we change the manner in which we develop and test new features and functionalities related to our platform, assess the ongoing value of capitalized assets or determine the estimated useful lives over which the costs are amortized, the amount of internal-use software development costs we capitalize and amortize could change in future periods.

We did not recognize any impairments to internal-use software during the years ended December 31, 2022, 2023 and 2024.

#### ***Goodwill and acquired intangible assets***

Goodwill represents the excess purchase consideration of an acquired business over the fair value of the net tangible and identifiable intangible assets. Goodwill is evaluated for impairment annually, and whenever events or changes in circumstances indicate the carrying value of goodwill may not be recoverable. Triggering events that may indicate impairment include, but are not limited to, a significant adverse change in customer demand or business climate or a significant decrease in expected cash flows. In accordance with ASC Topic 350, *Intangible—Goodwill and other*, goodwill is not amortized, but rather is subject to an impairment test. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to that excess, limited by the amount of goodwill in that reporting unit.

We did not recognize any impairment charges to goodwill during the years ended December 31, 2022, 2023 and 2024.

#### ***Business Combinations***

When we acquire a business, the purchase consideration is allocated to the tangible assets acquired, liabilities assumed, and intangible assets acquired based on their estimated respective fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. This requires us to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from acquired users, acquired technology, and trade names from a market participant perspective, useful lives and discount rates. Our estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from our estimates. During the measurement period, we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments will be recorded to other income, net in the consolidated statement of operations.

### **Recent accounting pronouncements**

Please see Note 2 to our audited consolidated financial statements included elsewhere in this Annual Report for information regarding recent accounting pronouncements.

### **Quantitative and qualitative disclosures about market risk**

We are exposed to market risk from changes in exchange rates, interest rates and inflation. All of these market risks arise in the ordinary course of business, as we do not engage in speculative trading activities. The following analysis provides additional information regarding these risks.

#### ***Foreign currency and exchange risk***

Our functional currency is the U.S. dollar. Our sales are mainly denominated in U.S. dollars, British Pounds and Euros. A significant portion of our operating costs are in Israel, consisting principally of salaries and related personnel expenses, and facility expenses, which are denominated in NIS. This foreign currency exposure gives rise to market risk associated with exchange rate movements of the U.S. dollar against the NIS and other currencies. Furthermore, we anticipate that a significant portion of our expenses will continue to be denominated in NIS. We hedge against currency risk through the use of forward currency contracts and cylinder contracts. See “Risk factors—Risks relating to our business and industry— Our international sales and operations subject us to additional risks and costs, including the ability to engage with customers in new geographies, exposure to foreign currency exchange rate fluctuations, that can adversely affect our business, financial condition, revenue, results of operations or cash flows.” A hypothetical 10% change in foreign currency exchange rates applicable to our business would have an impact on our net loss of \$10.0 million and \$9.8 million, for the years ended December 31, 2023 and 2024, respectively.

#### ***Interest rate risk***

As of December 31, 2023 and 2024, we had cash and cash equivalents and restricted deposits of \$81.8 million and \$74.4 million, respectively. Cash and cash equivalents consist of cash in banks, bank deposits, and money market funds. Our cash, cash equivalents are held for working capital purposes. Such interest-earning instruments carry a degree of interest rate risk. Additionally, certain of these cash investments are maintained at balances beyond Federal Deposit Insurance Corporation, or FDIC, coverage limits or are not insured by the FDIC. Accordingly, there may be a risk that we will not recover the full principal of our cash investments. The primary objectives of our investment activities are the preservation of capital, the fulfillment of liquidity needs and the fiduciary control of cash. We do not enter into investments for trading or speculative purposes. Due to the short-term nature of these instruments, a hypothetical 10% change in interest rates during any of the periods presented would not have had a material impact on our historical consolidated financial statements.

We had no outstanding borrowings under the SVB LSA as of December 31, 2024. The SVB LSA carried a variable interest equal to the greater of (i) a floating per annum rate equal to 0.25% above the prime rate set forth in the SVB LSA or (ii) a fixed per annum rate equal to 3.50%. A hypothetical 10% change in interest rates during any of the periods presented would not have had a material impact on our consolidated financial statements.

#### ***Impact of inflation***

While it is difficult to accurately measure the impact of inflation due to the imprecise nature of the estimates required, we do not believe inflation has had a material effect on our historical results of operations and financial condition. However, if our costs were to become subject to significant inflationary pressures, we may not be able to fully offset higher costs through price increases or other corrective measures, and our inability or failure to do so could adversely affect our business, financial condition and results of operations.

### Our status as an emerging growth company

Under the JOBS Act, an “emerging growth company” can take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an “emerging growth company” to delay the adoption of new or revised accounting standards that have different transition dates for public and private companies until those standards would otherwise apply to private companies. We meet the definition of an “emerging growth company” and have elected to use this extended transition period for complying with new or revised accounting standards until the earlier of the date we (1) are no longer an emerging growth company or (2) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our consolidated financial statements and the reported results of operations contained therein may not be directly comparable to those of other public companies.

## Item 6. Directors, Senior Management and Employees

### A. Directors and Senior Management

The following table sets forth the name and position of each of our executive officers and directors as of December 31, 2024:

Name	Age	Position
<b>Executive Officers</b>		
Or Offer	41	Co-Founder, Chief Executive Officer and Director
Benjamin Seror	45	Co-Founder and Chief Product Officer
Jason Schwartz	53	Chief Financial Officer
<b>Directors</b>		
Joshua Alliance	35	Independent Director
Harel Beit-On	65	Independent Director
Russell Dreisenstock	56	Independent Director
Joe Del Preto	49	Independent Director
Kipp Bondar	42	Independent Director
Lisa Campbell	61	Independent Director
Barak Eilam	49	Independent Director

#### *Executive Officers*

*Or Offer* founded our Company in 2009 and has served as our Chief Executive Officer and as a member of our board of directors since that time. Mr. Offer was also a founding partner at AfterDownload (acquired by IronSource) and is an active investor in a number of startups. Mr. Offer holds a B.A. in Information Technology and Marketing from The Interdisciplinary Center in Herzliya, Israel. We believe that Mr. Offer is qualified to serve on our board of directors because of the perspective and experience he brings as our Co-Founder and Chief Executive Officer.

*Benjamin Seror* is one of our co-founders and has served as our Chief Product Officer since September 2012. Prior to co-founding Similarweb, Mr. Seror led the design and development of several multi-screen ad networks, including Red Loop Media from December 2011 to October 2012 and Amdocs from June 2007 to January 2009. Prior to Red Loop Media, Mr. Seror led the design and development of Causebee Ltd, a company focused on helping non-profit organizations raise money through digital means from January 2009 to December 2011. Mr. Seror holds a B.S. and M.S. in Applied Mathematics from University Paris IX (Dauphine) and ENSAE (Ecole Nationale de La Statistiques appliquee a l'economie).

*Jason Schwartz* has served as our Chief Financial Officer since October 2015. Prior to joining Similarweb, Mr. Schwartz served as the Chief Financial Officer at several technology companies, including Clarizen from April 2012 to October 2015, ActivePath from August 2010 to April 2012, Actimize (acquired by NICE Systems) from June 2006 to June 2010 and Cyota (acquired by RSA) from January 2005 to May 2006. Prior to those positions, Mr. Schwartz served as Vice President of Finance and Chief Financial Officer at Shopping.com beginning in March 2000 and through the company's initial public offering in 2004. Earlier in his career, Mr. Schwartz worked at PricewaterhouseCoopers LLP from 1993 to 2000. Mr. Schwartz is a Certified Public Accountant and holds a B.S. in accounting from Yeshiva University.

#### **Directors**

*Joshua Alliance* has served as a member of our board of directors since October 2011. Mr. Alliance also serves as a director of the new private UK holding company of N Brown Group plc, of which he was also a director up to its delisting, as well as a member of the board of directors of a number of private companies, including SparkBeyond, Woo.io and Moon Active. He has previously served as a board member of Spot.IM, where he served from June 2012 to June 2018, and WorkAngel Technology, where he served from November 2012 to its sale in July 2017. He served as Head of Innovation of N Brown Group plc from May 2015 through November 2020. Mr. Alliance received his bachelors at The University of Manchester.

*Harel Beit-On* has served as a member of our board of directors since June 2017. Mr. Beit-On is one of the co-founders of the Viola Group, which he co-founded in 2000, and is one of the original co-founders of Viola Ventures and the Founder of Viola Growth, where he serves as General Partner. Mr. Beit-On previously served as the Chief Executive Officer, President & Chairman of Tecnomatix, a leading provider of complete enterprise software solutions for process management and collaboration, where he led the company from 1994 to 2005. In 2005, he led the successful sale of Tecnomatix to UGS, a global leader in the Product Lifecycle Management, for \$228 million. Mr. Beit-On serves as the Chairman of the Board of Gaon Group and Gaon Holdings and has served in this role since 2013. He also serves as a board member of Playbuzz (ex.co), which he joined in October 2017, Cyberint, which he joined in June 2018, Home365, which he joined in October 2023 and Bringg, which he joined in December 2023. Mr. Beit-On previously served as Chairman of the Board of ECtel from 2004 to 2006, Chairman of the Board of Matomy from January 2017 to June 2018 and Chairman of the Board of Lumenis, Israel's largest medical device company from 2007 to 2015, where he led a \$150 million investment and led the company's turnaround eventually resulting in its sale to XIO Group for \$510 million in 2015. Mr. Beit-On received his B.A. in Economics from The Hebrew University of Jerusalem, where he presently serves as Chairman of the Board, and an MBA from the MIT Sloan School of Management. Mr. Beit-On is a seasoned executive with over 30 years of management leadership in the IT industry and an extensive investment and exit record.

*Russell Dreisenstock* has served as a member of our board of directors since March 2017. From 2016 to 2019, Mr. Dreisenstock served as the Head of International Investments at Naspers Ventures, partnering with entrepreneurs to build leading technology companies in high-growth markets. From 2019-2024, Mr. Dreisenstock headed the global investing activities for the Prosus Food Division. Mr. Dreisenstock received his B.Compt. with Honors from the University of South Africa. He is a Chartered Accountant (South Africa) and a Member of the Institute of Chartered Accountants of England and Wales.

*Joe Del Preto* has served as a member of our board of directors since January 2022. Mr. Del Preto serves as Chief Financial Officer and Treasurer of publicly traded Sprout Social (NASDAQ: SPT) since July 2017. Prior to Sprout Social, Mr. Del Preto was the Global Controller for Groupon, Inc. and served as Vice President of Finance of Echo Global Logistics Inc. Mr. Del Preto began his career at PricewaterhouseCoopers LLP. He holds a Bachelor's degree in Accounting from the University of Indiana, Bloomington, and is a Certified Public Accountant.

*Kipp Bodnar* has served as a member of our board of directors since September 2024. Mr. Bodnar has served as Chief Marketing Officer of HubSpot since 2021, where he sets the global marketing strategy to drive awareness and demand for HubSpot's products. Before becoming CMO, Mr. Bodnar served as Vice President of Marketing, overseeing global demand generation, building out the EMEA and APAC marketing teams, and managing field marketing, localization, strategic partnerships, and social media. Additionally, Mr. Bodnar is a marketing advisor for several SaaS companies and co-author of The B2B Social Media Book. Mr. Bodnar holds a BA in journalism from Marshall University.

*Lisa Campbell* has served as a member of our board of directors since September 2024. Ms. Campbell brings over two decades of experience in business strategy and marketing and most recently she served as Chief Marketing

Officer at OneTrust from 2021 to 2024, where she was instrumental in driving the company's market expansion and brand recognition. Prior to OneTrust, Ms. Campbell served as the Chief Marketing Officer of Autodesk, Inc. Her deep expertise in managing global eCommerce businesses, industry strategy, and marketing across diverse sectors makes her a valuable addition to Similarweb's board. Ms. Campbell also serves on the board of Dropbox Inc. (NASDAQ: DBX), contributing her insights to its Audit, Nomination, and Governance committees. She serves on the board of Dynatrace contributing to its Cybercommittee and serves on the Board of Quickbase a Vista Equity company. Ms. Campbell holds an M.B.A. from Babson College and a B.A. in Mathematics and Computer Science from Boston College.

*Barak Eilam* has served as a member of our board of directors since September 2024. Mr. Eilam served as Chief Executive Officer of NICE Ltd. between April 2014 and December 2024. In his previous position with NICE, Mr. Eilam was President of its American division from July 2012 to March 2014. Prior to that, Mr. Eilam was the head of sales and the general manager of NICE's Enterprise Group in the Americas. From 2007 to 2009, Mr. Eilam founded and served as the general manager of the NICE Interaction Analytics Global Business Unit. Mr. Eilam has also served in a variety of executive positions within NICE, managing different aspects of the business in product development, sales and product management. Mr. Eilam also serves on the board of directors at Houghton Mifflin Harcourt, a leading K-12 education company. Prior to joining NICE, Mr. Eilam was an officer in the Intelligence Corps of the Israeli army. Mr. Eilam holds a B.Sc. in Electrical Engineering from Tel Aviv University.

## **B. Compensation**

*Directors.* Under the Companies Law, the compensation of our directors requires the approval of our compensation committee, the subsequent approval of the board of directors and, unless exempted under regulations promulgated under the Companies Law, the approval of the shareholders at a general meeting. If the compensation of our directors is inconsistent with our stated compensation policy, then, those provisions that must be included in the compensation policy according to the Companies Law must have been considered by the compensation committee and board of directors, and shareholder approval by a simple majority will also be required, provided that:

- at least a majority of the shares held by all shareholders who are not controlling shareholders and do not have a personal interest in such matter, present and voting at such meeting, are voted in favor of the compensation package, excluding abstentions; or
- the total number of shares of non-controlling shareholders and shareholders who do not have a personal interest in such matter voting against the compensation package does not exceed two percent (2%) of the aggregate voting rights in the Company.

*Executive Officers other than the Chief Executive Officer.* The Companies Law requires the approval of the compensation of a public company's executive officers (other than the chief executive officer) in the following order: (1) the compensation committee, (2) the company's board of directors, and (3) if such compensation arrangement is inconsistent with the company's stated compensation policy, the company's shareholders (by a special majority vote as discussed above with respect to the approval of director compensation). However, if the shareholders of the company do not approve a compensation arrangement with such executive officer that is inconsistent with the company's stated compensation policy, the compensation committee and board of directors may override the shareholders' decision if each of the compensation committee and the board of directors provide detailed reasons for their decision.

An amendment to an existing arrangement with an office holder (who is not a director) requires only the approval of the compensation committee, if the compensation committee determines that the amendment is not material in comparison to the existing arrangement. However, under the Companies Law, an amendment to an existing arrangement with an office holder (who is not a director) who is subordinate to the chief executive officer will not require the approval of the compensation committee, if (1) the amendment is approved by the chief executive officer, (2) the company's compensation policy provides that a non-material amendment to the terms of service of an office holder (other than the chief executive officer) may be approved by the chief executive officer and (3) the engagement terms are consistent with the company's compensation policy.

*Chief Executive Officer.* Under the Companies Law, the compensation of a public company's chief executive officer is required to be approved by: (1) the company's compensation committee; (2) the company's board of directors, and (3) the company's shareholders (by a special majority vote as discussed above with respect to the approval of director compensation). However, if the shareholders of the company do not approve the compensation arrangement with the chief executive officer, the compensation committee and board of directors may override the shareholders' decision if each of the compensation committee and the board of directors provide detailed reasons for their decision. The approval of each of the compensation committee and the board of directors should be in accordance with the company's stated compensation policy; however, in special circumstances, they may approve compensation terms of a chief executive officer that are inconsistent with such policy provided that they have considered those provisions that must be included in the compensation policy according to the Companies Law and that shareholder approval is obtained (by a special majority vote as discussed above with respect to the approval of director compensation). In addition, the compensation committee may waive the shareholder approval requirement with regards to the approval of the engagement terms of a candidate for the chief executive officer position, if they determine that the compensation arrangement is consistent with the company's compensation policy and that the chief executive officer candidate did not have a prior business relationship with the company or a controlling shareholder of the company and that subjecting the approval of the engagement to a shareholder vote would impede the company's ability to employ the chief executive officer candidate.

### **Compensation of Directors and Executive Officers**

The aggregate compensation paid by us and our subsidiaries to our directors and executive officers, including share-based compensation expenses recorded in our financial statements, for the year ended December 31, 2024, was approximately \$13.4 million. This amount includes deferred or contingent compensation accrued for such year (and excludes deferred or contingent amounts accrued for during the year ended December 31, 2023 and paid during the year ended December 31, 2024). This amount includes approximately \$0.6 million set aside or accrued to provide pension, severance, retirement or similar benefits or expenses, but does not include business travel, relocation, professional and business association dues and expenses reimbursed to our directors and executive officers.

The following is a summary of the salary expenses and social benefit costs of our five most highly compensated executive officers in 2024, or the "Covered Executives." All amounts reported reflect the cost to the Company as recognized in our financial statements for the year ended December 31, 2024. U.S. dollar amounts indicated for compensation of our Covered Executives are in thousands of dollars.

- Mr. Or Offer, Co-Founder, Chief Executive Officer and Director. Compensation expenses recorded in 2024 of \$425 in salary expenses and \$55 in social benefits costs.
- Mr. Jason Schwartz, Chief Financial Officer. Compensation expenses recorded in 2024 of \$357 in salary expenses and \$91 in social benefits costs.
- Mr. Benjamin Seror, Co-Founder, Chief Product Officer. Compensation expenses recorded in 2024 of \$303 in salary expenses and \$79 in social benefits costs.
- Mr. Ron Asher, Chief Technology Officer. Compensation expenses recorded in 2024 of \$316 in salary expenses and \$82 in social benefits costs.
- Ms. Susan Dunn, Chief Revenue Officer. Compensation expenses recorded in 2024 of \$303 in salary expenses and \$7 in social benefits costs.

During the year ended December 31, 2024, the Covered Executives were granted an aggregate of 982,000 restricted share units under our 2021 Share Incentive Plan.

The salary expenses summarized above include the gross salary paid to the Covered Executives, and the benefit costs include the social benefits paid by us on behalf of the Covered Executives, convalescence pay, contributions made by the company to an insurance policy or a pension fund, work disability insurance, severance, educational fund and payments for social security.

In accordance with the Company's compensation policy, we also paid cash bonuses to our Covered Executives upon compliance with predetermined performance parameters and an over achievement bonus as set by the compensation committee and the board of directors. The 2024 cash bonus expenses for Mr. Or Offer, Mr. Jason Schwartz, Mr. Benjamin Seror, Mr. Ron Asher, and Ms. Susan Dunn, as provided for in our 2024 financial statements (and payable during 2025), were \$337, \$275, \$135, \$166 and \$450, respectively.



We recorded equity-based compensation expenses in our financial statements for the year ended December 31, 2024 for options and restricted share units granted to Mr. Or Offer, Mr. Jason Schwartz, Mr. Benjamin Seror, Mr. Ron Asher, and Ms. Susan Dunn of \$2,925, \$1,043, \$943, \$658 and \$337, respectively.

The relevant amounts underlying the equity awards granted to our officers during 2024, will continue to be expensed in our financial statements over a four-year period during the years 2024-2027 on account of the 2024 grants in similar annualized amounts. Assumptions and key variables used in the calculation of such amounts are described in Note 13 to our audited consolidated financial statements included in Item 18 of this Annual Report. All equity-based compensation grants to our Covered Executives were made in accordance with the parameters of our Company's compensation policy and were approved by our compensation committee and board of directors.

We pay each of our non-employee directors who serves on a board committee an annual retainer of \$35,000, with additional annual payment for service on board committees as follows: \$10,000 per membership of the audit committee, \$10,000 per membership of the compensation committee and \$10,000 per membership of the nominating and governance committee, or a general committee membership fee of \$10,000 for other board committees. In addition, upon election (provided the director is still in office), non-employee directors, who serve on a board committee, shall be granted with equity awards under our incentive plan at a value of \$300,000 which shall vest annually over a period of three years, and they may also receive additional awards on any following anniversary of their appointment or election (provided the director is still in office). The awards shall be accelerated in certain change of control events.

#### **Employment and consulting agreements with executive officers and directors**

We have entered into written employment agreements with each of our executive officers. These agreements provide for notice periods of varying duration for termination of the agreement by us or by the relevant executive officer, during which time the executive officer will continue to receive base salary and benefits. These agreements also contain customary provisions regarding non-competition, confidentiality of information and assignment of inventions. However, the enforceability of the non-competition provisions may be limited under applicable law.

The provisions of certain of our executive officers' employment agreements contain termination or change of control provisions. With respect to certain executive officers, either we or the executive officer may terminate his or her employment by giving 90 calendar days' advance written notice to the other party. We may also terminate an executive officer's employment agreement for good reason (as defined in the applicable employment agreement) or in the event of a merger or acquisition transaction.

**Equity Awards.** Since our inception, we have granted options to purchase our ordinary shares to our executive officers and certain of our directors. In November 2020, we began granting restricted share units, or RSUs, to our executive officers. Such equity agreements may contain acceleration provisions upon certain merger, acquisition or change of control transactions.

**Exculpation, Indemnification and Insurance.** Our amended and restated articles of association permit us to exculpate, indemnify and insure our office holders to the fullest extent permitted by the Companies Law. We have entered into agreements with certain office holders, exculpating them from a breach of their duty of care to us to the fullest extent permitted by law and undertaking to indemnify them to the fullest extent permitted by law, subject to certain exceptions (including with respect to our IPO) to the extent that these liabilities are not covered by insurance.

#### **Equity incentive plans**

##### ***2012 Incentive Option Plan***

In July 2012, we adopted our incentive option plan, or the 2012 Plan, under which we have granted and may grant equity-based incentive awards to attract, motivate and retain the talent for which we compete.

**Administration.** Our board of directors, or a duly authorized committee of our board of directors, administers the 2012 Plan. Under the 2012 Plan, the administrator has the authority, subject to applicable law, to interpret the terms of the 2012 Plan, designate recipients of awards, determine and amend the terms of awards, including the exercise price of an option award, the time and vesting schedule applicable to an award, the nature and duration of restrictions as to transferability, accelerate the right to exercise an award, altering any resolution or act previously taken by the committee, and take all other actions and make all other determinations necessary for the administration of the 2012 Plan. The administrator also has the authority to terminate the 2012 Plan at any time before the date of expiration of its ten-year term.

**Eligibility.** The 2012 Plan provides for granting awards under various tax regimes, including, without limitation, in compliance with Section 102 of the Israeli Income Tax Ordinance (New Version), 5721-1961, or the Ordinance, and for awards granted to our United States employees or service providers, including those who are deemed to be residents of the United States for tax purposes, Section 422 of the Code and Section 409A of the Code.

Section 102 of the Ordinance allows employees, directors and officers who are not controlling shareholders and are considered Israeli residents to receive favorable tax treatment for compensation in the form of options and RSUs. Our non-employee service providers and controlling shareholders may only be granted options or RSUs under section 3(i) of the Ordinance, which does not provide for similar tax benefits.

**Grant.** All awards granted pursuant to the 2012 Plan are evidenced by an award agreement (option grant letter agreement or RSU agreement), in a form approved, from time to time, by our board of directors. The award agreement sets forth the terms and conditions of the award, including the number of shares subject to such award, vesting schedule and the exercise price, if applicable and other terms and conditions that are consistent with the 2012 Plan. A grantee shall not be required to pay any consideration for an award granted to him or her, unless determined otherwise by the administrator. Certain awards under the 2012 Plan may constitute or provide for a deferral of compensation, subject to Section 409A of the Code, which may impose additional requirements on the terms and conditions of such awards. Each award will expire ten years from the date of the grant thereof.

**Awards.** The 2012 Plan provides for the grant of options to purchases our ordinary shares and restricted share units, or RSUs.

Options granted under the 2012 Plan to our employees who are U.S. residents may qualify as “incentive stock options” within the meaning of Section 422 of the Code, or may be non-qualified share options. The exercise price of a stock option may not be less than 100% of the fair market value of the underlying share on the date of grant (or 110% in the case of ISOs granted to certain significant shareholders).

**Exercise.** An award under the 2012 Plan may be exercised by providing us with a written notice of exercise and full payment of the exercise price for such shares underlying the award, if applicable, in such form and method as may be determined by the administrator and permitted by applicable law. All options will be exercised by cash or by check, or other form satisfactory to the administrator. An award may not be exercised for a fraction of a share; if any fractional shares would be deliverable upon exercise, such fraction shall be rounded up or down, to the nearest whole share.

**Transferability.** Other than by will, the laws of descent and distribution or as otherwise provided under the 2012 Plan or determined by the administrator, neither the options nor any right in connection with such options are assignable or transferable.

**Termination of Employment.** In the event of termination of a grantee’s employment or service with the company or any of its affiliates, all vested and exercisable awards held by such grantee as of the date of termination may be exercised within ninety (90) days after such date of termination, unless otherwise determined by the administrator, following which period all such unexercised awards will terminate and the shares covered by such awards shall again be available for issuance under the 2012 Plan.

In the event of termination of a grantee’s employment due to such grantee’s death or disability, all vested and exercisable awards held by such grantee as of the date of termination may be exercised by the grantee or the grantee’s estate, or by a person who acquired the right to exercise the award by bequest or inheritance, as applicable, within six (6) months after such date of termination, unless otherwise provided by the administrator. Any awards which are unvested as of the date of such termination or which are vested but not then exercised within the six-month period, following such date, will expire.

Notwithstanding any of the foregoing, if a grantee's employment is terminated due to such grantee's breach of his/her employment agreement (whether written or oral) including without limitation, a breach of non-compete obligations, or breach of his/her fiduciary duties towards our company as determined by the administrator, in its sole discretion, or any other termination by us for "cause" (if such term is defined otherwise in the employment agreement with the employee) or in the case that competent court or other authority resolves that such employee is not entitled to discharge compensation, all outstanding awards held by such grantee (whether vested or unvested) will terminate on the date of such termination and the shares covered by such awards shall again be available for issuance under the 2012 Plan.

**Transactions.** The 2012 Plan provides that in the event of a share split, reverse share split, recapitalization, combination or reclassification of our shares, or any other increase or decrease in the number of issued shares effected without receipt of consideration by us (but not including the conversion of any convertible securities of the company or distribution of subscription rights on outstanding shares), then the number, class and kind of shares related to each outstanding award and to the number of shares reserved for issuance under the 2012 Plan, as well as the exercise price per ordinary share of each outstanding award, as applicable, shall be appropriately and equitably adjusted so as to maintain the proportionate number of shares without changing the aggregate exercise price of the options.

In the event of a distribution of dividend to shareholders on shares, the administrator may determine that RSUs grantees will receive dividend equivalent payments on outstanding RSUs, which may be paid in cash or shares at a time to be determined at the discretion of the administrator and they may either be paid at the same time as dividend payments are made to shareholders or delayed until Shares are issued pursuant to the RSU grants and may be subject to the same vesting or performance requirements as the RSUs.

The 2012 Plan provides that in the event of a merger of our company, or a sale of all, or substantially all, of our shares or assets or other transaction having a similar effect on our company, then the following actions shall apply, as will be determined by the board of directors, at its sole discretion: (1) cause any outstanding award to be assumed or substituted by such successor corporation; (2) in the event the successor corporation does not assume option awards or substitute them with equivalent option awards, the administrator may instead provide the grantee the right to exercise the option awards as to all, or part of the shares underlying the option awards, including those which would not otherwise be exercisable; or (3) in the event that the successor corporation does not assume or substitute RSUs (a) provide the grantee with the full or partial vesting and accelerated expiration of RSUs or (b) cancel the RSUs to the extent remaining unvested, which cancellation may be without consideration, as determined by the administrator.

#### **2021 Share Incentive Plan**

The 2021 Share Incentive Plan, or the 2021 Plan, was adopted by our board of directors on April 6, 2021. The 2021 Plan provides for the grant of equity-based incentive awards to our employees, directors, office holders, service providers and consultants in order to incentivize them to increase their efforts on behalf of the Company and to promote the success of the Company's business.

**Shares Available for Grants.** The maximum number ordinary shares available for issuance under the 2021 Plan is equal to the sum of (i) 1,300,000 shares plus (ii) an annual increase on the first day of each year beginning in 2022 and on January 1st of each calendar year thereafter during the term of the Plan, equal to the lesser of: (a) 5% of the total number of shares outstanding as of the end of the last day of the immediately preceding calendar year, and (b) such smaller amount of Shares as is determined by the Board, if so determined prior to the January 1st of the calendar year in which the increase will occur. No more than 7,000,000 ordinary shares may be issued upon the exercise of incentive stock options, or ISOs. In addition, any ordinary shares (i) underlying an award granted under the 2021 Plan or the 2012 Plan that has expired, or was canceled, terminated, forfeited, or settled in cash in lieu of issuance of ordinary shares, without having been exercised; (ii) which were part of the pool reserved for awards under the 2012 Plan but not granted as of the effective date of the 2021 Plan, or (iii) if permitted by our board of directors, tendered to pay the exercise price or withholding obligation with respect to an award under the 2021 Plan or 2012 Plan, shall automatically be available for grant of awards under the 2021 Plan. Our board of directors may also reduce the number of ordinary shares reserved and available for issuance under the 2021 Plan in its discretion.

**Administration.** Our board of directors, or a duly authorized committee of our board of directors, or the administrator, will administer the 2021 Plan. Under the 2021 Plan, the administrator has the authority, subject to applicable law, to interpret the terms of the 2021 Plan and any award agreements or awards granted thereunder, designate recipients of awards, determine and amend the terms of awards, including the exercise price of an option

award, the fair market value of an ordinary share, the time and vesting schedule applicable to an award or the method of payment for an award, accelerate or amend the vesting schedule applicable to an award, prescribe the forms of agreement for use under the 2021 Plan and take all other actions and make all other determinations necessary for the administration of the 2021 Plan.

The administrator also has the authority to approve the conversion, substitution, cancellation or suspension under and in accordance with the 2021 Plan of any or all option awards or ordinary shares, and the authority to modify option awards to eligible individuals who are foreign nationals or are individuals who are employed outside Israel to recognize differences in local law, tax policy or custom, in order to effectuate the purposes of the 2021 Plan but without amending the 2021 Plan.

The administrator also has the authority to amend and rescind rules and regulations relating to the 2021 Plan or terminate the 2021 Plan at any time before the date of expiration of its ten year term.

**Eligibility.** The 2021 Plan provides for granting awards under various tax regimes, including, without limitation, in compliance with Section 102 of the Ordinance, and Section 3(i) of the Ordinance and for awards granted to our United States employees or service providers, including those who are deemed to be residents of the United States for tax purposes, Section 422 of the Code and Section 409A of the Code.

**Grants.** All awards granted pursuant to the 2021 Plan will be evidenced by an award agreement, in a form approved, from time to time, by the administrator in its sole discretion. The award agreement will set forth the terms and conditions of the award, including the type of award, number of shares subject to such award, vesting schedule and conditions (including performance goals or measures) and the exercise price, if applicable. Certain awards under the 2021 Plan may constitute or provide for a deferral of compensation, subject to Section 409A of the Code, which may impose additional requirements on the terms and conditions of such awards.

As of December 31, 2024, a total of 5,144,220 options to purchase ordinary shares, with a weighted average exercise price of 2.21 per share and 5,024,954 restricted share units were outstanding under our 2021 Plan and 2012 Plan. As of December 31, 2024, there were 6,408,897 ordinary shares available for future grant under the 2021 Plan.

#### **2021 Employee Share Purchase Plan**

We adopted our 2021 Employee Share Purchase Plan, or the ESPP, effective as of May 10, 2021. We believe that the ESPP will help to secure the services of new employees, to retain the services of existing employees and to provide incentives for such individuals to increase their efforts on behalf of the Company and to promote the success of the Company's business.

**Authorized Shares.** A total of 2,000,000 of our ordinary shares were initially available for sale under our ESPP. The number of our ordinary shares that will be available for sale under our ESPP increases annually on the first day of each fiscal year beginning with our 2022 fiscal year, equal to the lesser of (a) 1% of the Shares outstanding on the last day of the immediately preceding calendar year, as determined on a fully diluted basis, (b) such smaller number of Shares as may be determined by the Board and (c) 3,000,000 ordinary shares. As of December 31, 2024, there were 3,373,463 ordinary shares available for future sale under our ESPP.

**ESPP Administration.** The compensation committee of our board of directors administers our ESPP and has full and exclusive discretionary authority to construe, interpret, and apply the terms of the ESPP, delegate ministerial duties to any of our employees, designate separate offerings under the ESPP, designate our subsidiaries and affiliates as participating in the ESPP, determine eligibility, adjudicate all disputed claims filed under the ESPP, and establish procedures that it deems necessary for the administration of the ESPP, including, but not limited to, adopting such procedures and sub-plans as are necessary or appropriate to permit participation in the ESPP by employees who are foreign nationals or employed outside the United States or Israel. The administrator's findings, decisions and determinations are final and binding on all participants to the full extent permitted by law.

**Eligibility.** Generally, all of our employees are eligible to participate if they are customarily employed by us, or any participating subsidiary or affiliate, for at least 20 hours per week and more than five months in any calendar year. The administrator, in its discretion, may, prior to an enrollment date, for all ordinary shares to be granted on such enrollment date in an offering, determine that an employee who (i) has not completed at least two years of service (or a lesser period of time determined by the administrator) since his or her last hire date, (ii) customarily works not more than 20 hours per week (or a lesser period of time determined by the administrator), (iii) customarily works not more than five months per calendar year (or a lesser period of time determined by the administrator), (iv) is a highly

compensated employee within the meaning of Section 414(q) of the Code, or (v) is a highly compensated employee within the meaning of Section 414(q) of the Code with compensation above a certain level or is an officer or subject to disclosure requirements under Section 16(a) of the Exchange Act, is or is not eligible to participate in such offering period.

However, an employee may not be granted rights to purchase our ordinary shares under our ESPP if such employee:

- immediately after the grant would own capital shares and/or hold outstanding options to purchase such shares possessing 5% or more of the total combined voting power or value of all classes of capital shares of ours or of any parent or subsidiary of ours; or
- holds rights to purchase ordinary shares under all employee share purchase plans of ours or any parent or subsidiary of ours that accrue at a rate that exceeds \$25,000 worth of our ordinary shares for each calendar year in which such rights are outstanding at any time.

**Offering Periods.** The ESPP provides for offering periods, not to exceed 27 months each, during which we will grant rights to purchase our ordinary shares to our employees. The timing of the offering periods is determined by the administrator. The terms and conditions applicable to each offering period is set forth in an offering document adopted by the administrator for the particular offering period. The provisions of offerings during separate offering periods under the ESPP need not be identical.

**Contributions.** Our ESPP permits participants to purchase our ordinary shares through contributions (in the form of payroll deductions or otherwise to the extent permitted by the administrator) of up to 15% of their eligible compensation, which includes a participant's base straight time gross earnings but excludes payments for incentive compensation, bonuses, payments for overtime and shift premium, equity compensation income and other similar compensation. Unless otherwise determined by the administrator, a participant may make a one-time decrease (but not increase) to the rate of his or her contributions to 0% during an offering period.

**Exercise of Purchase Right.** Amounts contributed and accumulated by the participant will be used to purchase our ordinary shares at the end of each offering. A participant may purchase a maximum of 700 of our ordinary shares during an offering period. The purchase price of the shares will be 85% of the lower of the fair market value of our ordinary shares on the first trading day of the offering period or on the exercise date. Participants may end their participation at any time during an offering period and will be paid their accrued contributions that have not yet been used to purchase shares of our ordinary shares. Participation ends automatically upon termination of employment with us.

**Non-Transferability.** A participant may not transfer contributions credited to his or her account nor any rights granted under our ESPP other than by will, the laws of descent and distribution or as otherwise provided under our ESPP.

**Merger or Change in Control.** Our ESPP provides that in the event of a merger or change in control, with respect to which the administrator determines that an adjustment is appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under the ESPP or with respect to any outstanding purchase rights under the ESPP, the administrator shall make equitable adjustments, if any, to reflect such change with respect to (a) the aggregate number and type of Shares that may be issued under the ESPP; (b) the class(es) and number of Shares and price per Share subject to outstanding rights; and (c) the Purchase Price with respect to any outstanding rights. In addition, in any such situation, the administrator may make other adjustments, including:

- a. providing for either (i) termination of any outstanding right in exchange for an amount of cash, or (ii) the replacement of such outstanding right with other rights or property;
- b. providing that the outstanding rights under the ESPP shall be assumed by the successor or survivor corporation, with appropriate adjustments as to the number and kind of shares and prices;
- c. making adjustments in the number and type of Shares (or other securities or property) subject to outstanding rights under the ESPP and/or in the terms and conditions of outstanding rights and rights that may be granted in the future;

d. providing that participants' accumulated payroll deductions may be used to purchase Shares prior to the next occurring Purchase Date on such date as the Administrator determines and the Participants' rights under the ongoing Offering Period(s) shall be terminated; and

e. providing that all outstanding rights shall terminate without being exercised.

**Amendment; Termination.** The administrator has the authority to amend, suspend or terminate our ESPP. Our ESPP automatically will terminate in 2031, unless we terminate it sooner.

## C. Board Practices

### Corporate Governance Practices

As an Israeli company, we are subject to various corporate governance requirements under the Companies Law. However, pursuant to regulations promulgated under the Companies Law, companies with shares traded on certain U.S. stock exchanges, including the NYSE, may, subject to certain conditions, "opt out" from the Companies Law requirements to appoint external directors and related Companies Law rules concerning the composition of the audit committee and compensation committee of the board of directors (other than the gender diversification rule under the Companies Law, which requires the appointment of a director from the other gender if at the time a director is appointed all members of the board of directors are of the same gender). In accordance with these regulations, we elected to "opt out" from such requirements of the Companies Law. Under these regulations, the exemptions from such Companies Law requirements will continue to be available to us so long as: (1) we do not have a "controlling shareholder" (as such term is defined under the Companies Law), (2) our shares are traded on certain U.S. stock exchanges, including the NYSE, and (3) we comply with the director independence requirements and the audit committee and compensation committee composition requirements under U.S. laws (including applicable NYSE rules) applicable to U.S. domestic issuers.

Additionally, we are a "foreign private issuer" (as such term is defined in Rule 405 of the Securities Act). As a foreign private issuer, we are permitted to comply with Israeli corporate governance practices instead of the NYSE corporate governance rules, *provided* that we disclose which requirements we are not following and the equivalent Israeli requirement.

We rely on this "foreign private issuer exemption" with respect to the quorum requirement for shareholder meetings and with respect to the nominating/corporate governance committee composition requirements. Whereas under the corporate governance rules of NYSE, a quorum requires the presence, in person or by proxy, of holders of at least 33 1/3% of the total issued outstanding voting power of our shares at each general meeting of shareholders, pursuant to our amended and restated articles of association, and as permitted under the Companies Law, the quorum required for a general meeting of shareholders will consist of at least two shareholders present in person or by proxy in accordance with the Companies Law, who hold or represent at least 33 1/3% of the total outstanding voting power of our shares, except if (i) any such general meeting of shareholders was initiated by and convened pursuant to a resolution adopted by the board of directors and (ii) at the time of such general meeting, we qualify as a "foreign private issuer," in which case the requisite quorum will consist of two or more shareholders present in person or by proxy who hold or represent at least 25% of the total outstanding voting power of our shares (and if the meeting is adjourned for a lack of quorum, the quorum for such adjourned meeting will be, subject to certain exceptions, any number of shareholders). In addition, whereas the NYSE rules require the nominating/corporate governance committee to be composed entirely of independent directors, it is not required under the Companies Law, and as such, our board of directors will appoint the members of our nominating and corporate governance committee. As to shareholder approval, we will seek shareholder approval whenever required under the Companies Law rather than when required for a domestic U.S. issuer under the NYSE rules. We otherwise intend to comply with the rules generally applicable to U.S. domestic companies listed on NYSE. We may, however, in the future decide to use the "foreign private issuer exemption" and opt out of some or all of the other corporate governance rules.

### Board of Directors

Under the Companies Law and our amended and restated articles of association, our business and affairs are managed under the direction of our board of directors. Our board of directors may exercise all powers and may take all actions that are not specifically granted to our shareholders or to executive management. Our Chief Executive Officer (referred to as a "general manager" under the Companies Law) is responsible for our day-to-day

management. Our Chief Executive Officer is appointed by, and serves at the discretion of, our board of directors, subject to his employment agreement. All other executive officers are appointed by the Chief Executive Officer, subject to applicable corporate approvals, and are subject to the terms of any applicable employment or consulting agreements that we may enter into with them.

Under our amended and restated articles of association, the number of directors on our board of directors will be no less than three and no more than 11 directors divided into three classes with staggered three-year terms. Each class of directors consists, as nearly as possible, of one-third of the total number of directors constituting the entire board of directors. At each annual general meeting of our shareholders, the election or re-election of directors following the expiration of the term of office of the directors of that class of directors will be for a term of office that expires on the third annual general meeting following such election or re-election. Therefore, each year the term of office of only one class of directors will expire.

Our directors are divided among the three classes as follows:

- the Class I directors are Joshua Alliance and Russell Dreisenstock and their terms will expire at the annual general meeting of shareholders to be held in 2025;
- the Class II directors are Harel Beit-On, Kipp Bodnar, and Joe Del Preto and their terms will expire at our annual meeting of shareholders to be held in 2026; and
- the Class III directors are Or Offer, Lisa Campbell, and Barak Eilam and their terms will expire at our annual meeting of shareholders to be held in 2027.

Our directors are appointed by a simple majority vote of holders of our ordinary shares, participating and voting at an annual general meeting of our shareholders. However, in the event of a contested election, the following rules will apply instead:

- the method of calculation of the votes and the manner in which the resolutions will be presented to our shareholders at the general meeting will be determined by our board of directors in its discretion, and
- in the event that our board of directors does not or is unable to make a determination on such matter, then the directors will be elected by a plurality of the voting power represented at the general meeting in person or by proxy and voting on the election of directors (which shall mean that the top “for” votes receiving nominees up to the number of board seats being filled in such election will be elected to the board of directors).

Each director will hold office until the annual general meeting of our shareholders for the year in which such director’s term expires, unless the tenure of such director expires earlier pursuant to the Companies Law or unless such director is removed from office as described below.

Under our amended and restated articles of association to, the approval of the holders of at least 65% of the total voting power of our shareholders is generally required to remove any of our directors from office or amend the provision requiring the approval of at least 65% of the total voting power of our shareholders to remove any of our directors from office. In addition, vacancies on our board of directors (whether such vacancy is due to a director no longer serving or due to the number of directors serving being less than the maximum number stated in our articles of association) may only be filled by a vote of a simple majority of the directors then in office. A director so appointed will hold office until the next annual general meeting of our shareholders for the election of the class of directors in respect of which the vacancy was created. In the case of a vacancy due to the number of directors being less than the maximum number of directors stated in our amended and restated articles of association, the new director filling the vacancy will serve until the next annual general meeting of our shareholders for the election of the class of directors to which such director was assigned by our board of directors.

#### **Chairperson of the Board of Directors**

Our amended and restated articles of association provide that the chairperson of the board of directors is appointed by the members of the board of directors from among them. Under the Companies Law, the chief executive officer of a public company, or a relative of the chief executive officer, may not serve as the chairperson of the board of directors, and the chairperson of the board of directors, or a relative of the chairperson, may not be vested with authorities of the chief executive officer unless approved by a special majority of the company’s shareholders. The shareholders’ approval can be effective for a period of five years following an initial public offering, and subsequently, for additional periods of up to three years.

In addition, a person who is subordinated, directly or indirectly, to the chief executive officer may not serve as the chairperson of the board of directors, the chairperson of the board of directors may not be vested with authorities that are granted to persons who are subordinated to the chief executive officer and the chairperson of the board of directors may not serve in any other position in the company or in a controlled subsidiary, but may serve as a director or chairperson of a controlled subsidiary.

#### **External Directors**

Under the Companies Law, companies incorporated under the laws of the State of Israel that are “public companies,” including companies with shares listed on the NYSE, are required to appoint at least two external directors. Pursuant to regulations promulgated under the Companies Law, companies with shares traded on certain U.S. stock exchanges, including the NYSE, which do not have a “controlling shareholder,” may, subject to certain conditions, opt out from the Companies Law requirements to appoint external directors and related Companies Law rules concerning the composition of the audit committee and compensation committee of the board of directors. In accordance with these regulations, we elected to opt out from the Companies Law requirement to appoint external directors and related Companies Law rules concerning the composition of the audit and compensation committees of the board of directors. Our election to exempt our company from compliance with the external director requirements can be reversed at any time by our board of directors or in the event that a shareholder becomes a “controlling shareholder”.

#### **Audit Committee**

##### **Companies Law Requirements**

Under the Companies Law, the board of directors of a public company must appoint an audit committee. The audit committee must be comprised of at least three directors.

##### **Listing Requirements**

Under NYSE corporate governance rules, we are required to maintain an audit committee consisting of at least three independent directors, each of whom is financially literate and one of whom has accounting or related financial management expertise.

Our audit committee consists of Harel Beit-On, Russell Dreisenstock, and Joe Del Preto. Harel Beit-On serves as the chairperson of the audit committee. All members of our audit committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and the NYSE corporate governance rules. Our board of directors has determined that Harel Beit-On is an audit committee financial expert as defined by the SEC rules and has the requisite financial experience as defined by the NYSE corporate governance rules.

Our board of directors has determined that each member of our audit committee is “independent” as such term is defined in Rule 10A-3(b)(1) under the Exchange Act, which is different from the general test for independence of board and committee members.

##### **Audit Committee Role**

Our board of directors has adopted an audit committee charter setting forth the responsibilities of the audit committee, which are consistent with the Companies Law, the SEC rules and the corporate governance rules of NYSE and include:

- retaining and terminating our independent auditors, subject to ratification by the board of directors, and in the case of retention, to ratification by the shareholders;
- pre-approval of audit and non-audit services to be provided by the independent auditors and related fees and terms;
- overseeing the accounting and financial reporting processes of our company and audits of our financial statements, the effectiveness of our internal control over financial reporting and making such reports as may be required of an audit committee under the rules and regulations promulgated under the Exchange Act;



- reviewing with management and our independent auditor our annual and quarterly financial statements prior to publication or filing (or submission, as the case may be) to the SEC;
- recommending to the board of directors the retention and termination of the internal auditor, and the internal auditor's engagement fees and terms, in accordance with the Companies Law as well as approving the yearly or periodic work plan proposed by the internal auditor;
- reviewing with our general counsel and/or external counsel, as deemed necessary, legal and regulatory matters that could have a material impact on the financial statements, including accounting restatements;
- identifying irregularities in our business administration, by, among other things, consulting with the internal auditor or with the independent auditor, and suggesting corrective measures to the board of directors;
- reviewing policies and procedures with respect to transactions (other than transactions related to the compensation or terms of services) between the Company and officers and directors, or affiliates of officers or directors or transactions that are not in the ordinary course of the Company's business and deciding whether to approve such acts and transactions if so required under the Companies Law; and
- establishing procedures for the handling of employees' complaints as to the management of our business, concerns regarding questionable accounting or auditing matters, and the protection to be provided to such employees.

#### **Compensation Committee**

##### **Companies Law Requirements**

Under the Companies Law, the board of directors of a public company must appoint a compensation committee, which must be comprised of at least three directors.

##### **Listing Requirements**

Under NYSE corporate governance rules, we are required to maintain a compensation committee consisting of at least two independent directors.

Our compensation committee consists of Russell Dreisenstock, Barak Eilam, Lisa Campbell, and Joe Del Preto. Lisa Campbell serves as chairperson of the committee. Our board of directors has determined that each member of our compensation committee is independent under the NYSE rules, including the additional independence requirements applicable to the members of a compensation committee.

##### **Compensation Committee Role**

In accordance with the Companies Law, the roles of the compensation committee are, among others, as follows:

- making recommendations to the board of directors with respect to the approval of the compensation policy for office holders and, once every three years, regarding any extensions to a compensation policy that was adopted for a period of more than three years;
- reviewing the implementation of the compensation policy and periodically recommending to the board of directors any amendments or updates of the compensation policy;
- resolving whether or not to approve arrangements with respect to the compensation and terms of service of office holders; and
- exempting, under certain circumstances, transactions with our chief executive officer from the approval of the general meeting of our shareholders.

An office holder is defined in the Companies Law as a director and also a general manager, chief business manager, deputy general manager, vice general manager, any other person assuming the responsibilities of any of these positions regardless of such person's title, and any other manager directly subordinate to the general

manager. Each person listed in the table under the section titled “Management—Executive officers and directors” is an office holder under the Companies Law.

Our board of directors has adopted a compensation committee charter setting forth the responsibilities of the committee, which are consistent with the Companies Law and NYSE rules, which include among others:

- recommending to our board of directors for its approval a compensation policy in accordance with the requirements of the Companies Law as well as other compensation policies, incentive-based compensation plans and equity-based compensation plans, and overseeing the development and implementation of such policies and recommending to our board of directors any amendments or modifications to the committee deems appropriate, including as required under the Companies Law;
- reviewing and approving the granting of options and other incentive awards to the chief executive officer and other executive officers, including reviewing and approving corporate goals and objectives relevant to the compensation of our chief executive officer and other executive officers, including evaluating their performance in light of such goals and objectives;
- approving and exempting certain transactions regarding office holders’ compensation pursuant to the Companies Law; and
- administering our equity-based compensation plans, including without limitation, approving the adoption of such plans, amending and interpreting such plans and the awards and agreements issued pursuant thereto, and making awards to eligible persons under the plans and determining the terms of such awards.

### **Compensation Policy under the Companies Law**

In general, under the Companies Law, a public company must have a compensation policy approved by the board of directors after receiving and considering the recommendations of the compensation committee. In addition, our compensation policy must be approved at least once every three years, first, by our board of directors, upon recommendation of our compensation committee, and second, by a simple majority of the ordinary shares present, in person or by proxy, and voting (excluding abstentions) at a general meeting of shareholders, provided that either:

- such majority includes at least a majority of the shares held by shareholders who are not controlling shareholders and shareholders who do not have a personal interest in such compensation policy; or
- the total number of shares of non-controlling shareholders and shareholders who do not have a personal interest in the compensation policy and who vote against the policy, does not exceed two percent (2%) of the aggregate voting rights in the Company.

Under special circumstances, the board of directors may approve the compensation policy despite the objection of the shareholders on the condition that the compensation committee and then the board of directors decide, on the basis of detailed grounds and after discussing again the compensation policy, that, despite the objection of shareholders, approval of the compensation policy is for the benefit of the company.

If a company that initially offers its securities to the public adopts a compensation policy in advance of its initial public offering, and describes it in its prospectus for such offering, like us, then such compensation policy shall be deemed a validly adopted policy in accordance with the Companies Law requirements described above. Furthermore, if the compensation policy is so adopted, then it will remain in effect for a term of five years from the date such company becomes a public company.

The compensation policy must be based on certain considerations, include provisions and matters specifically set forth in the Companies Law.

The compensation policy must serve as the basis for decisions concerning the financial terms of employment or engagement of office holders, including exculpation, insurance, indemnification or any monetary payment or obligation of payment in respect of employment or engagement. The compensation policy must be determined and later reevaluated according to certain factors, including: the advancement of the company’s objectives, business plan and long-term strategy; the creation of appropriate incentives for office holders, while considering, among other things, the company’s risk management policy; the size and the nature of the company’s operations; and with respect to variable compensation, the contribution of the office holder towards the achievement of the company’s long-term goals and the maximization of its profits, all with a long-

term objective and according to the position of the office holder. The compensation policy must furthermore consider the following additional factors:

- the education, skills, experience, expertise and accomplishments of the relevant office holder;
- the office holder's position and responsibilities;
- prior compensation agreements with the office holder;
- the ratio between the cost of the terms of employment of an office holder and the cost of the employment of other employees of the company, including employees employed through contractors who provide services to the company, in particular the ratio between such cost to the average and median salary of such employees of the company, as well as the impact of disparities between them on the work relationships in the company;
- if the terms of employment include variable components — the possibility of reducing variable components at the discretion of the board of directors and the possibility of setting a limit on the value of non-cash variable equity-based components; and
- if the terms of employment include severance compensation — the term of employment or office of the office holder, the terms of the office holder's compensation during such period, the company's performance during such period, the office holder's individual contribution to the achievement of the company's goals and the maximization of its profits and the circumstances under which he or she is leaving the company.

The compensation policy must also include, among other things:

- with regard to variable components:
  - with the exception of office holders who report to the chief executive officer, a means of determining the variable components on the basis of long-term performance and measurable criteria; provided that the company may determine that an immaterial part of the variable components of the compensation package of an office holder shall be awarded based on non-measurable criteria, or if such amount is not higher than three months' salary per annum, taking into account such office holder's contribution to the company; and
  - the ratio between variable and fixed components, as well as the limit of the values of variable components at the time of their payment, or in the case of equity-based compensation, at the time of grant;
- a condition under which the office holder will return to the company, according to conditions to be set forth in the compensation policy, any amounts paid as part of the office holder's terms of employment, if such amounts were paid based on information later to be discovered to be wrong, and such information was restated in the company's financial statements;
- the minimum holding or vesting period of variable equity-based components, while taking into consideration long-term incentives; and
- a limit to retirement grants.

Our compensation policy is designed to promote retention and motivation of directors and executive officers, incentivize superior individual excellence, align the interests of our directors and executive officers with our long-term performance and provide a risk management tool. To that end, a portion of an executive officer compensation package is targeted to reflect our short and long-term goals, as well as the executive officer's individual performance. On the other hand, our compensation policy includes measures designed to reduce the executive officer's incentives to take excessive risks that may harm us in the long-term, such as limits on the value of cash bonuses and equity-based compensation, limitations on the ratio between the variable and the total compensation of an executive officer and minimum vesting periods for equity-based compensation.

Our compensation policy also addresses our executive officers' individual characteristics (such as the person's position, education, scope of responsibilities and contribution to the attainment of our goals) as the basis for compensation variation among our executive officers and considers the internal ratios between compensation of our executive officers and directors and other employees. Pursuant to our compensation policy, the compensation that may be granted to an executive officer may include: base salary, annual bonuses and other cash bonuses (such as a signing bonus and special bonuses with respect to any special achievements, such as outstanding personal achievement, outstanding personal effort or outstanding company performance), equity-

based compensation, benefits and retirement and termination of service arrangements. All cash bonuses are limited to a maximum amount linked to the executive officer's base salary.

An annual cash bonus may be awarded to executive officers upon the attainment of pre-set periodic objectives and individual targets. The annual cash bonus that may be granted to our executive officers other than our Chief Executive Officer will be based on performance objectives and a discretionary evaluation of the executive officer's overall performance by our Chief Executive Officer and subject to minimum thresholds. The annual cash bonus that may be granted to executive officers other than our Chief Executive Officer may alternatively be based entirely on a discretionary evaluation. Furthermore, our Chief Executive Officer will be entitled to approve performance objectives for executive officers who report to him.

The measurable performance objectives of our Chief Executive Officer will be determined annually by our compensation committee and board of directors. A non-material portion of the Chief Executive Officer's annual cash bonus, as provided for in our compensation policy, may be based on a discretionary evaluation of the Chief Executive Officer's overall performance by the compensation committee and the board of directors.

The equity-based compensation under our compensation policy for our executive officers is designed in a manner consistent with the underlying objectives in determining the base salary and the annual cash bonus, with its main objectives being to enhance the alignment between the executive officers' interests with our long-term interests and those of our shareholders and to strengthen the retention and the motivation of executive officers in the long term. Our compensation policy provides for executive officer compensation in the form of share options or other equity-based awards, such as restricted shares and restricted share units, in accordance with our share incentive plan then in place. All equity-based incentives granted to executive officers shall be subject to vesting periods in order to promote long-term retention of the awarded executive officers. The equity-based compensation shall be granted from time to time and be individually determined and awarded according to the performance, educational background, prior business experience, qualifications, role and the personal responsibilities of the executive officer.

In addition, our compensation policy enables our Chief Executive Officer to approve an immaterial change in the terms of employment of an executive officer who reports directly to him (provided that the changes of the terms of employment are in accordance with our compensation policy) and allow us to exculpate, indemnify and insure our executive officers and directors to the maximum extent permitted by Israeli law subject to certain limitations set forth therein.

In accordance with Israeli law, the compensation policy also contains compensation recovery provisions which allow us under certain conditions involving a restatement of our financial statements to recover bonus compensation or performance-based equity compensation. In addition, in 2023 our compensation committee adopted a Policy for Recovery of Erroneously Awarded Compensation pursuant to SEC regulations which came into effect in 2023, which policy is filed as an exhibit to this Annual Report.

Our compensation policy also provides for compensation to the members of our board of directors in accordance with the amounts determined in our compensation policy.

Our compensation policy was approved by our board of directors and shareholders and became effective upon the closing of our IPO.

#### **Nominating and Governance Committee**

Our nominating and governance committee consists of Or Offer, Harel Beit-On and Kipp Bodnar. Or Offer serves as chairperson of the committee. Our board of directors has adopted a nominating and governance committee charter setting forth the responsibilities of the committee, which include:

- overseeing and assisting our board of directors in reviewing and recommending nominees for election as directors;
- assessing the performance of the members of our board of directors; and
- establishing and maintaining effective corporate governance policies and practices, including, but not limited to, developing and recommending to our board of directors a set of corporate governance guidelines applicable to our business.

As permitted by the listing requirements of NYSE, we have opted out of the requirement that the nominating/corporate governance committee be composed entirely of independent directors. The nominating and corporate governance committee is governed by a charter that is posted on our website.

#### **Internal Auditor**

Under the Companies Law, the board of directors of a public company must appoint an internal auditor based on the recommendation of the audit committee. The role of the internal auditor is, among other things, to examine whether a company's actions comply with applicable law and orderly business procedure. Under the Companies Law, the internal auditor cannot be an interested party or an office holder or a relative of an interested party or an office holder, nor may the internal auditor be the company's independent auditor or its representative. An "interested party" is defined in the Companies Law as: (1) a holder of 5% or more of the issued share capital or voting power in a company, (2) any person or entity who has the right to designate one or more directors or to designate the chief executive officer of the company or (3) any person who serves as a director or as a chief executive officer of the company. As of December 31, 2024, Mrs. Sharon Cohen, CPA from Deloitte Israel & Co. is acting as our internal auditor.

#### **Approval of Related Party Transactions under Israeli Law**

##### ***Fiduciary duties of directors and Executive Officers***

The Companies Law codifies the fiduciary duties that office holders owe to a company. An office holder's fiduciary duties consist of a duty of care and a duty of loyalty. The duty of care requires an office holder to act with the level of care with which a reasonable office holder in the same position would have acted under the same circumstances. The duty of care includes, among other things, a duty to use reasonable means, in light of the circumstances, to obtain:

- information on the business advisability of a given action brought for his or her approval or performed by virtue of his or her position; and
- all other important information pertaining to such action. The duty of loyalty requires that an office holder act in good faith and in the best interests of the company, and includes, among other things, the duty to:
  - refrain from any act involving a conflict of interest between the performance of his or her duties in the company and his or her other duties or personal affairs;
  - refrain from any activity that is competitive with the business of the company;
  - refrain from exploiting any business opportunity of the company for the purpose of gaining a personal advantage for himself or herself or others; and
  - disclose to the company any information or documents relating to the company's affairs which the office holder received as a result of his or her position as an office holder.

Under the Companies Law, a company may approve an act specified above which would otherwise constitute a breach of the office holder's duty of loyalty, provided that the office holder acted in good faith, neither the act nor its approval harms the company and the office holder discloses his or her personal interest a sufficient time before the approval of such act. Any such approval is subject to the terms of the Companies Law setting forth, among other things, the appropriate bodies of the company required to provide such approval and the methods of obtaining such approval.

#### **Disclosure of Personal Interests of an Office Holder and Approval of Certain Transactions**

The Companies Law requires that an office holder promptly disclose to the board of directors any personal interest that such office holder may have and all related material information known to such office holder concerning any existing or proposed transaction with the company. A personal interest includes an interest of any person in an act or transaction of a company, including a personal interest of such person's relative or of a corporate body in which such person or a relative of such person is a 5% or greater shareholder, director or general manager or in which such person has the right to appoint at least one director or the general manager, but excluding a personal interest stemming solely from one's ownership of shares in the company. A personal interest includes the personal interest of a person for whom the office holder holds a voting proxy or the personal interest of the office holder with

respect to the officer holder's vote on behalf of a person for whom he or she holds a proxy even if such person has no personal interest in the matter.

If it is determined that an office holder has a personal interest in a non-extraordinary transaction, meaning any transaction that is in the ordinary course of business, on market terms and that is not likely to have a material impact on the company's profitability, assets or liabilities, approval by the board of directors is required for the transaction unless the company's articles of association provide for a different method of approval. Any such transaction that is adverse to the company's interests may not be approved by the board of directors.

Approval first by the company's audit committee and subsequently by the board of directors is required for an extraordinary transaction (meaning any transaction that is not in the ordinary course of business, not on market terms or that is likely to have a material impact on the company's profitability, assets or liabilities) in which an office holder has a personal interest.

A director and any other office holder who has a personal interest in a transaction which is considered at a meeting of the board of directors or the audit committee may generally (unless it is with respect to a transaction which is not an extraordinary transaction) not be present at such a meeting or vote on that matter unless a majority of the directors or members of the audit committee, as applicable, have a personal interest in the matter. If a majority of the members of the audit committee or the board of directors have a personal interest in the matter, then all of the directors may participate in deliberations of the audit committee or board of directors, as applicable, with respect to such transaction and vote on the approval thereof and, in such case, shareholder approval is also required.

Certain disclosure and approval requirements apply under Israeli law to certain transactions with controlling shareholders, certain transactions in which a controlling shareholder has a personal interest and certain arrangements regarding the terms of service or employment of a controlling shareholder. For these purposes, a controlling shareholder is any shareholder that has the ability to direct the company's actions, including any shareholder holding 25% or more of the voting rights if no other shareholder owns more than 50% of the voting rights in the company. Two or more shareholders with a personal interest in the approval of the same transaction are deemed to be one shareholder.

For a description of the approvals required under Israeli law for compensation arrangements of officers and directors, see "—Compensation of directors and executive officers."

#### **Shareholder Duties**

Pursuant to the Companies Law, a shareholder has a duty to act in good faith and in a customary manner toward the company and other shareholders and to refrain from abusing his or her power with respect to the company, including, among other things, in voting at a general meeting and at shareholder class meetings with respect to the following matters:

- an amendment to the company's articles of association;
- an increase of the company's authorized share capital;
- a merger; or
- interested party transactions that require shareholder approval.

In addition, a shareholder has a general duty to refrain from discriminating against other shareholders.

Certain shareholders also have a duty of fairness toward the company. These shareholders include any controlling shareholder, any shareholder who knows that it has the power to determine the outcome of a shareholder vote and any shareholder who has the power to appoint or to prevent the appointment of an office holder of the company or exercise any other rights available to it under the company's articles of association with respect to the company. The Companies Law does not define the substance of this duty of fairness, except to state that the remedies generally available upon a breach of contract will also apply in the event of a breach of the duty of fairness.

#### **Exculpation, Insurance and Indemnification of Office Holders**

Under the Companies Law, a company may not exculpate an office holder from liability for a breach of the duty of loyalty. An Israeli company may exculpate an office holder in advance from liability to the company, in whole or in part, for damages caused to the company as a result of a breach of duty of care but only if a provision authorizing such exculpation is included in its articles of association. Our amended and restated articles of association include such a provision. An Israeli company may not exculpate a director from liability arising out of a prohibited dividend or distribution to shareholders.

An Israeli company may indemnify an office holder in respect of the following liabilities and expenses incurred for acts performed as an office holder, either in advance of an event or following an event, provided a provision authorizing such indemnification is contained in its articles of association:

- financial liability imposed on him or her in favor of another person pursuant to a judgment, settlement or arbitrator's award approved by a court. However, if an undertaking to indemnify an office holder with respect to such liability is provided in advance, then such an undertaking must be limited to events which, in the opinion of the board of directors, can be foreseen based on the company's activities when the undertaking to indemnify is given, and to an amount or according to criteria determined by the board of directors as reasonable under the circumstances, and such undertaking shall detail the aforementioned events and amount or criteria;
- reasonable litigation expenses, including attorneys' fees, incurred by the office holder (1) as a result of an investigation or proceeding instituted against him or her by an authority authorized to conduct such investigation or proceeding, *provided* that (a) no indictment was filed against such office holder as a result of such investigation or proceeding; and (b) no financial liability, such as a criminal penalty, was imposed upon him or her as a substitute for the criminal proceeding as a result of such investigation or proceeding or, if such financial liability was imposed, it was imposed with respect to an offense that does not require proof of criminal intent and (2) in connection with a monetary sanction; and
- reasonable litigation expenses, including attorneys' fees, incurred by the office holder or imposed by a court in proceedings instituted against him or her by the company, on its behalf or by a third party or in connection with criminal proceedings in which the office holder was acquitted or as a result of a conviction for an offense that does not require proof of criminal intent; and
- expenses, including reasonable litigation expenses and legal fees, incurred by an office holder in relation to an administrative proceeding instituted against such office holder, or certain compensation payments made to an injured party imposed on an office holder by an administrative proceeding, pursuant to certain provisions of the Israeli Securities Law, 1968, or the Israeli Securities Law.

An Israeli company may insure an office holder against the following liabilities incurred for acts performed as an office holder if and to the extent provided in the company's articles of association:

- a breach of the duty of loyalty to the company, to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;
- a breach of the duty of care to the company or to a third party, including a breach arising out of the negligent conduct of the office holder;
- a financial liability imposed on the office holder in favor of a third party;
- a financial liability imposed on the office holder in favor of a third party harmed by a breach in an administrative proceeding; and
- expenses, including reasonable litigation expenses and legal fees, incurred by the office holder as a result of an administrative proceeding instituted against him or her pursuant to certain provisions of the Israeli Securities Law.

An Israeli company may not indemnify or insure an office holder against any of the following:

- a breach of the duty of loyalty, except to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;
- a breach of the duty of care committed intentionally or recklessly, excluding a breach arising out of the negligent conduct of the office holder;
- an act or omission committed with intent to derive illegal personal benefit; or
- a fine, monetary sanction or forfeit levied against the office holder.

Under the Companies Law, exculpation, indemnification and insurance of office holders must be approved by the compensation committee and the board of directors (and, with respect to directors and the chief executive officer, by the shareholders). However, under the Companies Law, the insurance of office holders will not require shareholder approval and may be approved by only the compensation committee if the engagement terms are determined in accordance with the company's compensation policy and that policy was approved by the shareholders by the same special majority required to approve a compensation policy, provided that the insurance policy is on market terms and the insurance policy is not likely to materially impact the company's profitability, assets or obligations.

Our amended and restated articles of association allow us to exculpate, indemnify and insure our office holders for any liability imposed on them as a consequence of an act (including any omission) which was performed by virtue of being an office holder. Our office holders are currently covered by a directors and officers' liability insurance policy.

We have entered into agreements with each of our directors and executive officers exculpating them, to the fullest extent permitted by law, from liability to us for damages caused to us as a result of a breach of duty of care, and undertaking to indemnify them to the fullest extent permitted by law. This indemnification is limited to events determined as foreseeable by the board of directors based on our activities, and to an amount or according to criteria determined by the board of directors as reasonable under the circumstances.

The maximum indemnification amount set forth in such agreements is limited to an amount equal to the higher of (i) \$35 million, (ii) 25% of our total shareholders' equity as reflected in our most recent consolidated financial statements prior to the date on which the indemnity payment is made and (iii) 10% of our total market capitalization calculated based on the average closing price of our ordinary shares over the 30 trading days prior to the actual payment, multiplied by the total number of our issued and outstanding shares as of the date of the payment (other than indemnification for an offering of securities to the public, including by one or more shareholders in a secondary offering, in which case the maximum indemnification amount is limited to the gross proceeds raised by us and/or the selling shareholders in such public offering). The maximum amount set forth in such agreements is in addition to any amount paid (if paid) under insurance and/or by a third party pursuant to an indemnification arrangement.

In the opinion of the SEC, indemnification of directors and office holders for liabilities arising under the Securities Act, however, is against public policy and therefore unenforceable.

#### **D. Employees**

Our employees are critical to our success. We aim to create an environment that is equitable and inclusive in which our employees can grow and advance their careers, with the overall goal of developing, expanding and retaining our workforce to support and grow our business.

As of December 31, 2024, we had 1,085 employees, including 617 in Israel, 233 in the United States, 152 in Europe and 83 in Asia Pacific. None of our employees are represented by a labor union with respect to his or her employment with us. In certain countries in which we operate, such as France, we are subject to, and comply with, local labor law requirements, which may automatically make our employees subject to industry-wide collective bargaining agreements. We have not experienced any work stoppages and we consider our relations with our employees to be good.

*Inclusion and Diversity.* We aspire to be a diverse, equitable, and inclusive company where employees are empowered to bring their whole, authentic selves to work every day. At Similarweb, we believe in the people who work for us. As part of our investment in our people, we focus on the diversity, equity, and inclusion of our workforce. By recognizing and celebrating our differences, we seek to cultivate an environment where our employees feel comfortable. We sponsor and host employee resource groups, which are groups of our employees that voluntarily join together based on shared characteristics, life experiences or interest around particular activities.

*Corporate Social and Environmental Responsibility.* We seek to promote corporate values that focus on trust, integrity, collaboration, and corporate social and environmental responsibility. Beyond the creation of our products to assist our customers in effectively competing and succeeding in their respective industries, we seek to do our part to improve the world for current and future generations. For us, that means that we strive toward the goal of protecting our planet by minimizing our environmental impact, striving to contribute our time, talent and resources to strengthen the communities where we do business, and engaging in ethical practices.



*Growth and development.* We support ongoing development of our workforce with multiple learning solutions within Similarweb, providing opportunities for our employees to improve their technical and professional knowledge, better understand our business and products, and strengthen management and leadership. We provide our employees with continuous learning opportunities that allow them to evolve their career at Similarweb and grow together with us, ensuring that we remain on the cutting edge of digital intelligence. We leverage the knowledge and experience that exists within our employee base to build communities and enhance peer relationships through mentorship, coaching and other knowledge sharing platforms, all of which are customized to meet the needs of our business, culture, and people.

*Workforce planning and retention.* We provide competitive compensation and benefit packages tailored to the specific jurisdiction of our operations to attract, recruit and retain a diverse and passionate workforce. We encourage open dialogue and empower our employees to share honest feedback to allow us to constantly grow and improve our business. This is part of our culture. We conduct regular employee surveys to solicit feedback and assess employee satisfaction and engagement. We consider the views expressed in the employee surveys when reviewing our people strategy and policies. We may also use employee survey information, headcount data and cost analyses to gain insights into how and where we work.

In addition to the traditional employee benefits, we offer many advantages that support the well-being and overall experience of our employee base. Acting as a global company is one of the most important pillars that our organization stands on and is the foundation of who we are and how we work together. We make sure to stay competitive in every market in which we operate and adopt local employee practices as needed. In addition, we offer our people a global and holistic employee experience through their entire life cycle: from global onboarding training to new employees, to celebration of international holidays and participation in global events, accommodating different cultures and perspectives. Our employees are exposed to a wide range of perspectives, opinions, and cultures, which strengthens our global community as well as helps us better support our customers from around the world.

#### **E. Share Ownership**

For information regarding the share ownership of directors and officers, see Item 7.A. “*Major Shareholders and Related Party Transactions—Major Shareholders.*” For information as to our equity incentive plans, see Item 6.B. “*Director, Senior Management and Employees—Compensation— Equity incentive plans.*”

#### **F. Disclosure of a Registrant’s Action to Recover Erroneously Awarded Compensation**

Not applicable

### **Item 7. Major Shareholders and Related Party Transactions**

#### **A. Major Shareholders**

The following table sets forth information with respect to the beneficial ownership of our shares as of the date of this Annual Report by:

- each person or entity, or group of affiliated persons, known by us to beneficially own 5% or more of our outstanding shares;
- each of our directors and executive officers individually; and
- all of our executive officers and directors as a group.

The beneficial ownership of ordinary shares is determined in accordance with the SEC rules and generally includes any ordinary shares over which a person exercises sole or shared voting or investment power. For purposes of the table below, we deem shares subject to options or RSUs that are currently exercisable or exercisable within 60 days of February 14, 2025, to be outstanding and to be beneficially owned by the person holding the options or RSUs for the purposes of computing the percentage ownership of that person but we do not treat them as outstanding for the purpose of computing the percentage ownership of any other person. The percentage of shares beneficially owned is based on 82,829,428 ordinary shares outstanding as of February 14, 2025.

All of our shareholders, including the shareholders listed below, have the same voting rights attached to their ordinary shares. See “Description of share capital and articles of association—Voting rights.” Unless otherwise noted below, each shareholder’s address is 33 Yitzhak Rabin Rd., Givatayim 5348303, Israel.

A description of any material relationship that our principal shareholders have had with us or any of our affiliates within the past three years is included under “Certain relationships and related party transactions.”

Name of Beneficial Owner	Number	%
<b>Greater than 5% Shareholders</b>		
Anglo-Peacock Nominees Limited (1)	8,883,950	10.7%
Viola Group (2)	10,810,778	13.1%
MIH E-Commerce Holdings B.V. (3)	11,173,265	13.5%
<b>Directors and Executive Officers</b>		
Joshua Alliance (4)	8,883,950	10.7%
Harel Beit-On (5)	10,810,778	13.1%
Or Offer (6)	6,027,160	7.1%
Jason Schwartz (7)	1,081,745	1.3%
Russell Dreisenstock	[*]	[*]
Benjamin Seror	[*]	[*]
Kipp Bodnar	[*]	[*]
Barak Eilam	[*]	[*]
Lisa Campbell	[*]	[*]
Joe Del Preto	[*]	[*]
All directors and executive officers as a group (10 persons)	27,323,275	31.7%

\*Indicates ownership of less than 1%.

(1) Consists of 8,883,950 shares, which converted from preferred shares pre-IPO to ordinary shares post-IPO, held by Anglo-Peacock Nominees Limited, as nominee for Joshua Jacob Moshe Alliance. Mr. Alliance has sole voting and dispositive power over the shares. The principal business address of Anglo-Peacock Nominees Limited is Suite 1B Maclaren House, Lancastrian Office Centre, Talbot Road, Manchester, M32 0FP, United Kingdom, Attention Allan Pye.

(2) Based on information reported on a Schedule 13G/A filed February 12, 2025 and on information available to us, represents (a) 2,134,916 ordinary shares held by Viola Growth II (A) L.P. (“Viola II (A)”); (b) 2,823,094 ordinary shares held by Viola Growth II (B) L.P. (“Viola II (B)”); (c) 5,581,225 ordinary shares held by VG SW, L.P. (“VG LP”); (d) 101,413 ordinary shares held by VG SW GP, L.P.; (e) 170,130 ordinary shares held by Viola partners Fund 4 2013 L.P. (“Viola 4 LP”) (collectively “Viola Group”). The general partner of Viola II (A) and Viola II (B) is Viola Growth II, L.P. and its general partner is Viola Growth II GP Ltd. The general partner of VG L.P. is VG SW GP, L.P. and its general partners are Viola Growth II GP Ltd. and Viola Growth 3 Ltd. Harel Beit-On, a member of our board of directors, is a Co- Founder and Managing Partner of Viola Group. Mr. Beit-On disclaims any beneficial ownership of the subject shares except to the extent of any pecuniary interest therein. The address of each of these entities is c/o Viola Growth 12 Abba Eban Avenue, Ackerstein Towers, Building D, Herzeliya 4672530, Israel.

(3) Based on information available to us, represents 11,173,265 ordinary shares held by Naspers Ltd. and Prosus N.V. Prosus Ventures is a wholly-owned subsidiary of MIH e-commerce Holdings B.V., which in turn is a wholly-owned subsidiary of MIH Internet Holdings B.V., which is a wholly-owned subsidiary of Prosus, which is a majority-owned subsidiary of Naspers. Prosus Venutres is controlled by Prosus and Naspers, which share voting and dispositive control over the shares held by Prosus Venutres. Naspers owns 41.4% of the voting rights of Prosus. As a result, ordinary shares of Similarweb Ltd. owned by Naspers Ltd. and Prosus N.V. may be deemed to be beneficially owned by Prosus and Naspers. Prosus is a publicly-traded limited liability company incorporated under the laws of the Netherlands. Naspers is a publicly-traded limited liability company incorporated under the laws of the Republic of South Africa. The address of Prosus N.V. is Gustav Mahlerplein 5, 1082 MS, Amsterdam, The Netherlands and the address for Naspers Ltd. is Media24 Centre 40 Heerengracht, Cape Town 8001, South Africa.

(4) Consists of shares held by Anglo-Peacock Nominees Limited. See footnote (1) above.

(5) Consists of shares held by entities affiliated with Viola Growth. See footnote (2) above.

(6) Based on information available to us, represents 3,580,541 ordinary shares held by Mr. Offer and 2,446,619 ordinary shares issuable upon the exercise of options that vest within 60 days of February 15, 2025.

(7) Consists of 801,433 ordinary shares issuable upon the exercise of options held by Mr. Schwartz that vest within 60 days of February 14, 2025 and 280,312 ordinary shares issued or issuable upon vest of Restricted Shares Units within 60 days of February 14, 2025.

### **Record Holders**

As of February 14, 2025, 82,829,428 of our ordinary shares were issued and outstanding. Based on the information provided to us by our transfer agent, approximately 71.9% of our total outstanding ordinary shares were held by 20 record holders in the United States, including Cede & Co., the nominee of The Depository Trust Company.

### **B. Related Party Transactions**

The following is a description of related-party transactions we have entered into since January 1, 2022 with any of the members of the board of directors, executive officers or holders of more than 5% of any class of our voting securities at the time of such transaction.

#### **Rights of Appointment**

We are not a party to, and are not aware of, any voting agreements among our shareholders.

#### **Agreements with Directors and Officers**

*Employment Agreements.* We have entered into employment agreements with each of our executive officers who works for us as an employee. These agreements each contain provisions regarding non-competition, confidentiality of information and assignment of inventions. The enforceability of covenants not to compete is subject to limitations.

The provisions of certain of our executive officers' employment agreements contain termination or change of control provisions. With respect to certain executive officers, either we or the executive officer may terminate his or her employment by giving 90 calendar days' advance written notice to the other party. We may also terminate an executive officer's employment agreement for good reason (as defined in the applicable employment agreement) or in the event of a merger or acquisition transaction.

*Equity Awards.* Since our inception, we have granted options to purchase our ordinary shares to our executive officers and certain of our directors. In November 2020, we began granting restricted share units, or RSUs, to our executive officers. Such equity agreements may contain acceleration provisions upon certain merger, acquisition or change of control transactions. We describe our equity plans under "Management—Equity incentive plans."

*Exculpation, Indemnification and Insurance.* Our amended and restated articles of association permits us to exculpate, indemnify and insure our office holders to the fullest extent permitted by the Companies Law. We have entered into agreements with certain office holders, exculpating them from a breach of their duty of care to us to the fullest extent permitted by law and undertaking to indemnify them to the fullest extent permitted by law, subject to certain exceptions, including with respect to liabilities resulting from our IPO to the extent that these liabilities are not covered by insurance.

#### **Related Party Transactions**

Pursuant to the Companies Law, the audit committee has the primary responsibility for reviewing and approving or disapproving related party transactions, which are transactions between us and related persons in which we or a related person has or will have a direct or indirect material interest. Our audit committee charter provides that the audit committee shall review and approve or disapprove any related party transactions. See "Board Practices—Approval of Related Party Transactions under Israeli Law."

### **C. Interests of Experts and Counsel**

Not applicable.

## **Item 8. Financial Information**

### **A. Consolidated Statements and Other Financial Information**

#### *Consolidated Financial Statements*

See Item 18. “*Financial Statements.*”

#### *Legal and Arbitration Proceedings*

From time to time, we are involved in various legal proceedings arising from the normal course of business activities. We are not presently a party to any litigation the outcome of which, we believe, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, cash flows or financial condition. Defending such proceedings is costly and can impose a significant burden on management and employees. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

#### *Dividend Policy*

We do not anticipate paying any dividends in the foreseeable future. We currently intend to retain future earnings, if any, to finance operations and expand our business. Our board of directors has sole discretion whether to pay dividends. If our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, restrictions under our SVB Credit Facility and other factors that our directors may deem relevant. The Companies Law imposes restrictions on our ability to declare and pay dividends. See “Description of share capital and articles of association—Dividend and liquidation rights” for additional information.

Payment of dividends may be subject to Israeli withholding taxes. See Item 10.E. “Taxation—Israeli tax considerations—Israeli tax considerations and government programs” for additional information.

### **B. Significant Changes**

None.

## **Item 9. The Offer and Listing**

### **A. Offer and Listing Details**

Our ordinary shares trade on the New York Stock Exchange under the symbol “SMWB”.

### **B. Plan of Distribution**

Not applicable.

### **C. Markets**

See “—Offer and Listing Details” above.

**D. Selling Shareholders**

Not applicable.

**E. Dilution**

Not applicable.

**F. Expenses of the Issue**

Not applicable.

**Item 10. Additional Information**

**A. Share Capital**

Not applicable.

**B. Memorandum and Articles of Association**

A copy of our amended and restated articles of association is attached as Exhibit 1.1 to this Annual Report. Other than as set forth below, the information called for by this Item is set forth in Exhibit 2.2 to this Annual Report and is incorporated by reference herein.

**C. Material Contracts**

The following is a summary of each material contract, other than material contracts entered into in the ordinary course of business, to which we are or have been a party, for the two years immediately preceding the date of this Annual Report:

- [Form of Indemnification Agreement entered into by and between the Registrant and each director and executive officer \(Exhibit 10.1 to the Company's Registration Statement on Form F-1 \(File No. 333-255262\) filed with the SEC on May 10, 2021\). See Item 6, "Directors, Senior Management and Employees" for more information about this document.](#)
- [2012 Incentive Option Plan \(Exhibit 10.2 to the Company's Registration Statement on Form F-1 \(File No. 333-255262\) filed with the SEC on May 10, 2021\). See Item 6, "Directors, Senior Management and Employees" for more information about this document.](#)
- [2021 Share Incentive Plan \(Exhibit 10.3 to the Company's Registration Statement on Form F-1 \(File No. 333-255262\) filed with the SEC on May 10, 2021\). See Item 6, "Directors, Senior Management and Employees" for more information about this document.](#)
- [2021 Employee Share Purchase Plan \(Exhibit 10.4 to the Company's Registration Statement on Form F-1 \(File No. 333-255262\) filed with the SEC on May 10, 2021\). See Item 6, "Directors, Senior Management and Employees" for more information about this document.](#)
- [Compensation Policy for Officers and Directors \(Exhibit 10.5 to the Company's Registration Statement on Form F-1 \(File No. 333-255262\) filed with the SEC on May 10, 2021\). See Item 6, "Directors, Senior Management and Employees" for more information about this document.](#)
- [Loan and Security Agreement, dated December 30, 2020, between Silicon Valley Bank, Similarweb Ltd., Similarweb UK Ltd. and Similarweb, Inc. \(Exhibit 10.6 to the Company's Registration Statement on Form F-1 \(File No. 333-255262\) filed with the SEC on May 10, 2021\). This agreement was modified by the Loan Modification Agreement dated as of November 13, 2022 and by the Second Amendment to the Loan and Security Agreement as of August 6, 2024.](#)

- [Amended and Restated Investor Rights Agreement, dated as of October 21, 2020, as amended, among the Registrant, Or Offer, Nir Cohen, and the investors named therein \(Exhibit 10.8 to the Company's Registration Statement on Form F-1 \(File No. 333-255262\) filed with the SEC on May 10, 2021\). See Item 6, "Directors, Senior Management and Employees" for more information about this document.](#)
- [Lease Agreement, dated as of August 5, 2021 by and between the Registrant and Eilot Haskhaot \(Ramat-Vered\) 1994 Ltd. \(An English language summary of this lease agreement was included as Exhibit 14.4 to the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2022 \(File No. 001-40394\) filed with the SEC on March 23, 2023\)](#)

#### **D. Exchange Controls**

There are currently no Israeli currency control restrictions on remittances of dividends on our ordinary shares, proceeds from the sale of the ordinary shares or interest or other payments to non-residents of Israel, except for shareholders who are subjects of countries that are, have been, or will be, in a state of war with Israel.

#### **E. Taxation**

##### **Israeli Tax Considerations**

The following description is not intended to constitute a complete analysis of all tax consequences relating to the acquisition, ownership and disposition of our ordinary shares. You should consult your own tax adviser concerning the tax consequences of your particular situation, as well as any tax consequences that may arise under the laws of any state, local, foreign or other taxing jurisdiction.

##### ***Israeli Tax Considerations and Government Programs***

The following is a brief summary of the material Israeli tax laws applicable to us, and certain Israeli Government programs. This section also contains a discussion of material Israeli tax consequences concerning the ownership and disposition of our ordinary shares purchased or held by investors. This summary does not discuss all the aspects of Israeli tax law that may be relevant to a particular investor in light of his or her personal investment circumstances or to some types of investors subject to special treatment under Israeli law. Examples of such investors include residents of Israel or traders in securities who are subject to special tax regimes not covered in this discussion. To the extent that the discussion is based on tax legislation that has not yet been subject to judicial or administrative interpretation, we cannot assure you that the appropriate tax authorities or the courts will accept the views expressed in this discussion. The discussion below is subject to change, including due to amendments under Israeli law or changes to the applicable judicial or administrative interpretations of Israeli law, which change could affect the tax consequences described below. The discussion should not be construed as legal or professional tax advice and does not cover all possible tax considerations.

##### ***General Corporate Tax Structure in Israel***

Israeli companies are generally subject to ordinary corporate tax. The current ordinary corporate tax rate is 23%. However, the effective tax rate payable by a company that derives income from a Preferred Enterprise or a Technology Enterprise (as discussed below) may be considerably less. Capital gains derived by an Israeli company are generally subject to the prevailing corporate tax rate.

##### ***Law for the Encouragement of Industry (Taxes), 5729-1969***

The Law for the Encouragement of Industry (Taxes), 5729-1969, generally referred to as the Industry Encouragement Law, provides several tax benefits for "Industrial Companies." We believe that we

currently qualify as an Industrial Company within the meaning of the Industry Encouragement Law. The Industry Encouragement Law defines an “Industrial Company” as an Israeli resident-company incorporated in Israel, of which 90% or more of its income in any tax year, other than income from certain government loans, capital gains, interest and dividends, is derived from an “Industrial Enterprise” owned by it and located in Israel or in the “Area”, in accordance with the definition in the section 3A of the Israeli Income Tax Ordinance (New Version) 5721-1961, or the Ordinance. An “Industrial Enterprise” is defined as an enterprise whose principal activity in a given tax year is industrial production.

The following corporate tax benefits, among others, are available to Industrial Companies:

- amortization of the cost of purchased patent, rights to use a patent, and know-how, which are used for the development or advancement of the Industrial Enterprise, over an eight-year period, commencing on the year in which such rights were first exercised;
- under limited conditions, an election to file consolidated tax returns with related Israeli Industrial Companies; and
- expenses related to a public offering are deductible in equal amounts over three years commencing on the year of the offering.

Eligibility for benefits under the Industry Encouragement Law is not contingent upon approval of any governmental authority. There can be no assurance that we will continue to qualify as an Industrial Company or that the benefits described above will be available in the future.

#### ***Tax Benefits and Grants for Research and Development***

Israeli tax law allows, under certain conditions, and subject to the obtaining of Israel Innovation Authority approval, a tax deduction for expenditures, including capital expenditures related to research and development, for the year in which they are incurred. Expenditures are deemed related to scientific research and development projects, if:

- the expenditures are approved by the relevant Israeli government ministry, determined by the field of research;
- the research and development must be for the promotion of the company; and
- the research and development is carried out by or on behalf of the company seeking such tax deduction.

The amount of such deductible expenses is reduced by the sum of any funds received through government grants for the finance of such scientific research and development projects. No deduction under these research and development deduction rules is allowed if such deduction is related to an expense invested in an asset depreciable under the general depreciation rules of the Israeli Income Tax Ordinance (New Version) 5721-1961. Expenditures that do not qualify for special deduction are deductible in equal amounts over three years.

From time to time we may apply to the Israel Innovation Authority for approval to allow a tax deduction for all research and development expenses during the year incurred. There can be no assurance that such application will be accepted.

#### ***Law for the Encouragement of Capital Investments, 5719-1959***

The Law for the Encouragement of Capital Investments, 5719-1959, generally referred to as the Investment Law, provides certain incentives for capital investments in production facilities (or other eligible assets). The Investment Law was significantly amended effective as of April 1, 2005, as of January 1, 2011 (or the 2011 Amendment), and as of January 1, 2017 (or Amendment 73). The 2011 Amendment introduced new benefits to replace those granted in accordance with the provisions of the Investment Law in effect prior to the 2011 Amendment. The 2017 Amendment introduces new benefits for Technological Enterprises, alongside the existing tax benefits.

### ***Tax Benefits under Amendment 73***

The 2017 Amendment provides new tax benefits for two types of “Technology Enterprises”, as described below, and is in addition to the other existing tax benefits programs under the Investment Law. The 2017 Amendment provides that a technology company satisfying certain conditions will qualify as a “Preferred Technological Enterprise” and will thereby enjoy a reduced corporate tax rate of 12% on income that qualifies as “Preferred Technology Income”, as defined in the Investment Law. The tax rate is further reduced to 7.5% for a Preferred Technological Enterprise located in development zone “A”. These corporate tax rates shall apply only with respect to the portion of income attributed to the intellectual property developed in Israel. In addition, a Preferred Technology Company will enjoy a reduced corporate tax rate of 12% on capital gain derived from the sale of certain “Benefitted Intangible Assets” (as defined in the Investment Law) to a related foreign company if the Benefitted Intangible Assets were acquired from a foreign company on or after January 1, 2017, for at least NIS 200 million, and the sale receives prior approval from the Israel Innovation Authority, or the IIA.

The 2017 Amendment further provides that a technology company satisfying certain conditions will qualify as a “Special Preferred Technological Enterprise” (an enterprise for which total consolidated revenue of its parent company and all subsidiaries is at least NIS 10 billion) and will thereby enjoy a reduced corporate tax rate of 6% on “Preferred Technology Income” regardless of the company’s geographic location within Israel. In addition, a Special Preferred Technological Enterprise will enjoy a reduced corporate tax rate of 6% on capital gain derived from the sale of certain “Benefitted Intangible Assets” to a related foreign company if the Benefitted Intangible Assets were either developed by the Special Preferred Technological Enterprise or acquired from a foreign company on or after January 1, 2017, and the sale received prior approval from IIA. A Special Preferred Technological Enterprise that acquires Benefitted Intangible Assets from a foreign company for more than NIS 500 million will be eligible for these benefits for at least ten years, subject to certain approvals as specified in the Investment Law.

Dividends distributed to Israeli individual shareholders by a Preferred Technological Enterprise or a Special Preferred Technological Enterprise, paid out of Preferred Technology Income, are generally subject to withholding tax at source at the rate of 20%, and in the case of non-Israeli shareholders, 20% or such lower rate as may be provided in an applicable tax treaty (each subject to the receipt in advance of a valid certificate from the Israel Tax Authority allowing for such reduced tax rate). However, if such dividends are paid to an Israeli company, no tax is required to be withheld on dividend distributed to the company level. If such dividends are distributed to a foreign company that holds solely or together with other foreign companies 90% or more in the Israeli company and other conditions are met, the withholding tax rate will be 4%.

### ***Taxation of Our Shareholders***

Israeli law generally imposes a capital gain tax on the sale of capital assets by residents of Israel, as defined for Israeli tax purposes, and on the sale of assets located in Israel, including shares of Israeli companies, by both residents and non-residents of Israel, unless a specific exemption is available or unless a tax treaty between Israel and the seller’s country of residence provides otherwise.

*Capital Gains Taxes Applicable to Non-Israeli Resident Shareholders.* Capital gain tax is imposed on the disposition of capital assets by a non-Israeli resident if those assets are either (1) located in Israel; (2) are shares or a right to a share in an Israeli resident corporation, or (3) represent, directly or indirectly, rights to assets located in Israel, unless specific exemption is available or unless a tax treaty between Israel and the seller’s country of residence provides otherwise. The Israeli tax law distinguishes between “Real Capital Gain” and the “Inflationary Surplus.” Real Gain is the excess of the total capital gain over Inflationary Surplus computed generally on the basis of the increase in the Israeli Consumer Price Index or, in certain circumstances, a foreign currency exchange rate, between the date of purchase and the date of disposition. Inflationary Surplus is not subject to tax in Israel. Generally, Real Capital Gain accrued by individuals on the sale of our ordinary shares will be taxed at the rate of 25%. However, if the individual shareholder is a “substantial shareholder” at the time of sale or at any time during the preceding 12 months period, such



gain will be taxed at the rate of 30%. A “substantial shareholder” is generally a person who alone or together with such person’s relative or another person who collaborates with such person on a permanent basis, holds, directly or indirectly, at least 10% of any of the “means of control” of the corporation. “Means of control” generally include the right to vote, receive profits, nominate a director or an executive officer, receive assets upon liquidation, or order someone who holds any of the aforesaid rights how to act, regardless of the source of such right. Real Capital Gain derived by corporations will be generally subject to a corporate tax rate of 23% (in 2024).

A non-Israeli resident who derives capital gains from the sale of shares in an Israeli resident company purchased after the company was listed for trading on a stock exchange outside of Israel should generally be exempt from Israeli tax so long as the capital gains derived from the sale of shares was not attributed to a permanent establishment that the non-resident maintains in Israel. However, non-Israeli corporations will not be entitled to the foregoing exemption if Israeli residents: (i) have a controlling interest of more than 25% in any of the means of control of such non-Israeli corporation or (ii) are the beneficiaries of, or are entitled to, 25% or more of the revenue or profits of such non-Israeli corporation, whether directly or indirectly.

Such exemption is not applicable to a person whose gains from selling or otherwise disposing of the shares are deemed to be business income.

Additionally, a sale of securities by a non-Israeli resident may be exempt from Israeli capital gains tax under the provisions of an applicable tax treaty. For example, under Convention Between the Government of the United States of America and the Government of the State of Israel with respect to Taxes on Income, as amended, or the United States-Israel Tax Treaty, the sale, exchange or other disposition of shares by a shareholder who is a United States resident (for purposes of the treaty) holding the shares as a capital asset and is entitled to claim the benefits afforded to such a resident by the U.S.-Israel Tax Treaty, or a Treaty U.S. Resident, is generally exempt from Israeli capital gains tax unless: (1) the capital gain arising from such sale, exchange or disposition is attributed to real estate located in Israel; (2) the capital gain arising from such sale, exchange or disposition is attributed to royalties; (3) the capital gain arising from the such sale, exchange or disposition is attributed to a permanent establishment in Israel, under certain terms; (4) such Treaty U.S. Resident holds, directly or indirectly, shares representing 10% or more of the voting capital during any part of the 12-month period preceding the disposition, subject to certain conditions; or (5) such Treaty U.S. Resident is an individual and was present in Israel for 183 days or more during the relevant taxable year. In any such case, the sale, exchange or disposition of such shares would be subject to Israeli tax, to the extent applicable; however, under the U.S.-Israel Tax Treaty, a Treaty U.S. resident would be permitted to claim a credit for the Israeli tax against the U.S. federal income tax imposed with respect to the sale, exchange or disposition, subject to the limitations in U.S. laws applicable to foreign tax credits. The U.S.-Israel Tax Treaty does not provide such credit against any U.S. state or local taxes.

Regardless of whether shareholders may be liable for Israeli income tax on the sale of our ordinary shares, the payment of the consideration may be subject to withholding of Israeli tax at the source. Accordingly, shareholders may be required to demonstrate that they are exempt from tax on their capital gains in order to avoid withholding at source at the time of sale. Specifically, in transactions involving a sale of all of the shares of an Israeli resident company, in the form of a merger or otherwise, the Israel Tax Authority may require from shareholders who are not liable for Israeli tax to sign declarations in forms specified by this authority or obtain a specific exemption from the Israel Tax Authority to confirm their status as non-Israeli resident, and, in the absence of such declarations or exemptions, may require the purchaser of the shares to withhold taxes at source.

*Taxation of Non-Israeli Shareholders on Receipt of Dividends.* Non-Israeli residents (whether individuals or corporations) are generally subject to Israeli income tax on the receipt of dividends paid on our ordinary shares at the rate of 25%, which tax will be withheld at source, unless relief is provided in a tax treaty between Israel and the shareholder’s country of residence. With respect to a person who is a “substantial shareholder” at the time of receiving the dividend or on any time during the preceding twelve months, the applicable tax rate is 30%. In the extent that the shares are registered with a nominee company (whether the recipient is a substantial shareholder or not) the withholding tax at source is at rate of 25%. However, a distribution of dividends to non-Israeli residents is subject to tax and withholding tax at source at a rate of 20% or such lower rate as may be provided in an applicable tax treaty, subject to the receipt in advance of a

valid certificate from the Israel Tax Authority allowing for a reduced tax rate, if the dividend is distributed from income attributed to a Preferred (including Preferred Technological) Enterprise. If the dividend is attributable partly to income derived from a Preferred (including Preferred Technological) Enterprise, and partly to other sources of income, the withholding rate will be a blended rate reflecting the relative portions of the two types of income. We cannot assure you that we will designate the profits that we may distribute in the future in a way that will reduce shareholders' tax liability.

However, a reduced tax rate may be provided under an applicable tax treaty (subject to the receipt in advance of a valid certificate from the Israel Tax Authority allowing for a reduced tax rate). For example, under the United States-Israel Tax Treaty, the maximum rate of tax withheld at source in Israel on dividends paid to a holder of our ordinary shares who is a Treaty U.S. Resident is 25%. However, generally, the maximum rate of withholding tax on dividends, not generated by a Preferred (including Preferred Technological) Enterprise, that are paid to a United States corporation holding 10% or more of the outstanding voting capital throughout the tax year in which the dividend is distributed as well as during the previous tax year, is 12.5%, provided that not more than 25% of the gross income for such preceding year consists of certain types of dividends and interest. If dividends are distributed from income attributed to a Preferred (including Preferred Technological) Enterprise and the foregoing conditions are met, such dividends are subject to a withholding tax rate of 15% for a shareholder that is a United States corporation.

A non-Israeli resident who receives dividends from which tax was withheld is generally exempt from the obligation to file tax returns in Israel with respect to such income, provided that (i) such income was not generated from business conducted in Israel by the taxpayer, (ii) the taxpayer has no other taxable sources of income in Israel with respect to which a tax return is required to be filed, and (iii) the taxpayer is not obligated to pay Surtax (as further explained below).

*Surtax.* Subject to the provisions of an applicable tax treaty, individuals who are subject to income tax in Israel (whether any such individual is an Israeli resident or non-Israeli resident) are also subject to an additional tax at a rate of 3% on annual income (including, but not limited to, income derived from dividends, interest and capital gains) exceeding NIS 721,560 for 2024, which amount is generally linked to the annual change in the Israeli consumer price index (with the exception that based on Israeli new legislation such amount, and certain other statutory amounts will not be linked to the Israeli consumer price index for the years 2025-2027). According to new legislation, in effect as of January 1, 2025, an **additional** 2% surtax is imposed on Capital-Sourced Income (defined as income from any source other than employment income, business income or income from "personal effort"), to the extent that the Individual's Capital Sourced Income exceeds the specified threshold of NIS 721,560 (and regardless of the employment/business income amount of such individual). This new surtax applies, among other things, to income from capital gains, dividends, interest, rental income, or the sale of real property.

*Estate and Gift Tax.* Israeli law presently does not impose estate or gift taxes.

#### **Material U.S. Federal Income Tax Considerations for U.S. Holders**

The following is a description of the material U.S. federal income tax considerations to the U.S. Holders defined below of owning and disposing of our ordinary shares. It is not a comprehensive description of all tax considerations that may be relevant to a particular U.S. Holder's decision to acquire ordinary shares. This discussion applies only to a U.S. Holder that holds our ordinary shares as a capital asset within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended, or the Code, for tax purposes (generally, property held for investment). In addition, it does not describe all of the tax considerations that may be relevant in light of a U.S. Holder's particular circumstances, including state and local tax considerations, any U.S. federal non-income tax considerations (such as estate or gift tax considerations), or any tax considerations relating to the alternative minimum tax or the Medicare contribution tax on net investment income. In addition, this discussion does not address any tax considerations applicable to U.S. Holders subject to special rules, such as:

- banks, insurance companies, and certain other financial institutions;
- U.S. expatriates and certain former citizens or long-term residents of the United States;
- dealers or traders in securities who use a mark-to-market method of tax accounting;

- persons holding ordinary shares as part of a hedging transaction, “straddle,” wash sale, conversion transaction or integrated transaction or persons entering into a constructive sale with respect to ordinary shares;
- persons whose “functional currency” for U.S. federal income tax purposes is not the U.S. dollar;
- brokers, dealers or traders in securities, commodities or currencies;
- tax-exempt entities or government organizations;
- S corporations, partnerships, or other entities or arrangements classified as partnerships or pass-throughs for U.S. federal income tax purposes (and investors therein);
- regulated investment companies or real estate investment trusts;
- persons who acquired our ordinary shares pursuant to the exercise of any employee stock option or otherwise as compensation;
- persons that own or are deemed to own (including by attribution) ten percent or more of our shares (by vote or value); and
- persons holding our ordinary shares in connection with a trade or business, permanent establishment, or fixed base outside the United States.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds ordinary shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding ordinary shares and partners in such partnerships are encouraged to consult their tax advisers as to the particular U.S. federal income tax consequences of holding and disposing of ordinary shares.

The discussion is based on the Code, administrative pronouncements, judicial decisions, final, temporary and proposed Treasury Regulations, all as of the date hereof, changes to any of which may affect the tax considerations described herein - possibly with retroactive effect.

A “U.S. Holder” is a holder who, for U.S. federal income tax purposes, is a beneficial owner of ordinary shares who is:

- (1) an individual who is a citizen or resident of the United States;
- (2) a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia;
- (3) an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- (4) a trust if (a) a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust or (b) the trust has a valid election to be treated as a U.S. person under applicable U.S. Treasury Regulations.

U.S. Holders are encouraged to consult their tax advisers concerning the U.S. federal, state, local and non-U.S. tax consequences of owning and disposing of our ordinary shares in their particular circumstances.

***Passive Foreign Investment Company Rules***

A non-U.S. corporation will be classified as a PFIC for any taxable year in which, after applying certain look-through rules, either:

- at least 75% of its gross income is passive income (such as interest income); or
- at least 50% of its gross assets (determined on the basis of a quarterly average) is attributable to assets that produce passive income or are held for the production of passive income (including cash).

For this purpose, cash is a passive asset and passive income generally includes dividends, interest, royalties and rents (other than certain royalties and rents derived in the active conduct of a trade or business and not derived from a related person). For purposes of this test, we will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation, the equity of which we own, directly or indirectly, 25% or more (by value).

Based on the estimated composition of our income, assets and operations, we do not believe that we were classified as a PFIC for the U.S. federal income tax purposes for the taxable year ending December 31, 2024. No assurances can be provided that we will not be a PFIC for the current or any future taxable year or that we have not been a PFIC in any prior taxable years. The determination of whether we are a PFIC is a fact-intensive determination made on an annual basis and the applicable law is subject to varying interpretation. In particular, the composition of our assets may depend in part on our current and intended future business plans, which are subject to change. In addition, for our current and future taxable years, the aggregate fair market value of our assets, including goodwill and other unbooked intangibles for PFIC testing purposes may be determined in part by reference to the market price of our ordinary shares from time to time, which may fluctuate considerably. Under the income test, our status as a PFIC depends on the composition of our income which will depend on a variety of factors that are subject to uncertainty, including transactions we enter into in the future. There can be no assurance that the IRS would not successfully challenge our position. Accordingly, our U.S. counsel expresses no opinion with respect to our PFIC status for any prior, current or future taxable year.

If we are classified as a PFIC in any year with respect to which a U.S. Holder owns the ordinary shares, we will continue to be treated as a PFIC with respect to such U.S. Holder in all succeeding years during which the U.S. Holder owns the ordinary shares, regardless of whether we continue to meet the tests described above unless (1) we cease to be a PFIC and the U.S. Holder has made a “deemed sale” election under the PFIC rules, or (2) the U.S. Holder (A) makes a “QEF Election” (defined below) or (B) is eligible to make and makes a mark-to-market election (as described below), with respect to all taxable years during such U.S. Holder’s holding period in which we are a PFIC. If such a deemed sale election is made, a U.S. Holder will be deemed to have sold the ordinary shares the U.S. Holder holds at their fair market value as of the date of such deemed sale and any gain from such deemed sale would be subject to the rules described below. After the deemed sale election, so long as we do not become a PFIC in a subsequent taxable year, the U.S. Holder’s ordinary shares with respect to which such election was made will not be treated as shares in a PFIC and the U.S. Holder will not be subject to the rules described below with respect to any “excess distribution” the U.S. Holder receives from us or any gain from an actual sale or other disposition of the ordinary shares. U.S. Holders should consult their tax advisers as to the possibility and consequences of making a deemed sale election if we are (or were to become) and then cease to be a PFIC and such election becomes available.

For each taxable year we are treated as a PFIC with respect to U.S. Holders, U.S. Holders will be subject to special tax rules with respect to any “excess distribution” such U.S. Holder receives and any gain such U.S. Holder recognizes from a sale or other disposition (including a pledge) of ordinary shares, unless (1) such U.S. Holder makes a “qualified electing fund” election, or QEF Election, with respect to all taxable years during such U.S. Holder’s holding period in which we are a PFIC, or (2) our ordinary shares constitute “marketable stock” and such U.S. Holder makes a mark-to-market election (as discussed below). Distributions a U.S. Holder receives in a taxable year that are greater than 125% of the average annual distributions a U.S. Holder received during the shorter of the three preceding taxable years or the U.S. Holder’s holding period for the ordinary shares will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over a U.S. Holder’s holding period for the ordinary shares;
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we became a PFIC, will be treated as ordinary income; and
- the amount allocated to each other year will be subject to the highest tax rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or “excess distribution” cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the ordinary shares cannot be treated as capital gains, even if a U.S. Holder holds the ordinary shares as capital assets.

If we are a PFIC, a U.S. Holder will generally be subject to similar rules with respect to distributions we receive from, and our dispositions of the shares of, any of the foreign entities in which we may hold equity interests that also are PFICs, or lower-tier PFICs, as if such distributions were indirectly received by,

and/or dispositions were indirectly carried out by, such U.S. Holder. U.S. Holders should consult their tax advisers regarding the application of the PFIC rules to our subsidiaries.

If a U.S. Holder makes an effective QEF Election, the U.S. Holder will be required to include in gross income each year, whether or not we make distributions, as capital gains, such U.S. Holder's pro rata share of our net capital gains and, as ordinary income, such U.S. Holder's pro rata share of our earnings in excess of our net capital gains. However, a U.S. Holder can only make a QEF Election with respect to ordinary shares in a PFIC if such company agrees to furnish such U.S. Holder with certain tax information annually. We do not currently expect to provide such information in the event that we are classified as a PFIC.

U.S. Holders can avoid the interest charge on excess distributions or gain relating to our ordinary shares by making a mark-to-market election with respect to the ordinary shares, provided that the ordinary shares are "marketable stock." Ordinary shares will be marketable stock if they are "regularly traded" on certain U.S. stock exchanges (such as NYSE) or on a non-U.S. stock exchange that meets certain conditions. For these purposes, the ordinary shares will be considered regularly traded during any calendar year during which they are traded, other than in de minimis quantities, on at least 15 days during each calendar quarter. Any trades that have as their principal purpose meeting this requirement will be disregarded. Each U.S. Holder should consult its tax adviser as to the whether a mark-to-market election is available or advisable with respect to the ordinary shares.

A U.S. Holder that makes a mark-to-market election must include in ordinary income for each year an amount equal to the excess, if any, of the fair market value of our ordinary shares at the close of the taxable year over the U.S. Holder's adjusted tax basis in the ordinary shares. An electing holder may also claim an ordinary loss deduction for the excess, if any, of the U.S. Holder's adjusted basis in the ordinary shares over the fair market value of the ordinary shares at the close of the taxable year, but this deduction is allowable only to the extent of any net mark-to-market gains for prior years. Gains from an actual sale or other disposition of the ordinary shares will be treated as ordinary income, and any losses incurred on a sale or other disposition of the shares will be treated as an ordinary loss to the extent of any net mark-to-market gains for prior years. Once made, the election cannot be revoked without the consent of the IRS unless the ordinary shares cease to be marketable stock.

However, a mark-to-market election generally cannot be made for equity interests in any lower-tier PFICs that we own, unless shares of such lower-tier PFIC are themselves "marketable stock." As a result, even if a U.S. Holder validly makes a mark-to-market election with respect to our ordinary shares, the U.S. Holder would likely continue to be subject to the PFIC rules (described above) with respect to its indirect interest in any of our investments that are treated as an equity interest in a PFIC for U.S. federal income tax purposes. U.S. Holders should consult their tax advisers as to the availability and desirability of a mark-to-market election, as well as the impact of such election on interests in any lower-tier PFICs.

Unless otherwise provided by the U.S. Treasury, each U.S. shareholder of a PFIC is required to file an annual report containing such information as the U.S. Treasury may require. A U.S. Holder's failure to file the annual report will cause the statute of limitations for such U.S. Holder's U.S. federal income tax return to remain open with regard to the items required to be included in such report until three years after the U.S. Holder files the annual report, and, unless such failure is due to reasonable cause and not willful neglect, the statute of limitations for the U.S. Holder's entire U.S. federal income tax return will remain open during such period. U.S. Holders should consult their tax advisers regarding the requirements of filing such information returns under these rules.

**WE STRONGLY URGE YOU TO CONSULT YOUR TAX ADVISER REGARDING THE IMPACT OF OUR PFIC STATUS ON YOUR INVESTMENT IN THE ORDINARY SHARES AS WELL AS THE APPLICATION OF THE PFIC RULES TO YOUR INVESTMENT IN THE ORDINARY SHARES.**

#### ***Taxation of Distributions***

Subject to the discussion above under "—Passive foreign investment company rules," distributions paid on ordinary shares, other than certain pro rata distributions of ordinary shares, will generally be treated as dividends to the extent paid out of our current or accumulated earnings and profits (as determined under

U.S. federal income tax principles). Because we may not calculate our earnings and profits under U.S. federal income tax principles, distributions, may be reported to U.S. Holders as dividends. Non-corporate U.S. holders may qualify for the preferential rates of taxation applicable to long term capital gains (i.e., gains from the sale of capital assets held for more than one year) with respect to dividends on ordinary shares if we are a “qualified foreign corporation,” provided that certain conditions are met, including conditions relating to holding period and the absence of certain risk reduction transactions. A non-United States corporation (other than a corporation that is classified as a PFIC for the taxable year in which the dividend is paid or the preceding taxable year) generally will be considered to be a qualified foreign corporation (a) if it is eligible for the benefits of a comprehensive tax treaty with the United States which the Secretary of Treasury of the United States determines is satisfactory for purposes of these rules and which includes an exchange of information provision, or (b) with respect to any dividend it pays on ordinary shares which are readily tradable on an established securities market in the United States. The amount of the dividend will be treated as foreign-source dividend income to U.S. Holders and will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Code. Dividends will generally be included in a U.S. Holder’s income on the date of the U.S. Holder’s receipt of the dividend. The amount of any distribution of property other than cash (and other than certain pro rata distributions of ordinary shares or rights to acquire ordinary shares) will be the fair market value of such property on the date of distribution. For foreign tax credit purposes, our dividends will generally be treated as passive category income. If the dividends qualify for preferential rates as discussed above, the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation will generally be limited to the gross amount of the dividend, multiplied by the reduced rate applicable to the qualified dividend income, divided by the highest rate of tax normally applicable to dividends. In addition, applicable U.S. Treasury regulations may restrict the availability of any foreign tax credit based on the nature of the withholding tax imposed by a non-U.S. jurisdiction. The rules relating to the determination of the U.S. foreign tax credit are complex, and U.S. Holders should consult their tax advisers regarding the availability of a foreign tax credit in their particular circumstances and the possibility of claiming a deduction (in lieu of the foreign tax credit) for any foreign taxes paid or withheld.

The amount of any distribution paid in foreign currency will be equal to the U.S. dollar value of such currency, translated at the spot rate of exchange on the date such distribution is actually or constructively received by the U.S. Holder, regardless of whether the payment is in fact converted into U.S. dollars at that time. A U.S. Holder generally should not recognize any foreign currency gain or loss in respect of such distribution if such foreign currency is converted into U.S. dollars on the date received by the U.S. Holder.

#### ***Sale or Other Taxable Disposition of Ordinary Shares***

Subject to the discussion above under “—Passive foreign investment company rules,” gain or loss realized on the sale or other taxable disposition of ordinary shares will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder held the ordinary shares for more than one year. The amount of the gain or loss will equal the difference between the U.S. Holder’s tax basis in the ordinary shares disposed of and the amount realized on the disposition, in each case as determined in U.S. dollars. This gain or loss will generally be U.S.-source gain or loss for foreign tax credit purposes. The deduction for capital losses is subject to limitations. Because gains for the sale or other taxable disposition of ordinary shares will generally be treated as U.S.-source income, and subject to certain exceptions, Treasury Regulations generally preclude U.S. taxpayers from claiming a foreign tax credit with respect to any non-U.S. tax imposed on any on gains from dispositions of shares held as capital assets unless the tax is creditable under an applicable income tax treaty. Accordingly, your ability to claim a foreign tax credit with respect to the Israeli tax imposed on any such sale or other taxable disposition, if any, may be significantly limited. In addition, applicable U.S. Treasury regulations may restrict the availability of any foreign tax credit based on the nature of the withholding tax imposed by a non-U.S. jurisdiction. You should consult your tax adviser as to whether the Israeli tax on gains may be creditable or deductible in light of your particular circumstances and your ability to apply the provisions of an applicable treaty.

If the consideration received upon the sale or other taxable disposition of Ordinary Shares is paid in foreign currency, the amount realized will be the U.S. dollar value of the payment received, translated at

the spot rate of exchange on the date of taxable sale, exchange or disposition. If our Ordinary Shares are treated as traded on an established securities market, a cash basis U.S. Holder and an accrual basis U.S. Holder who has made a special election (which must be applied consistently from year to year and cannot be changed without the consent of the IRS) will determine the U.S. dollar value of the amount realized in foreign currency by translating the amount received at the spot rate of exchange on the settlement date of the sale. An accrual basis United States Holder that does not make the special election will recognize exchange gain or loss to the extent attributable to the difference between the exchange rates on the sale date and the settlement date, and such exchange gain or loss generally will constitute ordinary income or loss. U.S. Holders should consult their tax advisers regarding how to account for gain or loss on the sale, exchange or disposition of the Ordinary Shares that are paid in a currency other than the U.S. dollar.

A U.S. Holder's basis in Ordinary Shares will generally be the U.S. dollar value of the acquisition cost of such Ordinary Shares. If a U.S. Holder uses foreign currency to purchase Ordinary Shares, the cost of such Ordinary Shares will be the U.S. dollar value of the foreign currency purchase price determined by reference to the spot rate of exchange on the date of purchase. However, if the Ordinary Shares are treated as traded on an established securities market and the U.S. Holder is either a cash basis taxpayer or an accrual basis taxpayer who has made the special election described above, such U.S. Holder will determine the U.S. dollar value of the cost of such Ordinary Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase.

#### ***Information reporting and backup withholding***

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting, and may be subject to backup withholding, unless (1) the U.S. Holder is a corporation or other exempt recipient or (2) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the IRS.

#### ***Information with respect to foreign financial assets***

Certain U.S. Holders who are individuals (and, under proposed regulations, certain entities) may be required to report information relating to the ordinary shares, subject to certain exceptions (including an exception for ordinary shares held in accounts maintained by certain U.S. financial institutions). Such U.S. Holders who fail to timely furnish the required information may be subject to a penalty and the statute of limitations on the assessment and collection of all U.S. federal income taxes of such U.S. Holder for the related tax year may not close before the date which is three years after the date on which such report is filed. Additionally, if a U.S. Holder does not file the required information, the statute of limitations with respect to tax returns of the U.S. Holder to which the information relates may not close until three years after such information is filed. U.S. Holders should consult their tax advisers regarding their reporting obligations with respect to their ownership and disposition of the ordinary shares.

#### **F. Dividends and Paying Agents**

Not applicable.

#### **G. Statement by Experts**

Not applicable.

#### **H. Documents on Display**

We are subject to the informational requirements of the Exchange Act. Accordingly, we are required to file reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K. The SEC maintains an internet website that contains reports and other information about issuers, like us, that file electronically with the SEC. The address of that website is [www.sec.gov](http://www.sec.gov).

As a foreign private issuer, we are exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act.

We maintain a corporate website at <http://www.similarweb.com>. Information contained on, or that can be accessed through our website does not constitute a part of this Annual Report on Form 20-F. We also make available on our website's investor relations page at <http://ir.similarweb.com>, free of charge, our Annual Report and the text of our reports on Form 6-K, including any amendments to these reports, as well as certain other SEC filings, as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. The information contained on our website is not incorporated by reference in this Annual Report.

**I. Subsidiary Information**

Not applicable.

**J. Annual Report to Security Holders**

Not applicable.

**Item 11. Quantitative and Qualitative Disclosures about Market Risk**

We are exposed to market risk from changes in exchange rates, interest rates and inflation. All of these market risks arise in the ordinary course of business, as we do not engage in speculative trading activities. The following analysis provides additional information regarding these risks.

*Foreign Currency and Exchange Risk*

Our functional currency is the U.S. dollar. Our sales are mainly denominated in U.S. dollars, British Pounds and Euros. A significant portion of our operating costs are in Israel, consisting principally of salaries and related personnel expenses, and facility expenses, which are denominated in NIS. This foreign currency exposure gives rise to market risk associated with exchange rate movements of the U.S. dollar against the NIS and other currencies. Furthermore, we anticipate that a significant portion of our expenses will continue to be denominated in NIS. We hedge against currency risk through the use of forward currency contracts and cylinder contracts. See "Risk factors—Risks relating to our business and industry— Our international sales and operations subject us to additional risks and costs, including the ability to engage with customers in new geographies, exposure to foreign currency exchange rate fluctuations, that can adversely affect our business, financial condition, revenue, results of operations or cash flows." A hypothetical 10% change in foreign currency exchange rates applicable to our business would have had an impact on our net loss of \$10.0 million and \$9.8 million, for the years ended December 31, 2023 and 2024, respectively.

*Interest Rate Risk*

As of December 31, 2023 and 2024, we had cash and cash equivalents and restricted deposits of \$81.8 million and \$74.4 million, respectively. Cash and cash equivalents consist of cash in banks, bank deposits, and money market funds. Our cash, cash equivalents are held for working capital purposes. Such interest-earning instruments carry a degree of interest rate risk. Additionally, certain of these cash investments are maintained at balances beyond Federal Deposit Insurance Corporation, or FDIC, coverage limits or are not insured by the FDIC. Accordingly, there may be a risk that we will not recover the full principal of our cash investments. Such interest-earning instruments carry a degree of interest rate risk. The primary objectives of our investment activities are the preservation of capital, the fulfillment of liquidity needs and the fiduciary control of cash. We do not enter into investments for trading or speculative purposes. Due to the short-term nature of these instruments, a hypothetical 10% change in interest rates during any of the periods presented would not have had a material impact on our historical consolidated financial statements.



We had 0 outstanding borrowings under the SVB LSA as of December 31, 2024. The SVB LSA carried a variable interest equal to the greater of (i) a floating per annum rate equal to 0.25% above the prime rate set forth in the SVB LSA or (ii) a fixed per annum rate equal to 3.50%. A hypothetical 10% change in interest rates during any of the periods presented would not have had a material impact on our consolidated financial statements.

*Impact of Inflation*

While it is difficult to accurately measure the impact of inflation due to the imprecise nature of the estimates required, we do not believe inflation has had a material effect on our historical results of operations and financial condition. However, if our costs were to become subject to significant inflationary pressures, we may not be able to fully offset higher costs through price increases or other corrective measures, and our inability or failure to do so could adversely affect our business, financial condition and results of operations.

The Inflation Reduction Act was enacted in the United States on August 16, 2022 and includes a number of provisions that may impact us in the future. We have assessed these impacts for this Annual Report, and do not expect the new law to have a material impact on our financial statements.

**Item 12. Description of Securities Other than Equity Securities**

Not applicable.

PART II

**Item 13. Defaults, Dividend Arrearages and Delinquencies**

None.

**Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds**

None.

*Use of Proceeds*

On May 12, 2021 we completed an IPO of 8,000,000 ordinary shares, out of which 7,500,000 ordinary shares were offered by the company and additional 500,000 shares were offered as a secondary transaction by our Chief Executive Officer, and 50,531 additional ordinary shares were subsequently sold pursuant to the exercise of the underwriters' option to purchase additional ordinary shares, sold at an initial public offering price of \$22.00 per ordinary share. The ordinary shares offered and sold in the IPO were registered under the Securities Act pursuant to our Registration Statement on Form F-1 (File No. 333-255262), which was declared effective by the SEC on May 11, 2021.

The offering did not terminate until after the sale of all 8,000,000 ordinary shares registered on the registration statement, and pursuant to the offering, a sale of additional 50,531 ordinary shares sale was completed successfully. The aggregate offering price for the shares registered and sold was approximately \$177 million. J.P. Morgan Securities LLC, Citigroup Global Markets Inc., Barclays Capital Inc. and Jefferies LLC acted as joint book running managers of the offering and as representatives of the underwriters.

The IPO generated proceeds to us of approximately \$154.5 million and \$10.2 million to our Chief Executive Officer, net of underwriting discounts and commissions of approximately \$11.6 and \$0.8 million, respectively. We paid out of Company proceeds all of our fees, costs and expenses in connection with the IPO.

No offering expenses were paid directly or indirectly to any of our directors or officers (or their associates), persons owning 10% or more of our ordinary shares or any other affiliates.

There has been no material change in the expected use of the net proceeds from our IPO as described in our final prospectus filed with the SEC on May 12, 2021 pursuant to Rule 424(b).

## Item 15. Controls and Procedures

### *Evaluation of Disclosure Controls and Procedures*

We maintain disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in the Company's reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2024. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2024, our disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

### *Management's Annual Report on Internal Control over Financial Reporting and Attestation Report of the Registered Public Accounting Firm*

Our management, under the supervision of our Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting (as that term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Our internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As required by Section 404(a) of the Sarbanes-Oxley Act and related rules promulgated by the SEC thereunder, our management, including our Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of internal control over financial reporting as of December 31, 2024 based on the framework in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has concluded that our internal control over financial reporting was effective as of December 31, 2024.

In accordance with guidance issued by the SEC, companies are permitted to exclude acquisitions from their assessment of internal control over financial reporting for the first fiscal year in which the acquisition occurred. Management has excluded two subsidiaries acquired during 2024 from its evaluation of the internal control over financial reporting as of December 31, 2024. These subsidiaries, in the aggregate, constituted less than 2% of total assets as of December 31, 2024, excluding intangible assets and goodwill, and less than 2% of total revenue for the year ended December 31, 2024.

This annual report does not include an attestation report of the Company’s independent registered public accounting firm regarding internal control over financial reporting. As an emerging growth company, management’s report is not subject to attestation by our independent registered public accounting firm.

**Changes in Internal Control over Financial Reporting**

There were no changes in our internal controls over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act) that occurred during the period covered by this Annual Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**Item 16. [Reserved]**

**Item 16A. Audit Committee Financial Expert**

Our board of directors has determined that Harel Beit-On is an audit committee financial expert as defined by the SEC rules and has the requisite financial experience as defined by the NYSE corporate governance rules.

Our board of directors has determined that each member of our audit committee is “independent” as such term is defined in Rule 10A-3(b)(1) under the Exchange Act, which is different from the general test for independence of board and committee members.

**Item 16B. Code of Ethics**

We have adopted a Code of Business Conduct and Ethics that applies to all our employees, officers and directors. Our Code of Business Conduct and Ethics addresses, among other things, competition and fair dealing, gifts and entertainment, conflicts of interest, international business laws, financial matters and external reporting, company assets, confidentiality, employee health and safety, environmental and commitment to sustainability, diversity and inclusion, discrimination and harassment, respect for global human rights and corporate opportunity requirements and the process for reporting violations of the Code of Business Conduct and Ethics. Our Code of Business Conduct and Ethics is intended to meet the definition of “code of ethics” under Item 16B of 20-F under the Exchange Act.

We will disclose on our website any amendment to, or waiver from, a provision of our Code of Business Conduct and Ethics that applies to our directors or executive officers to the extent required under the rules of the SEC or the NYSE. Our Code of Business Conduct and Ethics is available on our website at <https://ir.similarweb.com/corporate-governance/governance-documents>. The information contained on or through our website, or any other website referred to herein, is not incorporated by reference in this Annual Report.

**Item 16C. Principal Accounting Fees and Services**

The table below sets out the total amount of services rendered to us by Kost Forer Gabbay & Kasierer, a member of EY Global, for services performed in the years ended December 31, 2023 and 2024, and breaks down these amounts by category of service:

	2023	2024
	(in thousands)	
Audit Fees	\$ 508	\$ 650
Audit Related Fees	299	47
Tax Fees	154	158
Total	\$ 961	\$ 855

**Audit Fees**

Audit fees for the years ended December 31, 2023 and 2024 include fees for the audit of our annual financial statements and the review procedures of our quarterly financial statements. This category also includes services that the independent accountant generally provides, such as consents and assistance with and review of documents filed with the SEC.

**Audit Related Fees**

Audit related fees for the years ended December 31, 2023 and 2024 include fees for other services, such as attestation reports for service organizations and due diligence services.

**Tax Fees**

Tax fees for the years ended December 31, 2023 and 2024 relate to ongoing tax advisory, tax compliance and tax planning services.

**Pre-Approval Policies and Procedures**

The advance approval of the Audit Committee or members thereof, to whom approval authority has been delegated, is required for all audit and non-audit services provided by our auditors.

All services provided by our auditors are approved in advance by either the Audit Committee or members thereof, to whom authority has been delegated, in accordance with the Audit Committee's pre-approval policy.

**Item 16D. Exemptions from the Listing Standards for Audit Committees**

Not applicable.

**Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

None.

**Item 16F. Change in Registrant's Certifying Accountant**

None.

**Item 16G. Corporate Governance**

As an Israeli company, we are subject to various corporate governance requirements under the Companies Law. However, pursuant to regulations promulgated under the Companies Law, companies with shares traded on certain U.S. stock exchanges, including the NYSE, may, subject to certain conditions, "opt out" from the Companies Law requirements to appoint external directors and related Companies Law rules concerning the composition of the audit committee and compensation committee of the board of directors (other than the gender diversification rule under the Companies Law, which requires the appointment of a director from the other gender if at the time a director is appointed all members of the board of directors are of the same gender). In accordance with these regulations, we elected to "opt out" from such requirements of the Companies Law. Under these regulations, the exemptions from such Companies Law requirements will continue to be available to us so long as: (1) we do not have a "controlling shareholder" (as such term is defined under the Companies Law), (2) our shares are traded on certain U.S. stock exchanges, including the NYSE, and (3) we comply with the director independence requirements and the audit committee and compensation committee composition requirements under U.S. laws (including applicable NYSE rules) applicable to U.S. domestic issuers.

Additionally, we are a “foreign private issuer” (as such term is defined in the Securities Act). As a foreign private issuer, we will be permitted to comply with Israeli corporate governance practices instead of the NYSE corporate governance rules, *provided* that we disclose which requirements we are not following and the equivalent Israeli requirement.

We rely on this “foreign private issuer exemption” with respect to the quorum requirement for shareholder meetings, the nominating/corporate governance committee composition requirements, and the shareholder approval requirements. Whereas under the corporate governance rules of NYSE, a quorum requires the presence, in person or by proxy, of holders of at least 33 1/3% of the total issued outstanding voting power of our shares at each general meeting of shareholders, pursuant to our amended and restated articles of association, and as permitted under the Companies Law, the quorum required for a general meeting of shareholders consists of at least two shareholders present in person or by proxy in accordance with the Companies Law, who hold or represent at least 33 1/3% of the total outstanding voting power of our shares, except if (i) any such general meeting of shareholders was initiated by and convened pursuant to a resolution adopted by the board of directors and (ii) at the time of such general meeting, we qualify as a “foreign private issuer,” in which case the requisite quorum will consist of two or more shareholders present in person or by proxy who hold or represent at least 25% of the total outstanding voting power of our shares (and if the meeting is adjourned for a lack of quorum, the quorum for such adjourned meeting will be, subject to certain exceptions, any number of shareholders). In addition, whereas the NYSE rules require the nominating/corporate governance committee to be composed entirely of independent directors, it is not required under the Companies Law, and as such, our board of directors appointed the members of our nominating and corporate governance committee. As to shareholder approval, we will seek shareholder approval whenever required under the Companies Law rather than when required for a domestic U.S. issuer under the NYSE rules. We otherwise intend to comply with the rules generally applicable to U.S. domestic companies listed on NYSE. We may, however, in the future decide to use the “foreign private issuer exemption” and opt out of some or all of the other corporate governance rules.

**Item 16H. Mine Safety Disclosure**

Not applicable.

**Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

**Item 16J. Insider trading policies**

We have adopted an insider trading compliance policy that governs the purchase, sale, and other dispositions of our securities by our officers, directors, advisory board members, employees (full and part-time), and consultants that is reasonably designed to promote compliance with applicable insider trading laws, rules and regulations, and any applicable listing standards. A copy of our insider trading policy is filed as Exhibit 11.1 to this Annual Report.

**Item 16K. Cybersecurity**

**Cybersecurity Risk Management and Strategy**

We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information. Our cybersecurity risk management program is designed to assess, identify, and manage material risks from cybersecurity threats and includes a cybersecurity incident response plan.

We design and assess our program based on the National Institute of Standards and Technology Cybersecurity Framework, or NIST CSF. This does not imply that we meet any particular technical standards,

specifications, or requirements, only that we use the NIST CSF as a guide to help us identify, assess, and manage cybersecurity risks relevant to our business.

Our cybersecurity risk management program is integrated into our overall enterprise risk management program, and shares common methodologies, reporting channels and governance processes that apply across the enterprise risk management program to other legal, compliance, strategic, operational, and financial risk areas. As part of this process, we gather input from subject matter specialists, as necessary, to obtain insights to help identify and assess material cybersecurity threat risks, as well as potential severity and mitigation measures.

Our cybersecurity risk management program includes:

- risk assessments designed to help identify material cybersecurity risks to our critical systems, information, products, services, and our broader enterprise IT environment;
- a security team principally responsible for managing (1) our cybersecurity risk assessment processes, (2) our security controls, and (3) our response to cybersecurity incidents;
- the use of external service providers, where appropriate, to assess, test or otherwise assist with aspects of our security controls;
- periodic cybersecurity awareness training of our employees and incident response personnel;
- a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents; and
- a third-party risk management process for service providers, suppliers, and vendors.

We also conduct the following activities at various intervals during the year, which vary in maturity across our business:

- monitor emerging data protection laws and implement changes from time-to-time to our processes designed to comply;
- undertake regular reviews of our customer facing policies and statements related to cybersecurity;
- through policy, practice, and contract (as applicable) require employees, who provide services on our behalf, to treat customer information and data with care;
- leverage the NIST CSF incident handling framework to help us prepare, detect, analyze, contain, eradicate, respond, and recover when there is an actual or potential cybersecurity incident;
- commission annual audits of our information security policies and practices with industry security standards and maintain ISO/IEC 27001 certification and SOC 2 Type II report.
- engage our Internal Auditor to conduct internal reviews of our cybersecurity policies and practices and a third party to perform annual penetration testing to our production environments.
- promote and operate a bug bounty program which invites external security experts to identify potential security vulnerabilities and enables us to continuously improve our security posture and the security of our platform.
- conduct a variety of information security and privacy trainings, including new employee training, job-specific security training, specialized training for IT and security personnel, and phishing simulations.
- run annual tabletop exercise to train our executives and increase their cybersecurity awareness.
- carry information security risk insurance to help defray potential losses that might arise from a cybersecurity incident.

We have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected or are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial condition.

### **Cybersecurity Governance**

Our Board considers cybersecurity risk as part of its risk oversight function and has delegated to the Audit Committee oversight of cybersecurity and other information technology risks. The Audit Committee oversees management's implementation of our cybersecurity risk management program.

The Audit Committee receives regular reports from management on our cybersecurity risks. In addition, management updates the Audit Committee, as necessary, regarding any material cybersecurity incidents.

The Audit Committee reports to the full Board regarding its activities, including those related to cybersecurity. The full Board also receives briefings from management on our cyber risk management program.

Members of the Board and Audit Committee are also encouraged to regularly engage in ad hoc conversations with management on cybersecurity-related news events and discuss any updates to our cybersecurity risk management and strategy programs. Material cybersecurity threat risks are also considered during separate Board meeting discussions of important matters like enterprise risk management, operational budgeting, mergers and acquisitions, and other relevant matters.

Our management team is responsible for assessing and managing our material risks from cybersecurity threats and is primarily responsible for our overall cybersecurity risk management program. Our management team has extensive experience in managerial, information technology, information security, and cyber skills and we have employed a professional in the position of chief information security officer, or CISO, since 2020. Our current CISO joined us in 2023 and has over 18 years of experience in various security disciplines. The CISO's expertise and our security team enable us to navigate the complex landscape of cybersecurity and keep up with emerging threats as technology continues to evolve.

Our management team supervises efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, which may include briefings from internal security personnel; threat intelligence and other information obtained from governmental, public or private sources, including external consultants engaged by us; and alerts and reports produced by security tools deployed in the IT environments.

As of the date of this Annual Report, the Company is not aware of any cybersecurity threats, including as a result of any previous cybersecurity incidents, that have materially affected or are reasonably likely to materially affect the Company, including its business strategy, results of operations or financial condition. For additional information concerning risks related to cybersecurity, see *Item 3.D. Risk Factors*.

## PART III

### **Item 17. Financial Statements**

We have provided financial statements pursuant to Item 18.

**Item 18. Financial Statements**

The audited consolidated financial statements as required under Item 18 are attached hereto starting on page F-1 of this Annual Report. The audit report of Kost Forer Gabbay and Kasierer, a member of EY Global, an independent registered public accounting firm, is included herein preceding the audited consolidated financial statements.

**Item 19. Exhibits**

List all exhibits filed as part of the registration statement or annual report, including exhibits incorporated by reference.

<b>Incorporation by Reference</b>						
<b>Exhibit No.</b>	<b>Description</b>	<b>Form</b>	<b>File No.</b>	<b>Exhibit No.</b>	<b>Filing Date</b>	<b>Filed / Furnished</b>
<a href="#">1.1</a>	<a href="#">Form of Amended and Restated Articles of Association of the Registrant</a>	F-1/A	333-255262	<a href="#">3.2</a>	5/10/2021	
<a href="#">2.1</a>	<a href="#">Description of Securities</a>					
<a href="#">4.1</a>	<a href="#">Form of Indemnification Agreement</a>	F-1/A	333-255262	<a href="#">10.1</a>	5/10/2021	
<a href="#">4.2</a> †	<a href="#">2012 Incentive Option Plan</a>	F-1/A	333-255262	<a href="#">10.2</a>	5/10/2021	
<a href="#">4.3</a> †	<a href="#">2021 Share Incentive Plan</a>	F-1/A	333-255262	<a href="#">10.3</a>	5/10/2021	
<a href="#">4.4</a> †	<a href="#">2021 Employee Share Purchase Plan</a>	F-1/A	333-255262	<a href="#">10.4</a>	5/10/2021	
<a href="#">4.5</a>	<a href="#">Compensation Policy for Officers and Directors</a>	F-1/A	333-255262	<a href="#">10.5</a>	5/10/2021	
<a href="#">4.6</a>	<a href="#">Loan and Security Agreement, dated December 30, 2020, between Silicon Valley Bank, Similarweb Ltd., Similarweb UK Ltd. and Similarweb, Inc.</a>	F-1/A	333-255262	<a href="#">10.6</a>	5/10/2021	
<a href="#">4.7</a>	<a href="#">Amended and Restated Investor Rights Agreement, dated as of October 21, 2020, as amended, among the Registrant, Or Offer, Nir Cohen, and the investors named therein</a>	F-1/A	333-255262	<a href="#">10.8</a>	5/10/2021	
<a href="#">4.8</a>	<a href="#">Data Supply &amp; License Agreement, dated as of February 14, 2014, by and between Myriad International Holdings BV and the Registrant</a>	F-1/A	333-255262	<a href="#">10.9</a>	5/10/2021	
<a href="#">4.9</a>	<a href="#">Addendum No.1 to Data Supply &amp; License Agreement, dated as of August 16, 2015, by and between Myriad International Holdings BV and the Registrant</a>	F-1/A	333-255262	<a href="#">10.10</a>	5/10/2021	
<a href="#">4.10</a>	<a href="#">Addendum No. 2 to Data Supply &amp; License Agreement, dated as of January 10, 2017, by and between Myriad International Holdings BV and the Registrant</a>	F-1/A	333-255262	<a href="#">10.11</a>	5/10/2021	



<a href="#">4.11</a>	<a href="#">Mutual Licenses and Services Agreement, dated as of November 24, 2016, by and between SimilarTech Ltd. and the Registrant</a>	F-1/A	333-255262	<a href="#">10.12</a>	5/10/2021	
<a href="#">4.12</a>	<a href="#">Addendum No. 1 to Mutual Licenses and Services Agreement, dated as of July 22, 2019, by and between SimilarTech Ltd. and the Registrant</a>	F-1/A	333-255262	<a href="#">10.13</a>	5/10/2021	
<a href="#">4.13</a>	<a href="#">Summary in English of the Lease Agreement, dated as of August 5, 2021 by and between the Registrant and Eilat Haskaot (Ramat-Vered) 1994 Ltd.</a>	20-F	001-40394	<a href="#">4.14</a>	3/25/2022	
<a href="#">4.14</a>	<a href="#">Loan Modification Agreement, dated November 13, 2022, between Silicon Valley Bank, Similarweb Ltd., Similarweb UK Ltd. and Similarweb, Inc.</a>	20-F	001-40394	<a href="#">4.15</a>	3/23/2023	
<a href="#">4.15</a>	<a href="#">Loan Modification Agreement, dated August 6, 2024, between Silicon Valley Bank, Similarweb Ltd., Similarweb UK Ltd. and Similarweb, Inc.</a>					*
<a href="#">8.1</a>	<a href="#">List of subsidiaries</a>					*
<a href="#">11.1</a>	<a href="#">Insider Trading Compliance Policy</a>					*
<a href="#">12.1</a>	<a href="#">Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>					*
<a href="#">12.2</a>	<a href="#">Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>					*
<a href="#">13.1</a>	<a href="#">Principal Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>					**
<a href="#">13.2</a>	<a href="#">Principal Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>					**
<a href="#">15.1</a>	<a href="#">Consent of Kost, Forer, Gabbay &amp; Kasierer, a member of EY Global, an independent registered public accounting firm</a>					*
<a href="#">97.1</a>	<a href="#">Compensation Clawback Policy</a>	20-F	001-40394	<a href="#">97.1</a>	2/28/2024	
101.INS	Inline XBRL Instance Document.					*
101.SCH	Inline XBRL Taxonomy Extension Schema Document.					*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					*
101.DEF	Inline XBRL Taxonomy Definition Linkbase Document.					*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.					*



**Similarweb Ltd. and its subsidiaries**  
**Consolidated financial statements**  
**In U.S. dollars**

**Index to consolidated financial statements**

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## Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Similarweb Ltd.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Similarweb Ltd. and subsidiaries (the Company) as of December 31, 2024 and 2023, the related consolidated statements of comprehensive income (loss), changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Kost Forer Gabbay & Kasierer

A Member of EY Global

We have served as the Company's auditor since 2010

Tel-Aviv, Israel

February 27, 2025

**Similarweb Ltd. and Subsidiaries**  
**Consolidated balance sheets**  
**U.S. dollars in thousands (except share and per share data)**

	<b>December 31,</b>	
	<b>2023</b>	<b>2024</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 71,732	\$ 63,869
Restricted deposits	10,020	10,572
Accounts receivable, net	47,869	50,975
Deferred contract costs	11,165	11,373
Prepaid expenses and other current assets	5,599	4,567
Total current assets	<u>146,385</u>	<u>141,356</u>
Property and equipment, net	28,630	25,921
Deferred contract costs, non-current	9,845	9,895
Operating lease right-of-use assets	36,007	34,393
Intangible assets, net	4,785	5,577
Goodwill	12,867	25,269
Other non-current assets	494	500
Total assets	<u>\$ 239,013</u>	<u>\$ 242,911</u>
<b>Liabilities and Shareholders' equity</b>		
Current liabilities:		
Borrowings under Credit Facility	\$ 25,000	\$ —
Accounts payable	8,422	12,403
Payroll and benefit related liabilities	20,437	20,304
Deferred revenue	99,968	108,232
Other payables and accrued expenses	23,263	29,330
Operating lease liabilities	7,095	6,923
Total current liabilities	<u>184,185</u>	<u>177,192</u>
Deferred revenue, non-current	878	1,172
Operating lease liabilities, non-current	35,329	32,809
Other long-term liabilities	3,074	4,230
Total liabilities	<u>223,466</u>	<u>215,403</u>
Commitments and contingencies (Note 16)		
<b>Shareholders' equity</b>		
Ordinary Shares, NIS 0.01 par value 500,000,000 shares authorized as of December 31, 2023 and 2024; 78,653,046 and 82,620,679 shares issued as of December 31, 2023 and 2024, respectively; 78,650,878 and 82,618,511 shares outstanding as of December 31, 2023 and 2024, respectively; 2,168 treasury shares as of December 31, 2023 and 2024;	216	227
Additional paid-in capital	367,558	391,449
Accumulated other comprehensive income	872	388
Accumulated deficit	(353,099)	(364,556)
Total shareholders' equity	<u>15,547</u>	<u>27,508</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 239,013</u>	<u>\$ 242,911</u>

The accompanying notes are an integral part of these consolidated financial statements.

Similarweb Ltd. and Subsidiaries  
Consolidated statements of comprehensive income (loss)  
U.S. dollars in thousands (except share and per share data)

	Year Ended December 31,		
	2022	2023	2024
Revenue	\$ 193,234	\$ 218,019	\$ 249,913
Cost of revenue	53,274	47,090	54,814
Gross profit	139,960	170,929	195,099
Operating expenses:			
Research and development	59,904	56,158	55,596
Sales and marketing	122,635	101,198	105,476
General and administrative	45,277	42,380	43,691
Total operating expenses	227,816	199,736	204,763
<b>Loss from operations</b>	<b>(87,856)</b>	<b>(28,807)</b>	<b>(9,664)</b>
Other income, net	290	—	—
Finance income, net	4,421	941	134
<b>Loss before income taxes</b>	<b>(83,145)</b>	<b>(27,866)</b>	<b>(9,530)</b>
Provision for income taxes	516	1,507	1,927
<b>Net loss</b>	<b>\$ (83,661)</b>	<b>\$ (29,373)</b>	<b>\$ (11,457)</b>
Net loss per share, basic and diluted	\$ (1.10)	\$ (0.38)	\$ (0.14)
Weighted-average shares used in computing net loss per share, basic and diluted	75,718,623	77,752,960	80,825,695
<b>Net loss</b>	<b>\$ (83,661)</b>	<b>\$ (29,373)</b>	<b>\$ (11,457)</b>
<b>Other comprehensive (loss) income, net of tax</b>			
Change in unrealized (loss) gain on cash flow hedges	(527)	1,239	(484)
Total other comprehensive (loss) income, net of tax	(527)	1,239	(484)
<b>Total comprehensive loss</b>	<b>\$ (84,188)</b>	<b>\$ (28,134)</b>	<b>\$ (11,941)</b>

The accompanying notes are an integral part of these consolidated financial statements.

**Similarweb Ltd. and Subsidiaries**  
**Consolidated statements of changes in shareholders' equity**  
**U.S. dollars in thousands (except share data)**

	Ordinary Shares		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount				
Balance at January 1, 2022	74,845,441	\$ 205	\$ 324,614	\$ 160	\$ (240,065)	\$ 84,914
Exercise of stock options and vesting of RSUs	1,230,823	4	2,030	—	—	2,034
Issuance of ordinary shares under the employee share purchase plan	357,508	1	2,082	—	—	2,083
Share-based compensation	—	—	16,987	—	—	16,987
Deferred costs in relation to initial public offering	—	—	121	—	—	121
Other comprehensive loss	—	—	—	(527)	—	(527)
Net loss	—	—	—	—	(83,661)	(83,661)
Balance at December 31, 2022	76,433,772	210	345,834	(367)	(323,726)	21,951
Exercise of stock options and vesting of RSUs	1,923,898	5	2,302	—	—	2,307
Issuance of ordinary shares under the employee share purchase plan	293,208	1	1,258	—	—	1,259
Share-based compensation	—	—	18,164	—	—	18,164
Other comprehensive income	—	—	—	1,239	—	1,239
Net loss	—	—	—	—	(29,373)	(29,373)
Balance at December 31, 2023	78,650,878	216	367,558	872	(353,099)	15,547
Exercise of stock options and vesting of RSUs	3,692,511	10	4,687	—	—	4,697
Issuance of ordinary shares under the employee share purchase plan	275,122	1	1,485	—	—	1,486
Share-based compensation	—	—	17,719	—	—	17,719
Other comprehensive loss	—	—	—	(484)	—	(484)
Net loss	—	—	—	—	(11,457)	(11,457)
Balance at December 31, 2024	82,618,511	\$ 227	\$ 391,449	\$ 388	\$ (364,556)	\$ 27,508

The accompanying notes are an integral part of these consolidated financial statements.

Similarweb Ltd. and Subsidiaries  
Consolidated statements of cash flows  
U.S. dollars in thousands

	Year Ended December 31,		
	2022	2023	2024
<b>Cash flows from operating activities:</b>			
Net loss	\$ (83,661)	\$ (29,373)	\$ (11,457)
Adjustments to reconcile net loss to net cash used in (provided by) operating activities:			
Depreciation and amortization	10,584	10,258	10,528
Finance expense	1,112	1,646	500
Unrealized (gain) loss from hedging transactions	(20)	(52)	103
Share-based compensation	16,987	18,127	17,615
Gain on sale of equipment	(142)	—	(12)
Changes in operating assets and liabilities:			
Change in operating lease right-of-use assets and liabilities, net	5,744	(1,926)	(1,078)
Increase in accounts receivable, net	(6,882)	(9,728)	(2,127)
Increase in deferred contract costs	(459)	(2,873)	(258)
Decrease in other current assets	1,342	617	612
Decrease (increase) in other non-current assets	372	(53)	(6)
(Decrease) increase in accounts payable	(4,284)	1,255	3,597
Increase in deferred revenue	15,055	6,677	6,432
(Decrease) increase in other non-current liabilities	(1,497)	961	528
(Decrease) increase in other liabilities and accrued expenses	(316)	1,426	5,197
Net cash (used in) provided by operating activities	<u>(46,065)</u>	<u>(3,038)</u>	<u>30,174</u>
<b>Cash flows from investing activities:</b>			
Purchase of property and equipment, net	(28,257)	(1,559)	(1,430)
Capitalized internal-use software costs	(2,919)	(821)	(1,304)
Decrease (increase) in restricted deposits	1,660	(206)	(552)
Payment for business combinations, net of cash acquired	(3,787)	—	(15,414)
Cash received in relation to business combinations	294	—	—
Net cash used in investing activities	<u>(33,009)</u>	<u>(2,586)</u>	<u>(18,700)</u>
<b>Cash flows from financing activities:</b>			
Proceeds from exercise of stock options	2,034	2,296	4,677
Proceeds from employee share purchase plan	2,083	1,259	1,486
Borrowings (repayments) under Credit Facility	25,000	—	(25,000)
Payments of contingent consideration, net	—	(2,363)	—
Net cash provided by (used in) financing activities	<u>29,117</u>	<u>1,192</u>	<u>(18,837)</u>
Effect of exchange rates on cash and cash equivalents	(1,112)	(1,646)	(500)
Net decrease in cash and cash equivalents	(51,069)	(6,078)	(7,863)
Cash and cash equivalents, beginning of period	128,879	77,810	71,732
Cash and cash equivalents, end of period	<u>\$ 77,810</u>	<u>\$ 71,732</u>	<u>\$ 63,869</u>
<b>Supplemental disclosure of cash flow information:</b>			
Taxes paid	\$ 485	\$ 1,883	\$ 1,168



**Supplemental disclosure of non-cash investing and financing activities:**

Initial public offering costs incurred during the period included in accounts payable and accrued expenses	\$	(121)	\$	—	\$	—
Additions to operating lease right-of-use assets and liabilities	\$	9,485	\$	2,597	\$	6,064
Share-based compensation included in capitalized internal-use software	\$	—	\$	37	\$	104
Proceeds from exercise of share options included in other current assets	\$	—	\$	11	\$	29
Deferred costs of property and equipment incurred during the period included in accounts payable	\$	116	\$	139	\$	227
Deferred payments related to business combinations	\$	—	\$	1,269	\$	340

## 1. Organization and operations

Similarweb Ltd. (together with its subsidiaries, the “Company”) was incorporated on February 19, 2009 under the laws of the State of Israel and commenced operations on that date. The Company is a leader in digital data and analytics powering critical business decisions. The Company uncovers what is happening online and seeks to provide businesses with the best digital data and analytics to build strategy, optimize customer acquisition and enhance monetization.

The Company’s Ordinary Shares are traded on the New York Stock Exchange under the symbol “SMWB” since May 11, 2021.

The Company is headquartered in Givatayim, Israel and has operations in various other global locations, including the United States, the United Kingdom, Japan, France, Germany, Australia, Czech Republic, Chile, Switzerland and Singapore.

## 2. Summary of significant accounting policies

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (“US GAAP”). The significant accounting policies applied in the preparation of the consolidated financial statements, are as follows:

### *Principles of consolidation*

The consolidated financial statements include the financial statements of the Company and its subsidiaries. As of December 31, 2023 and 2024, all of the Company’s subsidiaries are wholly owned. All intercompany transactions and balances have been eliminated in consolidation.

### *Use of estimates*

The preparation of the consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the consolidated financial statements, as well as reported amounts of revenue and expenses during the reporting period. The accounting estimates that require management’s subjective judgements include, but are not limited to, revenue recognition, income taxes, incremental borrowing rate (“IBR”) under operating lease agreements, internal-use software costs, share-based compensation, the fair value of acquired intangible assets related to business combinations and the determination of useful lives of acquired intangible assets. The Company evaluates its estimates and judgements on an ongoing basis and revises them when necessary. Actual results may differ materially under different assumptions or conditions.

### *Business and Asset Acquisitions*

The results of an acquired business in a business combination are included in the Company’s consolidated financial statements from the date of acquisition in accordance with ASC 805, *Business Combinations*. The Company allocates the purchase price, which is the sum of the consideration provided and may consist of cash, equity and contingent consideration, to the identifiable assets acquired and the assumed liabilities of the acquired business at their fair values as of the acquisition date. The excess of the purchase price over the amount allocated to the identifiable assets and liabilities, if any, is recorded as goodwill.

The estimated fair values and useful lives of identifiable intangible assets are based on many factors, including estimates and assumptions of future operating performance and cash flows of the acquired business, the nature of the business acquired and the specific characteristics of the identified intangible assets. The estimates and assumptions used to determine the fair values and useful lives of identified intangible assets could change due to numerous factors, including market conditions, technological developments, economic conditions and competition. The Company accounts for deferred revenue in businesses acquired under the provisions of ASU 2021-08, *Topic 805, Business Combinations, Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*.

Contingent consideration incurred in a business combination is included as part of the acquisition price and recorded at a probability weighted assessment of the fair value as of the acquisition date, unless such contingent consideration

includes continued service conditions. The fair value of the contingent consideration that is accounted for as a liability, is re-measured at each reporting period, with any adjustments in fair value recognized in earnings under general and administrative expenses.

Acquisition related costs incurred by the Company are not included as a component of consideration but are accounted for as an expense in the period in which the costs are incurred.

The Company accounts for a transaction as an asset acquisition when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, or otherwise does not meet the definition of a business. Asset acquisition-related costs are capitalized as part of the asset or assets acquired.

#### ***Goodwill and acquired intangible assets***

Goodwill is not amortized but rather tested for impairment at least annually in the fourth quarter, or more frequently if events or changes in circumstances indicate that goodwill may be impaired. Goodwill represents the excess of the purchase price over the fair value of net assets acquired in a business combination and is allocated to reporting units expected to benefit from the business combination. The Company has determined that it has one operating segment and one reporting unit. Goodwill impairment is recognized when the quantitative assessment results in the carrying value exceeding the fair value, in which case an impairment charge is recorded to the extent the carrying value exceeds the fair value.

Intangible assets are amortized on a straight-line basis over the estimated useful life of the respective asset unless that life is determined to be indefinite. Each period, the Company evaluates the estimated remaining useful lives of its intangible assets and whether events or changes in circumstances warrant a revision to the remaining period of amortization.

The Company did not record any impairment charges to goodwill or other acquired intangible assets during the years ended December 31, 2022, 2021 and 2020.

The estimated useful lives of the Company's intangible assets are as follows:

Customer relationships	3.75-6 years
Brand name	2-4 years
Database	2.75 years
User panel	3 years
Developed technology	2-4 years

#### ***Property and equipment, net***

Property and equipment are stated at cost, net of accumulated depreciation, amortization and accumulated impairment losses. Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the related assets as follows:

Computers, software, peripheral and electronic equipment	3 years
Office furniture and equipment	7-15 years
Leasehold improvements	(*)

(\*) Leasehold improvements are depreciated on a straight-line basis over the shorter of the lease term (including any extension option held by the Company and intended to be exercised) and their respective expected lives.

The useful life, depreciation method and residual value of an asset are reviewed whenever events or circumstances indicate that a revision to the useful life is warranted, and any changes are accounted for prospectively as a change in accounting estimate. Maintenance, repairs and minor replacements are expensed as incurred.

***Impairment of long-lived assets***

The carrying amounts of the Company's long-lived assets, including property and equipment, capitalized internal-use software, intangible assets and right of use assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable or that the useful lives are shorter than originally estimated. Recoverability of assets to be held and used is measured by comparing the carrying amount of an asset to future undiscounted cash flows that the asset is expected to generate over its remaining life. If this review indicates that the carrying amount of long-lived assets is not recoverable, the carrying amount of those assets is reduced to fair value. If the useful life is shorter than originally estimated, the Company amortizes the remaining carrying value over the shorter useful life. The Company did not record any such impairments during the years ended December 31, 2022, 2023 and 2024.

***Financial statements in U.S. dollars***

The functional currency, which is the currency that best reflects the economic environment in which the Company operates and conducts most of its transactions, is determined separately for each Company subsidiary and is used to measure its financial position and operating results. The functional currency of the Company is U.S. Dollars.

Transactions denominated in foreign currencies are initially recorded by the Company at their respective functional currency exchange rates prevailing at the date of the transaction. After initial recognition, monetary assets and liabilities denominated in foreign currencies are re-measured at the prevailing functional currency spot rate of exchange as of the reporting date in accordance with ASC Topic 830, *Foreign currency matters*. All transaction gains and losses from the re-measurement of monetary balance sheet items denominated in foreign currencies are recorded in finance income, net. The gains (losses) from foreign currency translation were \$5,814, \$1,298 and \$(329), respectively, for the years ended December 31, 2022, 2023 and 2024.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

***Cash and cash equivalents***

Cash equivalents consist of unrestricted investments in highly liquid short-term investments and money market accounts with original maturities of three months or less when purchased and amounts receivable from payment processors. Interest is accrued as earned.

The Company uses quoted prices in active markets to determine the fair value of its Level 1 investments in money market accounts.

***Restricted deposits***

Restricted deposits are primarily invested in certificates of deposit, which mature within one year from the time of purchase and are used as security for the Company's office leases or other financial commitments.

***Accounts receivable, net***

Accounts receivable includes billed and unbilled receivables. Accounts receivable are recorded at invoiced amounts and do not bear interest. The Company generally does not require collateral and provides for expected losses. The expectation of collectability is based on a review of credit profiles of customers, contractual terms and conditions, current economic trends, and historical payment experience. The Company regularly reviews the adequacy of the allowance for credit losses, which is estimated based on an analysis of the aging of its accounts receivable, historical write-offs, customer payment patterns and current economic trends in accordance with ASC Topic 326, *Financial Instruments - Credit Losses*. Accounts receivable deemed uncollectible are charged against the allowance for credit losses when identified. The allowance for credit losses was not material as of December 31, 2023 and 2024.

Unbilled accounts receivable represents revenue recognized on contracts for which invoices have not yet been presented to customers because the amounts were earned but not contractually billable as of the balance sheet date. As of December 31, 2023 and 2024, the unbilled accounts receivable included within accounts receivable, net were \$246 and \$771, respectively.

***Deferred contract costs***

The Company accounts for costs to obtain revenue contracts in accordance with ASC Topic 340-40 *Other assets and deferred costs*.

Sales commissions earned by the Company's sales force and associated payroll taxes are considered incremental and recoverable costs of acquiring customer contracts. For initial contracts acquired with new customers and additional revenue acquired with existing contracts, these costs are capitalized and amortized on a straight-line basis over the anticipated period of benefit, which is estimated to be three years. The Company determined the period of benefit by taking into consideration the length of its customer contracts, its technology lifecycle and other factors. For renewal of existing contracts, these costs are capitalized and amortized on a straight-line basis over the term of the renewal, since the sales commissions for renewals are not considered commensurate with the sales commissions for initial contracts acquired, given a substantive difference in the commission rates in proportion to their respective contract values.

Amounts expected to be recognized in excess of one year of the balance sheet date are recorded as deferred contract costs, non-current, in the consolidated balance sheets. Deferred contract costs are periodically analyzed for impairment. Amortization expense is recorded in sales and marketing expense within the accompanying consolidated statements of comprehensive income (loss). The Company has elected to apply the practical expedient allowed by ASC Topic 606, *Revenue from contracts with customers* ("ASC 606") according to which incremental costs of obtaining a contract are recognized as an expense when incurred if the amortization period of the asset is one year or less.

***Capitalized internal-use software costs***

The Company capitalizes certain development costs incurred in connection with the development of its platform and software used in operations. The Company also capitalizes costs related to specific upgrades and enhancements when it is probable the expenditures will result in additional functionality. Costs incurred in the preliminary stages of development are expensed as incurred. Once an application has reached the development stage, internal and external costs, if direct and incremental, are capitalized until the software is substantially complete and ready for its intended use. Capitalization ceases upon completion of all substantial testing. Maintenance and training costs are expensed as incurred.

Capitalized internal-use software is amortized on a straight-line basis over its estimated useful life. The weighted-average useful life of capitalized internal-use software is three years as of December 31, 2024. The Company evaluates the useful lives of these assets and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets.

During the years ended December 31, 2022, 2023 and 2024, the Company capitalized software development costs of \$2,919, \$858 and \$1,408, respectively, which are included in property and equipment, net in the consolidated balance sheets. Capitalized internal-use software costs during the year ended December 31, 2023 and 2024 include \$37 and \$104, respectively, of share based compensation.

Amortization expense for the related capitalized internal-use software for the years ended December 31, 2022, 2023 and 2024 totaled \$49, \$1,287 and \$1,546, respectively, and is included in cost of revenue in the consolidated statements of comprehensive income (loss).

The Company did not recognize any impairments to capitalized internal-use software during the years ended December 31, 2022, 2023 and 2024.

### *Revenue recognition*

The Company generates revenue primarily from SaaS subscriptions, which is comprised of subscription fees from customers utilizing its cloud-based digital intelligence solutions and other subscription-based solutions, such as application programming interface (“API”) access, all of which include routine customer support. The Company’s subscriptions agreements are typically offered on an annual and multi-year basis and are renewable thereafter. For multi-year agreements, the Company generally invoices customers at the beginning of each annual period. The Company sells its products directly to its customers utilizing its website, direct sales force and distribution partners.

Subscription service arrangements are generally non-cancelable and do not provide for refunds to customers in the event of cancellations or any other right of return.

The Company recognizes revenue in accordance with ASC 606 and determines revenue recognition through the following steps:

*1. Identification of the contract, or contracts, with a customer;*

The Company determines that it has a contract with a customer when each party’s rights regarding the products or services to be transferred can be identified, the payment terms for the services can be identified, the Company has determined the customer has the ability and intent to pay, the contract has commercial substance and the parties to the contract have approved the contract and are committed to perform their respective obligations. At contract inception, the Company evaluates whether two or more contracts should be combined and accounted for as a single contract and whether the combined or single contract includes more than one performance obligation.

*2. Identification of the performance obligations in the contract;*

Performance obligations promised in a contract are identified based on the products and services that will be transferred to the customer that are both capable of being distinct (i.e., the customer can benefit from the products or services either on their own or together with other resources that are readily available from third parties or from the Company) and are distinct in the context of the contract (i.e., the transfer of the products and services is separately identifiable from other promises in the contract).

For SaaS subscriptions, the Company provides access to its cloud-based software, without providing the customer with the right to take possession of its software, which the Company considers to be a single performance obligation. Other subscription-based solutions provide the customer with API access or other recurring reports, which are generally contracted for the same service period as the SaaS subscription.

*3. Determination of the transaction price;*

The transaction price is determined based on the consideration to which the Company expects to be entitled in exchange for transferring products or delivery of services to the customer. Payment terms and conditions vary by contract type, although terms generally include a requirement to pay within 60 days of invoice. In instances where the timing of revenue recognition differs from the timing of invoicing, the Company has determined its contracts generally do not include a significant financing component. The primary purpose of the Company’s invoicing terms is to provide customers with simplified and predictable ways of purchasing its products and services, not to receive financing from its customers or to provide customers with financing. The Company applied the practical expedient in ASC 606 and did not evaluate payment terms of one year or less for the existence of a significant financing component. Revenue is recognized net of any taxes collected from customers which are subsequently remitted to governmental entities (e.g., sales tax and other indirect taxes). The Company does not offer a right of refund in its contracts.

*4. Allocation of the transaction price to the performance obligations in the contract;*

If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. For contracts that contain multiple performance obligations, the Company allocates the transaction price for each contract to each performance obligation based on the relative standalone selling price (“SSP”). When a contract includes multiple performance obligations which are delivered concurrently and have the

same pattern of transfer to the customer, the Company accounts for those performance obligations as a single performance obligation.

5. *Recognition of revenue when, or as, the performance obligations are satisfied.*

Revenue is recognized at the time the related performance obligation is satisfied by transferring the promised product or delivery of service to the customer. Revenue is recognized in an amount that reflects the consideration that the Company expects to receive in exchange for those products or services. SaaS subscription and other subscription revenue is recognized on a ratable basis over the contractual subscription term of the arrangement beginning on the date that the service is made available to the customer, since the software is available to the customer on a stand-ready basis throughout the contract term. Payments received in advance of services being rendered are recorded as deferred revenue.

***Deferred revenue***

Deferred revenue primarily consists of billings or payments received in advance of revenue recognition from subscription services described above and is recognized as the revenue recognition criteria are met. The Company generally invoices customers in annual installments. Deferred revenue is influenced by several factors, including seasonality, the compounding effects of renewals, invoice duration, invoice timing and new business linearity within the relevant financial period.

Deferred revenue that will be recognized as revenue during the succeeding twelve-month period is recorded as short-term deferred revenue and the remaining portion is recorded as deferred revenue, non-current.

During the years ended December 31, 2022, 2023 and 2024, the Company recognized revenue of \$76,676, \$93,195 and \$98,901, respectively, which was included in the deferred revenue balances at the beginning of each respective period.

During the years ended December 31, 2022, 2023 and 2024, the Company's deferred revenue increased by \$64, \$— and \$2,125, respectively, resulting from business combinations.

***Remaining performance obligations***

The Company's remaining performance obligations are comprised of subscription revenue not yet delivered. As of and December 31, 2024, the aggregate amount of transaction price allocated to remaining performance obligations was \$246,020. The Company expects to recognize 69% of its remaining performance obligations as of December 31, 2024 as revenue during the year ending December 31, 2025, and the majority of the remainder during the year ending December 31, 2026.

***Cost of revenue***

Cost of revenue primarily consists of costs related to supporting the Company's cloud-based platform and solutions and include personnel related costs such as salaries, bonuses and benefits, and share-based compensation for employees principally responsible for data acquisition, production, engineering, advisory and technical customer support. In addition, cost of revenue includes third-party service provider costs to the cloud infrastructure provider for hosting the Company's platform, third-party data providers, amortization of internal-use software and intangible assets and allocated overhead costs.

***Research and development***

Research and development costs include personnel-related costs associated with the Company's engineering, data science, product and design teams as well as consulting and professional fees for third-party development resources, third-party licenses for software development tools and allocated overhead costs. Research and development costs are generally expensed as incurred.

***Advertising expenses***

Advertising is expensed as incurred. Advertising expense for the years ended December 31, 2022, 2023 and 2024 amounted to \$,788, \$2,125 and \$4,419, respectively.

#### **Post-employment benefits**

The Company accounts for employee related obligations in accordance with ASC Topic 715, *Compensation—retirement benefits*. Pursuant to Israel's Severance Pay Law, Company employees in Israel are entitled to severance pay equal to one month's salary for each year of employment, or a portion thereof. The Company has elected to include its employees in Israel under Section 14 of the Severance Pay Law, 1963. Accordingly, the Company is required to contribute, on a monthly basis, an amount equal to 8.33% of each employee's monthly salary to individual accounts held with insurance companies for the benefit of each employee. These contributions release the Company from any future statutory severance payments. The related obligation and amounts deposited on behalf of such obligations are not recorded on the consolidated balance sheets, as they are legally released from obligation to employees once the deposit amounts have been paid. Severance pay expenses for the years ended December 31, 2022, 2023 and 2024, amounted to approximately \$5,537, \$4,629 and \$4,768, respectively.

The Company's subsidiary in the United States maintains a defined contribution plan covering all of its employees in the United States, which qualifies as a tax deferred savings plan under Section 401(k) of the Internal Revenue Code of 1986, as amended (the "401(k) Plan"). Employees may elect to contribute up to 99% of their pretax salaries to the 401(k) Plan, but generally not greater than \$23 per year (and an additional amount of \$7.5 for employees aged 50 and over), through salary deferrals, subject to statutory limits. The Company matches 100% of employee contributions to the 401(k) Plan up to a limit of 4% of the employees' eligible compensation. For the years ended December 31, 2022, 2023 and 2024, the Company recorded expense for matching contributions to the plan that amounted to \$873, \$862 and \$830, respectively.

#### **Leases**

The Company accounts for leases in accordance with ASC Topic 842, *Leases* and determines whether an arrangement meets the definition of a lease at inception.

Right-of-use ("ROU") assets represent the right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease agreement. ROU assets are measured based on the discounted present value of the remaining lease payments, initial direct costs incurred, prepaid lease payments and lease incentives. The lease liability is measured based on the discounted present value of the remaining lease payments, which is computed using an IBR based on the information available at the inception of the lease, unless the rate implicit in the lease can be readily determined. The Company's IBR for each leased asset is estimated to approximate the interest rate for collateralized borrowing with similar terms and payments and in economic environments where the asset was located.

During the periods presented, all of the Company's lease contracts are accounted for as operating leases. Lease expenses for lease payments are recognized on a straight-line basis over the lease term.

The Company elected the practical expedient not to separate between lease and non-lease components in its lease agreements. The Company did not elect the practical expedient for lease agreements with a term of twelve months or less and recognizes ROU assets and lease liabilities in respect of all lease agreements.

Certain lease agreements include rental payments that are adjusted periodically for the consumer price index ("CPI"). The ROU assets and lease liabilities are calculated using the CPI as of the date of inception of the applicable lease and are not subsequently adjusted, unless the liabilities are reassessed for other reasons.

The carrying amounts of ROU assets are reviewed for impairment whenever events or changes in circumstances indicate that such carrying amounts may not be recoverable. The Company did not recognize any impairment charges during the years ended December 31, 2022, 2023 and 2024.

The Company subleases certain leased office spaces to third parties, and recognizes sublease income on a straight-line basis over the sublease term. The Company recognizes sublease income as an offset to lease expenses.

#### **Share-based compensation**

The Company accounts for share-based compensation in accordance with ASC Topic 718, *Compensation—stock compensation* ("ASC 718"). ASC 718 requires companies to estimate the fair value of equity-based payment awards



on the date of grant using an option-pricing model. The Company selected the Black-Scholes-Merton option pricing model as the most appropriate model for determining the fair value for its share options awards granted to employees, directors, and non-employees. The fair value of restricted share units (“RSUs”), for which vesting depends solely on continued service, and performance restricted share units (“PRSUs”), for which vesting also depends on the achievement of specified performance targets, is based on the closing market value of the underlying shares at the date of grant. The fair value of the Employee Share Purchase Plan (“ESPP”) is based on the Monte-Carlo Simulation. The determination of the grant date fair value using an option-pricing model is affected by highly subjective assumptions, including the fair value of the underlying Ordinary Shares, the expected term of the share option, the expected volatility of the price of the Ordinary Shares, risk-free interest rates, and the expected dividend yield of the Ordinary Shares. The assumptions used to determine the fair value of the option awards represent management’s best estimates. Share-based compensation for RSUs is recognized on a straight-line basis over the requisite service period, which is generally four years, including awards with graded vesting. Share-based compensation for PRSUs is recognized using the graded vesting attribution method. The Company recognizes forfeitures as they occur.

#### ***Income taxes***

The Company accounts for income taxes in accordance with ASC Topic 740, *Accounting for Income Taxes* (“ASC 740”), using the liability method. Under the liability method, deferred assets and liabilities are recognized based upon anticipated future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted tax rates that will be in effect for the years in which those tax assets are expected to be realized or settled.

The Company regularly assesses the likelihood that its deferred tax assets will be realized from recoverable income taxes or recovered from future taxable income based on the realization criteria set forth in the relevant authoritative guidance. To the extent the Company believes any amounts are more likely than not to be unrealized, the Company records a valuation allowance to reduce its deferred tax assets. The realization of deferred tax assets is dependent upon future earnings, if any, the timing and amount of which are uncertain. Accordingly, the Company’s net deferred tax assets have been fully offset by a valuation allowance. If the Company subsequently realizes or determines it is more likely than not that it will realize deferred tax assets that were previously determined to be unrealizable, the respective valuation allowance would be reversed, resulting in an adjustment to earnings in the period such determination is made.

ASC 740 contains a two-step approach to recognizing and measuring a liability for uncertain tax positions. The first step is to evaluate the tax position taken or expected to be taken in a tax return by determining if the weight of available evidence indicates that it is more likely than not that, on an evaluation of the technical merits, the tax position will be sustained on audit, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% (cumulative basis) likely to be realized upon ultimate settlement. The Company classifies interest and penalties related to unrecognized tax benefits in the provision for income taxes.

#### ***Net loss per share***

The Company’s basic net loss per share is calculated by dividing net loss by the weighted-average number of Ordinary Shares outstanding for the period, without consideration of potentially dilutive securities. The diluted net loss per share is calculated by giving effect to all potentially dilutive securities outstanding for the period using the treasury share method or the if-converted method based on the nature of such securities. Diluted net loss per share is the same as basic net loss per share in periods when the effects of potentially dilutive Ordinary Shares are anti-dilutive.

#### ***Provisions***

The Company accounts for its contingent liabilities in accordance with ASC Topic 450, *Contingencies*. A provision is recorded when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. With respect to legal matters, provisions are reviewed and adjusted to reflect the impact of negotiations,

estimated settlements, legal rulings, advice of legal counsel and other information and events pertaining to a particular matter.

#### ***Hedge accounting***

The Company enters into foreign currency forward and option contracts with financial institutions to protect against foreign exchange risks, primarily the exposure to changes in the exchange rate of the New Israeli Shekel (“NIS”) against the U.S Dollar that are associated with forecasted future cash flows and certain existing assets and liabilities for up to twelve months. The Company’s primary objective in entering into such contracts is to reduce the volatility of earnings and cash flows associated with changes in foreign currency exchange rates. The Company does not use derivative instruments for trading or speculative purposes. Derivatives are recognized at fair value as either assets or liabilities in the consolidated balance sheets in accordance with ASC Topic 815, *Derivative and Hedging*. The accounting for changes in fair value of a derivative depends on the intended use of the derivative and the resulting designation. Derivative instruments that hedge the exposure to variability in expected future cash flows that are designated as cash flow hedges, are recorded as other current assets or other current liabilities in the consolidated balance sheets. The Company records changes in the fair value of these derivatives in accumulated other comprehensive income (loss) in the consolidated balance sheets, until the forecasted transaction occurs. Upon occurrence, the Company reclassifies the related gain or loss on the derivative to the same financial statement line item in the consolidated statements of comprehensive income (loss) to which the derivative relates. Derivative instruments that hedge the exposure to variability in the fair value of assets or liabilities that are not currently designated as hedges for financial reporting purposes, are recorded as other current assets or other current liabilities in the consolidated balance sheets. The Company records changes in the fair value of these derivatives in finance (expenses) income, net in the consolidated statements of comprehensive income (loss).

Hedge accounting is not applied to financial derivatives used as an economic hedge of financial assets and liabilities. The changes in the fair value of these derivatives are recorded, as incurred, in finance income, net in the consolidated statements of comprehensive income (loss). All of the accumulated other comprehensive loss as of December 31, 2024 is expected to be recognized as operating expenses in the consolidated statements of comprehensive income (loss) during the year ending December 31, 2025.

Derivatives are classified within Level 2 of the fair value hierarchy as the valuation inputs are based on quoted prices and market observable data of similar instruments.

#### ***Fair value measurement***

The Company measures and discloses the fair value of financial assets and liabilities in accordance with ASC Topic 820 *Fair Value Measurement* (“ASC 820”). Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques used to measure fair value maximize the use of observable inputs and minimize the use of unobservable inputs.

ASC 820 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2: Observable inputs that are based on inputs not quoted on active markets but corroborated by market data.
- Level 3: Unobservable inputs are used when little or no market data is available.

Financial instruments consist of cash equivalents, restricted deposits, accounts receivables, derivative financial instruments, accounts payable, and accrued liabilities. Derivative financial instruments are stated at fair value on a recurring basis. Cash equivalents, restricted deposits, prepaid expenses, accounts receivable, accounts payable, and accrued liabilities are stated at their carrying value and are approximated at fair value.

### ***Concentration of credit risk***

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, restricted deposits, accounts receivable, and derivative instruments. For cash and cash equivalents and restricted deposits, the Company is exposed to credit risk in the event of default by the financial institutions to the extent of the amounts recorded on the accompanying consolidated balance sheets exceed federally insured limits. For derivative instruments, the Company is exposed to credit risk to the extent that the counterparties may be unable to meet the terms of the agreement. Cash and cash equivalents and restricted deposits are maintained, and derivative instruments are transacted, with high-credit-quality financial institutions, primarily in the United States and Israel. Management believes that the financial institutions that hold the Company's investments are financially sound and, accordingly, minimal credit risk exists with respect to these investments.

The Company's accounts receivable are principally derived from sales to a wide range of customers. The Company does not generally require collateral from its customers and substantially all of its accounts receivable are unsecured. The Company provides an allowance for credit losses based upon management's experience and estimate of collectability of each account. To date, the Company has not experienced any material losses on its accounts receivable. The risk of collection associated with accounts receivable is mitigated by the diversity and number of customers. The allowance for credit losses was immaterial for the years presented.

No single customer accounted for more than 10% of total revenue for the years ended December 31, 2022, 2023 and 2024. No single customer accounted for more than 10% of accounts receivable as of December 31, 2023 and 2024.

### ***Segment reporting***

The Company identifies operating segments in accordance with ASC Topic 280, *Segment Reporting*, as components of an entity for which discrete financial information is available and is regularly reviewed by the chief operating decision maker ("CODM"), or decision-making group, in making decisions regarding resource allocation and evaluating financial performance. The Company determined that it operates in a single operating and reportable segment. The Company's Chief Executive Officer is the Company's CODM, who evaluates performance and makes operating decisions about allocating resources based on consolidated financial data. Our CODM uses consolidated net income to measure segment profit or loss, to allocate resources and assess performance. Further, the CODM reviews and utilizes functional expenses (cost of revenue, sales and marketing, research and development, and general and administrative) at the consolidated level to manage the Company's operations and evaluate return on total assets in deciding whether to invest in the development and expansion of the Company's consolidated operations or into strategic transactions, such as acquisitions.

### ***Recently adopted accounting pronouncements***

As an emerging growth company ("EGC"), the Jumpstart Our Business Startups Act (the "JOBS Act") allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. The JOBS Act does not preclude an EGC from early adopting new or revised accounting standards. The Company has elected to use extended transition periods permissible under the JOBS Act while also early adopting certain accounting pronouncements. The adoption dates discussed below reflect these elections.

In November 2023, the FASB issued ASU 2023-07 "*Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*" ("ASU 2023-07"), which expands public entities' segment disclosures primarily by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, with early adoption permitted. The amendments are required to be applied retrospectively to all prior periods presented in an entity's financial statements. The Company adopted ASU 2023-07 for the year ended December 31, 2024.

### ***Recently issued accounting pronouncements not yet adopted***

In December 2023, the FASB issued ASU 2023-09 "*Income Taxes (Topic 740): Improvements to Income Tax Disclosures*" ("ASU 2023-09"), which enhances the transparency and decision-usefulness of income tax disclosures. The amendments in ASU 2023-09 address investor requests for enhanced income tax information primarily through

changes to disclosure regarding rate reconciliation and income taxes paid both in the U.S. and in foreign jurisdictions. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024 on a prospective basis, with the option to apply the standard retrospectively. Early adoption is permitted. The Company is currently evaluating ASU 2023-09 to determine the impact it may have on its consolidated financial statements disclosures.

In November 2024, the FASB issued ASU 2024-03 "*Income Statement (Topic 220): Reporting Comprehensive Income - Expense Disaggregation Disclosures*" ("ASU 2024-03"), which requires more detailed information about specified categories of expenses presented on the face of the income statement, in addition to disclosures about selling expenses. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, with early adoption permitted. The amendment may be applied either prospectively to financial statements issued for reporting periods after the effective date or retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating ASU 2024-03 to determine the impact it may have on its consolidated financial statements and related disclosures.

### 3. Business Combinations

#### *Acquisition of Admetricks SpA*

In March 2024, the Company entered into a Share Purchase Agreement pursuant to which it acquired all of the outstanding shares of Admetricks SpA ("Admetricks"), a company incorporated under the laws of Chile. Admetricks is a provider of software services that provide estimates of competitor ad spending and results along with planning and budgeting for media campaigns. The purchase consideration included a cash amount of \$4,435, subject to working capital and other customary closing adjustments. In addition, the Company shall pay an amount of up to \$2,135 for the retention of certain executives and employees of Admetricks for a period of up to two years following the acquisition, which will be recognized as compensation expenses over the requisite service period. During the year ended December 31, 2024, the Company recognized \$1,092 relating to such retention payments.

The fair value of the assets acquired and liabilities assumed for the acquisition of Admetricks were based on preliminary calculations and valuations, and the estimates and assumptions for this acquisition are subject to change as the Company obtains additional information during the respective measurement period up to one year from the acquisition date. The following summarizes the preliminary purchase price allocation of the acquisition of Admetricks:

	<b>Fair Value</b>
Total consideration paid	\$ 4,095
Add: Deferred payment	340
<b>Total consideration</b>	<b>\$ 4,435</b>
<b>Identifiable assets acquired, net of liabilities</b>	
Cash and cash equivalents	\$ 262
Accounts receivable	381
Other current assets	25
Property and equipment	18
Technology (1)	311
Customer relationships (2)	570
Brand name (3)	352
Goodwill (4)	3,291
Trade and other payables	(92)
Deferred revenue	(531)
Deferred tax liabilities, net	(152)
<b>Total identifiable assets acquired, net of liabilities</b>	<b>\$ 4,435</b>

(1) In assessing the value of the technology, the Company used an income approach. The technology's economic useful life was estimated at approximately 2 years and is amortized using the straight-line method.

(2) In assessing the value of the customer relationships, the Company used an income approach. The economic useful life of the customer relationships was estimated at approximately 6 years and is amortized using the straight-line method.

(3) In assessing the value of the brand name, the Company used an income approach. The brand name's economic useful life was estimated at approximately 4 years and is amortized using the straight-line method.

(4) The goodwill is primarily attributable to expected synergies and knowledge base resulting from the acquisition. The goodwill is not deductible for tax purposes.

The Company incurred approximately \$163 of expenses relating to the acquisition, which were recorded in general and administrative expenses for the year ended December 31, 2024.

Pro forma results of the Admetricks acquisition have not been presented because they are not material to the Company's consolidated financial statements. The results of operations of Admetricks have been included in the consolidated financial statements since the acquisition date of March 4, 2024. Admetricks revenue and net loss included in the Company's statements of comprehensive income (loss) from March 4, 2024, through December 31, 2024, were immaterial.

#### **Acquisition of 42matters AG**

In July 2024, the Company entered into a Share Purchase Agreement pursuant to which it acquired all of the outstanding shares of 42matters AG ("42 matters"), a company incorporated under the laws of Switzerland. 42matters is a prominent app intelligence company which provides advanced solutions across app store data, app engagement data, and mobile SDK data. The purchase consideration included a cash amount of \$12,780, subject to working capital and other customary closing adjustments.

The fair value of the assets acquired and liabilities assumed for the acquisition of 42matters were based on preliminary calculations and valuations, and the estimates and assumptions for this acquisition is subject to change as the Company obtains additional information during the respective measurement period up to one year from the acquisition date. The following summarizes the preliminary purchase price allocation of the acquisition of 42matters:

	<b>Fair Value</b>
<b>Total consideration</b>	\$ 12,780
Cash and cash equivalents	\$ 1,199
Accounts receivable	597
Other current assets	94
Technology (1)	927
Customer relationships (2)	2,684
Brand name (3)	810
Goodwill (4)	9,111
Trade and other payables	(572)
Deferred revenue	(1,594)
Deferred tax liabilities, net	(476)
<b>Total identifiable assets acquired, net of liabilities</b>	<b>\$ 12,780</b>

(1) In assessing the value of the technology, the Company used an income approach. The technology's economic useful life was estimated at approximately 2 years and is amortized using the straight-line method.

(2) In assessing the value of the customer relationships, the Company used an income approach. The economic useful life of the customer relationships was estimated at approximately 5 years and is amortized using the straight-line method.

(3) In assessing the value of the brand name, the Company used an income approach. The brand name's economic useful life was estimated at approximately 3 years and is amortized using the straight-line method.

(4) The goodwill is primarily attributable to expected synergies and knowledge base resulting from the acquisition. The Company estimates that the goodwill is not deductible for tax purposes.

The Company incurred approximately \$242 of expenses relating to the acquisition, which were recorded in general and administrative expenses for the year ended December 31, 2024.

Pro forma results of the 42Matters acquisition have not been presented because they are not material to the Company's consolidated financial statements. The results of operations of 42Matters have been included in the consolidated financial statements since the acquisition date of July 1, 2024. 42Matters revenue and net loss included in the Company's statements of comprehensive income (loss) from July 1, 2024, through December 31, 2024, were immaterial.

#### 4. Fair value measurement

The following table presents information about the Company's financial instruments that are measured at fair value on a recurring basis:

	December 31, 2023		
	Level 1	Level 2	Level 3
<b>Financial assets:</b>			
Money market accounts, included in cash and cash equivalents	\$ 5,108	\$ —	\$ —
Foreign currency contracts designated as hedge instruments, included in prepaid expenses and other current assets	—	\$ 946	—
Total financial assets	\$ 5,108	\$ 946	\$ —
<b>December 31, 2024</b>			
	Level 1	Level 2	Level 3
<b>Financial assets:</b>			
Money market accounts, included in cash and cash equivalents	\$ 19,697	\$ —	\$ —
Foreign currency contracts designated as hedge instruments, included in prepaid expenses and other current assets	—	388	—
Total financial assets	\$ 19,697	\$ 388	\$ —
<b>Financial liabilities:</b>			
Foreign currency contracts designated as hedge instruments, included in other payables and accrued expenses	—	(29)	—
Total financial liabilities	\$ —	\$ (29)	\$ —

#### 5. Prepaid expenses or other current assets

Prepaid expenses or other current assets consist of the following:

	December 31,	
	2023	2024
Receivables from government authorities	\$ 1,423	\$ 722
Prepaid expenses	2,227	2,953
Fair value of future hedging transactions	946	388
Rent deposits	547	222
Other	456	282
Total prepaid expenses and other current assets	\$ 5,599	\$ 4,567

## 6. Deferred contract costs

The following table summarizes deferred contract costs activity:

	December 31,	
	2023	2024
Balance at the beginning of the year	\$ 18,137	\$ 21,010
Capitalization of deferred contract costs	13,488	13,222
Amortization of deferred contract costs	(10,615)	(12,964)
Balance at the end of the year	<u>\$ 21,010</u>	<u>\$ 21,268</u>

## 7. Property and equipment, net

Property and equipment consist of the following:

	December 31,	
	2023	2024
Computers and peripheral equipment	\$ 6,784	\$ 8,074
Office furniture and equipment	2,322	2,411
Electronic equipment	232	270
Leasehold improvements	26,103	26,119
Capitalized internal-use software costs	9,147	10,555
Total property and equipment	44,588	47,429
Less: accumulated depreciation and amortization	(15,958)	(21,508)
Total property and equipment, net	<u>\$ 28,630</u>	<u>\$ 25,921</u>

Depreciation and amortization expenses amounted to \$6,011, \$5,482 and \$5,666 for the years ended December 31, 2022, 2023 and 2024, respectively. Depreciation and amortization expenses for the year ended December 31, 2022 include \$2,357 related to leasehold improvements, office furniture and equipment and electronic equipment that were disposed in connection with the Company's move to its new headquarters in Israel.



## 8. Goodwill and Intangible assets, net

### Goodwill

The following table represents the changes to goodwill:

	<u>Carrying Amount</u>
Balance as of December 31, 2022	\$ 12,867
Additions from acquisitions	—
Balance as of December 31, 2023	12,867
Additions from acquisitions	12,402
Balance as of December 31, 2024	<u>\$ 25,269</u>

### Intangible Assets, Net

Intangible assets, net consisted of the following:

	<u>December 31,</u>	
	<u>2023</u>	<u>2024</u>
Developed technology	\$ 2,832	\$ 4,070
Customer relationships	440	3,694
Database	208	208
User panel	11,202	11,202
Brand name	59	1,221
Total intangible assets	14,741	20,395
Less: accumulated amortization	(9,956)	(14,818)
Total intangible assets, net	<u>\$ 4,785</u>	<u>\$ 5,577</u>

Amortization expenses amounted to \$4,573, \$4,776 and \$4,862 for the years ended December 31, 2022, 2023 and 2024.

As of December 31, 2024, the expected future amortization expenses for the intangible assets are as follows:

<u>Years ending December 31,</u>	
2025	\$ 2,224
2026	1,472
2027	855
2028	647
2029	363
2030	16
Total	<u>\$ 5,577</u>

## 9. Other payables and accrued expenses

Other payables and accrued expenses consist of the following:

	December 31,	
	2023	2024
Governmental authorities	\$ 12,545	\$ 17,206
Accrued expenses	8,294	8,684
Accrued retention bonuses related to business combinations	482	1,572
Fair value of future hedging transactions	—	29
Other	1,942	1,839
Total other payables and accrued expenses	<u>\$ 23,263</u>	<u>\$ 29,330</u>

## 10. Credit facilities and loans

### *Silicon Valley Bank credit facility*

In December 2020, the Company entered into a Loan and Security Agreement with Silicon Valley Bank, a division of First Citizens Bank since March 2023 (the “SVB Credit Facility”), which included a revolving credit line facility in the aggregate amount of up to \$75,000 (the “Revolving Line”). The borrowing base of the SVB Credit Facility is computed based on advance multiplier of 600% multiplied by the Company’s aggregate monthly recurring revenue less the net retention rate, as defined.

Outstanding borrowings under the SVB Credit Facility bear interest, payable on a monthly basis, at a rate equal to the greater of 5.50% per annum or 0.25% over the prime rate reported in the Wall Street Journal. The Company is charged a fee of 0.3% per annum on amounts available for draw that are undrawn under the SVB Credit Facility (“Availability Amount”).

The SVB Credit Facility is subject to certain financial covenants, including that the Company maintain liquidity of at least \$5,000. Liquidity for this purpose is the sum of (i) the aggregate amount of the Company’s unrestricted and unencumbered cash and cash equivalents and (b) the Availability Amount as described above.

The SVB Credit Facility is secured by substantially all of the Company’s assets. It also contains various affirmative and negative covenants, including financial reporting requirements and limitations on indebtedness, liens, mergers, consolidations, liquidations and dissolutions, sales of assets, dividends and other restricted payments, investments (including acquisitions) and transactions with affiliates.

Following the previous renewal of the SVB Credit Facility through December 31, 2024, the Company approved an extension of an additional two years through December 31, 2026 in August 2024.

As of December 31, 2023, the Company had \$25,000 outstanding debt under the SVB Credit Facility. As of December 31, 2024 the Company had no outstanding debt under the SVB Credit Facility. The Company was in compliance with all of its financial covenants under the SVB Credit Facility as of December 31, 2023 and 2024.

## 11. Derivatives and hedging

During 2023 and 2024, the Company entered into forward and cylinder contracts primarily to hedge certain forecasted NIS denominated payroll payments against exchange rate fluctuations of the U.S. dollar, for a period of up to twelve months. The fair value of future hedging transactions is included in other current assets or other payables and accrued expenses, as appropriate. The Company recorded the cash flows associated with these derivatives under operating activities.

The gross notional amounts of the Company's foreign currency contracts are denominated in NIS and GBP. The notional amounts of outstanding foreign currency contracts in U.S. dollars are as follows:

	December 31,	
	2023	2024
Derivatives designated as hedging instruments	\$ 2,131	\$ 5,418
Derivatives not designated as hedging instruments	927	118
<b>Total</b>	<b>\$ 3,058</b>	<b>\$ 5,536</b>

During the years ended December 31, 2022, 2023 and 2024, (losses) gains related to designated hedging instruments were reclassified from accumulated other comprehensive (loss) income when the related expenses were incurred. These (losses) gains were recorded in the consolidated statements of comprehensive income (loss), as follows:

	Year Ended December 31,		
	2022	2023	2024
Cost of revenue	\$ (246)	\$ (250)	\$ 31
Research and development	(807)	(849)	108
Sales and marketing	(529)	(551)	60
General and administrative	(361)	(361)	57
<b>Total</b>	<b>\$ (1,943)</b>	<b>\$ (2,011)</b>	<b>\$ 256</b>

During the years ended December 31, 2022, 2023 and 2024, the Company recorded (losses) gains related to non-designated hedging instruments in the amount of \$(24), \$126 and \$(133), respectively, which are classified as finance (expenses) income, net in the consolidated statements of comprehensive income (loss).

## 12. Leases

The Company has entered into various non-cancelable operating leases for its office facilities with expiration dates through April 2032. The components of operating lease costs recorded under operating expenses for the years ended December 31, 2022, 2023 and 2024 were as follows:

	2022	2023	2024
Fixed cost	\$ 7,617	\$ 8,327	\$ 7,066
Short-term lease cost	655	415	799
Total operating lease cost	<u>\$ 8,272</u>	<u>\$ 8,742</u>	<u>\$ 7,865</u>

The short-term lease cost above includes \$199, \$397 and \$701 related to CPI adjustments for the years ended December 31, 2022, 2023 and 2024, respectively.

Cash payments paid for operating leases were \$8,965, \$10,037 and \$9,130 for the years ended December 31, 2022, 2023 and 2024, respectively.

As of December 31, 2024, the Company's weighted average remaining lease term was 6.71 years and the weighted average discount rate was 4.26%.

As of December 31, 2024, the minimum lease payments for the Company's ROU assets over the remaining lease periods are as follows:

Years ending December 31,	
2025	\$ 8,268
2026	7,121
2027	5,585
2028	5,542
2029	5,542
2030 and thereafter	12,793
Total undiscounted lease payments	<u>44,851</u>
Less: imputed interest	<u>(5,119)</u>
Present value of lease liabilities	<u>\$ 39,732</u>

The Company subleases certain unused office space to third parties. The Company recorded \$226 and \$1,051 of sublease income during the years ended December 31, 2023 and 2024, respectively. The Company did not record any sublease income during the year ended December 31, 2022.

## 13. Share equity incentive plans

In 2010, the Company's Board of Directors approved a Share Option Plan (the "2010 Plan"), pursuant to which incentive and nonqualified stock options were able to be granted to employees, officers, directors, consultants and other service providers of the Company. In 2012, the Company's Board of Directors approved an Equity Incentive Plan (the "2012 Plan"), pursuant to which, as amended, incentive and nonqualified share options and RSUs may be granted to employees, officers, directors, consultants and other service providers of the Company or its subsidiaries. The Company reserved an aggregate amount of 17,339,974 shares for issuance under the 2010 Plan and the 2012 Plan, as amended.

In April 2021, the Company's board of directors approved the 2021 Share Incentive Plan (the "2021 Plan") which became effective, following shareholders approval, in connection with the Company's IPO. The Company reserved an aggregate amount of 1,300,000 shares for issuance under the 2021 Plan. The 2021 Plan provides for an annual increase on the first day of each year beginning in 2022 and on January 1st of each calendar year thereafter during

the term of the 2021 Plan equal to the lesser of: (i) 5% of the total number of ordinary shares outstanding as of the end of the last day of the immediately preceding calendar year, and (ii) such smaller amount of shares as is determined by the board of directors, if so determined prior to the January 1st of the calendar year in which the increase will occur.

In addition, any Ordinary Shares (i) underlying an award granted under the 2021 Plan or the 2012 Plan that has expired, or was canceled, terminated, forfeited, or settled in cash in lieu of issuance of ordinary shares, without having been exercised; (ii) which were part of the pool reserved for awards under the 2012 Plan but not granted as of the effective date of the 2021 Plan, or (iii) if permitted by the board of directors, tendered to pay the exercise price or withholding obligation with respect to an award under the 2021 Plan or 2012 Plan, shall automatically be available for grant of awards under the 2021 Plan.

As of December 31, 2024, there were 6,408,897 ordinary shares available for future grant under the 2021 Plan, there were no ordinary shares available for future grant under the 2010 and 2012 Plans.

The 2010 Plan, 2012 Plan and 2021 Plan are administered by the Company's board of directors (the "Plan Administrator"). The Plan Administrator determines the exercise price and vesting schedules for share options and RSUs (including PRSUs) granted under the plans on the date of grant. Share options and RSU grants generally vest over a four-year period and generally have contractual terms of ten years.

The following table summarizes share option activity for the years ended December 31, 2023 and 2024:

	2023			2024		
	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)
Outstanding at the beginning of the year	8,362,930	\$2.28	5.25	7,351,711	\$2.21	4.04
Granted	—	—	—	—	—	—
Exercised	(863,494)	2.67	—	(2,167,781)	2.14	—
Forfeited	(147,725)	3.45	—	(39,710)	5.41	—
Outstanding at the end of the year	7,351,711	\$2.21	4.04	5,144,220	\$ 2.21	3.50
Exercisable at the end of the year	6,844,376	\$2.15	3.83	5,088,188	\$ 2.19	3.47

No share options were granted during the years ended December 31, 2022, 2023 and 2024.

Intrinsic value represents the potential amount receivable by the option holders had all option holders exercised their options as of such date. The intrinsic value of the exercised options was \$8,212, \$3,037 and \$15,218 for the years ended December 31, 2022, 2023 and 2024, respectively. The grant-date fair value of vested options was \$,296 and \$3,541 for the years ended December 31, 2023 and 2024, respectively.

The total unrecognized compensation cost as of December 31, 2024 was \$184, which will be recognized over a weighted-average period of 0.08 years.

The following table summarizes RSU (including PRSU) activity for the years ended December 31, 2023 and 2024:

	2023		2024	
	Number of RSUs	Weighted Average Fair Value at Grant Date	Number of RSUs	Weighted Average Fair Value at Grant Date
<b>Outstanding and unvested at the beginning of the year</b>	2,866,980	\$ 12.06	4,003,336	\$ 8.16
Granted	2,820,708	6.54	3,481,480	7.38
Vested	(1,060,404)	11.83	(1,524,730)	8.44
Forfeited	(623,948)	10.90	(935,132)	8.26
<b>Outstanding and unvested at the end of the year</b>	<b>4,003,336</b>	<b>8.16</b>	<b>5,024,954</b>	<b>7.52</b>

As of December 31, 2024, the Company had \$31,631 of unrecognized compensation expense related to non-vested RSUs, expected to be recognized over a weighted average period of 2.73 years.

#### *Employee Share Purchase Plan*

In April 2021, the Company's Board of Directors approved the 2021 Employee Share Purchase Plan (the "ESPP") which became effective, following shareholder approval, in connection with the Company's IPO. The Company reserved an aggregate amount of 2,000,000 shares under the ESPP Plan. The number of ordinary shares that are available for sale under the ESPP also includes an annual increase on the first day of each fiscal year beginning with the 2022 fiscal year, equal to the lesser of: (a) 1% of the ordinary shares outstanding on the last day of the immediately preceding calendar year, as determined on a fully diluted basis, (b) such smaller number of ordinary shares as may be determined by the board of directors and (c) 3,000,000 ordinary shares. The ESPP is administered by the Company's board of directors.

Generally, all of the Company's employees are eligible to participate if they are customarily employed by the Company, or any participating subsidiary or affiliate, for at least 20 hours per week and more than five months in any calendar year. However, an employee may not be granted rights to purchase ordinary shares under the Company's ESPP if such employee:

- Immediately after the grant would own capital shares and/or hold outstanding options to purchase such shares possessing 5% or more of the total combined voting power or value of all classes of capital shares of the Company or of any parent or subsidiary of the Company; or
- Holds rights to purchase ordinary shares under all employee share purchase plans of the Company or any parent or subsidiary of the Company that accrue at a rate that exceeds \$25,000 worth of the Company's ordinary shares each calendar year in which such rights are outstanding at any time.

The Company issued 357,508, 293,208 and 275,122 ordinary shares under the ESPP during the years ended December 31, 2022, 2023 and 2024, respectively. As of December 31, 2024, 3,373,463 ordinary shares remain available for grant under the ESPP.

The Company recognized \$1,243, \$572 and \$661 of stock-based compensation expense related to the ESPP during the years ended December 31, 2022, 2023 and 2024, respectively. Total unrecognized compensation cost related to the ESPP was approximately \$594 as of December 31, 2024, and will be recognized as compensation expense over a weighted average period of 0.4 years.

The following table summarizes the share-based compensation recorded in each line item in the accompanying consolidated statements of comprehensive income (loss):

	Year Ended December 31,		
	2022	2023	2024
Cost of revenue	\$ 599	\$ 635	\$ 812
Research and development	5,287	5,782	5,511
Sales and marketing	5,995	5,196	4,273
General and administrative	5,106	6,514	7,019
Total	\$ 16,987	\$ 18,127	\$ 17,615

## 14. Income taxes

### Basis of taxation

The Israeli corporate tax rate was 23% for the years ended December 31, 2022, 2023 and 2024.

The Law for the Encouragement of Capital Investments, 1959, (the "Israeli Investment Law"), provides certain incentives for capital investments in production facilities (or other eligible assets).

Amendment 73 to the Israeli Investment Law provides for a preferred income tax rate of either 6% or 12% on income derived from certain intangible assets, subject to certain eligibility criteria. Amendment 73 provides that a technology company satisfying certain conditions should qualify as a "Preferred Technology Enterprises" ("PTE"), granting a 12% tax rate in central Israel on income deriving from Benefited Intangible Assets, subject to certain conditions, including a minimal amount or ratio of annual R&D expenditure and R&D employees, as well as having at least 25% of annual income derived from exports to large markets. PTE is defined as an enterprise which meets the aforementioned conditions and for which total consolidated revenue of its parent company and all subsidiaries is less than NIS 10 billion. The Company is currently assessing its eligibility for these tax benefits due to its net loss position.

The Company's subsidiaries are separately taxed under the domestic tax laws of the jurisdiction of incorporation of each entity.

The Company's income tax returns in Israel are considered final through the year ended December 31, 2019.

The Company is qualified as an "industrial company" under the Israeli Law for the Encouragement of Industry (Taxation), 1969, and is eligible for certain tax benefits including amortization of goodwill arising from business combinations that are asset acquisitions.

The components of the loss before the provision for income taxes for the years ended December 31, 2022, 2023 and 2024 were as follows:

	2022	2023	2024
Domestic	\$ (84,778)	\$ (31,021)	\$ (12,180)
Foreign	1,633	3,155	2,650
Total loss before income taxes	\$ (83,145)	\$ (27,866)	\$ (9,530)

The provision for income taxes for the years ended December 31, 2022, 2023 and 2024 was as follows:

	2022	2023	2024
<b>Current:</b>			
Domestic	\$ 109	\$ 56	\$ 448
Foreign	1,933	646	1,090
Total current income tax expense	2,042	702	1,538
<b>Deferred:</b>			
Domestic	(24)	(126)	—
Foreign	(1,502)	931	389
Total deferred income tax expense	(1,526)	805	389
Total provision for income taxes	\$ 516	\$ 1,507	\$ 1,927

The provision for income taxes consisted primarily of income taxes related to the United States, the United Kingdom and other foreign jurisdictions in which the Company conducts business.

A reconciliation of the Company's theoretical income tax expense to actual income tax expense for the years ended December 31, 2022, 2023 and 2024 is as follows:

	2022		2023		2024	
	Tax	Rate	Tax	Rate	Tax	Rate
Theoretical tax benefit	\$ (19,123)	23 %	\$ (6,409)	23 %	\$ (2,192)	23 %
<b>Increase (decrease) in effective tax rate due to:</b>						
Change in valuation allowance	16,187	(20)%	3,498	(12)%	(655)	7 %
Effect of entities with different tax rates	125	0 %	48	0 %	145	(2)%
Non-deductible expenses, net	3,442	(4)%	4,368	(16)%	4,455	(47)%
Income in zero tax rate	(67)	0 %	—	0 %	—	0 %
Change in tax reserve for uncertain tax positions	12	0 %	145	(1)%	202	(2)%
Other	(60)	0 %	(143)	1 %	(28)	1 %
Total effective income taxes	\$ 516	(1)%	\$ 1,507	(5)%	\$ 1,927	(20)%

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.



The following table presents the significant components of the Company's deferred tax assets and liabilities:

	December 31,	
	2023	2024
Deferred tax assets:		
Net operating loss carryforwards	\$ 60,582	\$ 61,014
Research and development expenses	12,000	11,028
Lease liabilities	10,077	9,208
Accruals and reserves	1,375	1,282
Share-based compensation	668	401
Deferred revenue	82	120
Other	503	554
Gross deferred tax assets	85,287	83,607
Valuation allowance	(73,960)	(73,305)
Total deferred tax assets	<u>\$ 11,327</u>	<u>\$ 10,302</u>
Deferred tax liabilities:		
Intangible assets	(966)	(977)
Deferred contract acquisition costs	(3,123)	(3,747)
Property and equipment	(1,108)	(683)
Right-of-use-assets	(8,208)	(7,945)
Other comprehensive income	(201)	(89)
Other	(9)	(137)
Gross deferred tax liabilities	<u>(13,615)</u>	<u>(13,578)</u>
Net deferred taxes	<u>\$ (2,288)</u>	<u>\$ (3,276)</u>

A valuation allowance is provided when it is more likely than not that the deferred tax assets will not be realized. The Company has established a valuation allowance to offset certain deferred tax assets at December 31, 2023 and 2024 due to the uncertainty of realizing future tax benefits from its net operating loss carryforwards and other deferred tax assets. The net change in the total valuation allowance for the years ended December 31, 2023 and 2024 was an increase of \$3,142 and \$(655), respectively.

As of December 31, 2024, \$17,848 of undistributed earnings held by the Company's foreign subsidiaries are designated as indefinitely reinvested. The Company did not recognize deferred taxes liabilities on undistributed earnings of its foreign subsidiaries as the Company intends to indefinitely reinvest those earnings.

***Net operating loss carryforwards***

As of December 31, 2024, the Company had generated Israeli net operating loss carryforwards ("NOLs") of approximately \$262,569, which may be carried forward and offset against taxable income in the future for an indefinite period.

***Unrecognized tax positions***

The Company recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

The following table shows the changes in the gross amount of unrecognized tax positions as of December 31, 2022, 2023 and 2024.

	Unrecognized tax positions
Balance as of January 1, 2022	\$ 403
Increases related to current year tax positions	12
Additions related to business combinations	193
Balance as of December 31, 2022	608
Increases related to current year tax positions	145
Balance as of December 31, 2023	753
Increases related to current year tax positions	202
Additions related to business combinations	—
Balance as of December 31, 2024	\$ 955

The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. During the years ended December 31, 2022, 2023 and 2024 the Company recorded \$56, \$32 and \$26, respectively, in interest and penalties related to uncertain tax positions.

The Company currently does not expect uncertain tax positions to change significantly over the next 12 months, except in the case of settlements with tax authorities, the likelihood and timing of which is difficult to estimate.

## 15. Net income (loss) per share

The following table presents the calculation of basic and diluted net (loss) income per share:

	Year Ended December 31,		
	2022	2023	2024
<b>Numerator:</b>			
Net loss	\$ (83,661)	\$ (29,373)	\$ (11,457)
<b>Denominator:</b>			
Weighted-average shares used in computing net loss per share, basic and diluted	75,718,623	77,752,960	80,825,695
Net loss per share, basic and diluted	\$ (1.10)	\$ (0.38)	\$ (0.14)

Potentially dilutive securities that were not included in the diluted per share calculations because they would be anti-dilutive were as follows:

	Year Ended December 31,		
	2022	2023	2024
Outstanding share options	8,362,930	7,351,711	5,144,220
RSUs	2,866,980	4,003,336	5,024,954
Total	11,229,910	11,355,047	10,169,174

The potentially dilutive impact of the ESPP is immaterial for each of the years ended December 31, 2022, 2023 and 2024.

## 16. Commitments and contingencies

### *Non-cancelable Purchase Obligations*

In the normal course of business, the Company enters into non-cancelable purchase commitments with various parties mainly for hosting services, as well as software products and services. As of December 31, 2024, the Company had outstanding non-cancelable purchase obligations with a term of 12 months or longer as follows:

Years ending December 31,		
2025	\$	25,136
2026		9,180
2027		424
Total purchase obligations	\$	34,740

### *Legal matters*

From time to time in the normal course of business, the Company may be subject to various legal matters such as threatened or pending claims or proceedings. While it is not feasible to predict or determine the ultimate outcome of these matters, the Company believes that none of its current legal proceedings will have a material adverse effect on its financial position or results of operations.

### *Indemnification*

The Company enters into various indemnification agreements in the ordinary course of business. Pursuant to these agreements, the Company typically indemnifies, holds harmless and agrees to reimburse the indemnified party for losses suffered or incurred by the indemnified party, generally its business partners or customers, in connection with (among other things) any patent, copyright or other intellectual property infringement claim by any third party with respect to the Company's service offering. The term of these indemnification agreements is generally perpetual any time after execution of the agreement, subject to applicable statutes of limitations.

The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unspecified. To date, the Company has not incurred material costs to defend lawsuits or settle claims related to these indemnification agreements.

The Company entered into indemnification agreements with certain officers and employees to indemnify them for certain events or occurrences, subject to certain limits, while the officer or employee is or was serving at its request in such capacity. The term of the indemnification period is indefinite. The maximum amount of potential future indemnification is unspecified.

The Company has no reason to believe that there is any material liability for actions, events or occurrences that have occurred to date.

## 17. Related party transactions

In February 2014, the Company entered into an agreement with an affiliate of a shareholder, pursuant to which, as amended, the Company granted the affiliate a SaaS subscription to the Company's cloud-based platform with a non-exclusive license to access our cloud-based platform for a defined subscription term. The term of the agreement continues to December 31, 2029. During the years ended December 31, 2022, 2023 and 2024, the Company recorded revenue of \$95, \$182 and \$160 respectively, from the affiliate. As of December 31, 2024, no balances were owed from the affiliate.

## 18. Segment and geographic information

Revenue attributable to the Company's domicile and other geographic areas based on the location of the customers was as follows:

	Year Ended December 31,		
	2022	2023	2024
United States	\$ 90,868	\$ 103,527	\$ 120,524
Europe	38,364	41,779	46,431
Asia Pacific	30,287	33,951	38,759
United Kingdom	19,026	21,705	22,703
Israel	3,129	3,551	4,221
Other	11,560	13,506	17,275
Total	\$ 193,234	\$ 218,019	\$ 249,913

Long-lived assets (including ROU assets) by geographical areas were as follows:

	December 31,	
	2023	2024
Israel	\$ 61,517	\$ 55,201
Other	3,120	5,113
Total	\$ 64,637	\$ 60,314

## 19. Subsequent Events

In January 2025, the Company entered into a share purchase agreement pursuant to which it acquired all of the outstanding shares of Signal Insights, Inc., a company incorporated under the laws of Delaware. The purchase consideration included a cash amount of \$1,700, subject to working capital and other customary closing adjustments. In addition, the Company shall pay up to an aggregate of \$3,900 in future payments, subject to certain terms and conditions as described in the share purchase agreement.

In February 2025, the Company entered into a membership interest purchase agreement pursuant to which it acquired all of the outstanding LLC membership interests of The Search Monitor LLC, a limited liability company organized under the laws of Delaware. The purchase consideration included a cash amount of \$7,600, subject to working capital and other customary closing adjustments. In addition, the Company shall pay up to an aggregate of \$6,300 in future payments, subject to certain terms and conditions as described in the membership interest purchase agreement.

Due to the timing of the transaction closing date, the initial accounting for the business combination is incomplete and the purchase price allocation is considered preliminary. As a result, the Company is unable to provide the amounts recognized as of the acquisition date for the major classes of assets acquired and liabilities assumed, including the information required for valuation of intangible assets and goodwill. The Company expects to finalize the purchase price allocation valuation as soon as practicable, but no later than one year from the acquisition date.

**DESCRIPTION OF THE REGISTRANT'S SECURITIES  
REGISTERED PURSUANT TO SECTION 12 OF THE  
SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

As of December 31, 2024, Similarweb Ltd. had one class of securities registered under Section 12 of the Exchange Act: ordinary shares par value NIS 0.01 per ordinary share.

**Share capital**

Our authorized share capital consists of 500,000,000 ordinary shares par value NIS 0.01 per ordinary share.

Our board of directors may determine the issue prices and terms for such shares or other securities and may further determine any other provision relating to such issue of shares or securities. We may also issue and redeem redeemable securities on such terms and in such manner as our board of directors shall determine.

All of our outstanding ordinary shares are validly issued, fully paid and non-assessable. Our ordinary shares are not redeemable and do not have any preemptive rights.

**Registration number and purposes of the company**

We are registered with the Israeli Registrar of Companies. Our registration number is 51-424471-4. Our affairs are governed by our amended and restated articles of association, applicable Israeli law and the Companies Law. Our purpose, as set forth in our amended and restated articles of association, is to engage in any lawful act or activity.

**Transfer of shares**

Our fully paid ordinary shares are issued in registered form and may be freely transferred under our amended and restated articles of association, unless the transfer is restricted or prohibited by another instrument, applicable law or the rules of NYSE. The ownership or voting of our ordinary shares by non-residents of Israel is not restricted in any way by our amended and restated articles of association or the laws of the State of Israel, except for ownership by nationals of some countries that are, or have been, in a state of war with Israel.

**Election of directors**

Under our amended and restated articles of association, our board of directors must consist of not less than three but no more than 11 directors divided into three classes with staggered three-year terms. Each class of directors consists, as nearly as possible, of one-third of the total number of directors constituting the entire board of directors. At each annual general meeting of our shareholders, the election or re-election of directors following the expiration of the term of office of the directors of that class of directors will be for a term of office that expires on the third annual general meeting following such election or re-election. Therefore, each year the term of office of only one class of directors will expire.

Pursuant to our amended and restated articles of association, each of our directors shall be appointed by a simple majority vote of holders of our ordinary shares, participating and voting (in person or by proxy) at an annual general meeting of our shareholders. However, in the event of a contested election: (i) the method of calculation of the votes and the manner in which the resolutions will be presented to our shareholders at the general meeting shall be determined by our board of directors in its discretion, and (ii) in the event that our board of directors does not or is unable to make a determination on such matter, then the directors will be elected by a plurality of the voting power represented at the general meeting in person or by proxy and voting on the election of directors; such that those nominees (equal in number to the number of board seats being filled) receiving the largest number of "for" votes will be elected. In addition, our directors are divided into three classes, one class being elected each year at the annual general meeting of our shareholders, and serve on our board of directors until the third annual general meeting following such election or re-election or until they are removed by a vote



of 65% of the total voting power of our shareholders at a general meeting of our shareholders or upon the occurrence of certain events in accordance with the Companies Law and our amended and restated articles of association. In addition, our amended and restated articles of association provide that vacancies on our board of directors (whether such vacancy is due to a director no longer serving or due to the number of directors serving being less than the maximum number stated in our articles of association) may be filled by a vote of a simple majority of the directors then in office. A director so appointed will hold office until the next annual general meeting of our shareholders for the election of the class of directors in respect of which the vacancy was created, or in the case of a vacancy due to the number of directors being less than the maximum number of directors stated in our amended and restated articles of association, until the next annual general meeting of our shareholders for the election of the class of directors to which such director was assigned by our board of directors. See “Management—Board of directors.”

### **Dividend and liquidation rights**

We may declare a dividend to be paid to the holders of our ordinary shares in proportion to their respective shareholdings. Under the Companies Law, dividend distributions are determined by the board of directors and do not require the approval of the shareholders of a company unless the company’s articles of association provide otherwise. Our amended and restated articles of association do not require shareholder approval of a dividend distribution and provide that dividend distributions may be determined by our board of directors.

Pursuant to the Companies Law, the distribution amount is limited to the greater of retained earnings or earnings generated over the previous two years, according to our then last reviewed or audited financial statements (less the amount of previously distributed dividends, if not reduced from the earnings), provided that the end of the period to which the financial statements relate is not more than six months prior to the date of the distribution. If we do not meet such criteria, then we may distribute dividends only with court approval; as a company listed on an exchange outside of Israel, however, court approval is not required if the proposed distribution is in the form of an equity repurchase, provided that we notify our creditors of the proposed equity repurchase and allow such creditors an opportunity to initiate a court proceeding to review the repurchase. If within 30 days such creditors do not file an objection, then we may proceed with the repurchase without obtaining court approval. In each case, we are only permitted to distribute a dividend if our board of directors and, if applicable, the court determines that there is no reasonable concern that payment of the dividend will prevent us from satisfying our existing and foreseeable obligations as they become due.

In the event of our liquidation, after satisfaction of liabilities to creditors, our assets will be distributed to the holders of our ordinary shares in proportion to their shareholdings. This right, as well as the right to receive dividends, may be affected by the grant of preferential dividend or distribution rights to the holders of a class of shares with preferential rights that may be authorized in the future.

### **Voting rights**

All ordinary shares will have identical voting and other rights in all respects.

### **Shareholder meetings**

Under Israeli law, we are required to hold an annual general meeting of our shareholders once every calendar year and no later than 15 months after the date of the previous annual general meeting. All meetings other than the annual general meeting of shareholders are referred to in our amended and restated articles of association as special general meetings. Our board of directors may call special general meetings of our shareholders whenever it sees fit, at such time and place, within or outside of Israel, as it may determine. In addition, the Companies Law provides that our board of directors is required to convene a special general meeting of our shareholders upon the written request of (1) any two or more of our directors, (2) one-quarter or more of the serving members of our board of directors or (3) as a company listed on an exchange in the U.S., one or more shareholders holding, in the aggregate, either (a) 10% or more of our outstanding issued shares and 1% or more of our outstanding voting power or (b) 10% or more of our outstanding voting power.

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Under Israeli law, one or more shareholders holding at least 1% of the voting rights at the general meeting of the shareholders may request that the board of directors include a matter in the agenda of a general meeting of the shareholders to be convened in the future, provided that it is appropriate to discuss such a matter at the general meeting. Notwithstanding the foregoing, as a company listed on an exchange outside of Israel, a matter relating to the appointment or removal of a director may only be requested by one or more shareholders holding at least 5% of the voting rights at the general meeting of the shareholders. Our amended and restated articles of association contain procedural guidelines and disclosure items with respect to the submission of shareholder proposals for general meetings.

Subject to the provisions of the Companies Law and the regulations promulgated thereunder, shareholders entitled to participate and vote at general meetings of shareholders are the shareholders of record on a date to be decided by the board of directors, which, as a company listed on an exchange outside Israel, may be between four and 60 days prior to the date of the meeting. Furthermore, the Companies Law requires that resolutions regarding the following matters must be passed at a general meeting of shareholders:

- amendments to our articles of association
- appointment, terms of service or and termination of service of our auditors;
- appointment of directors, including external directors (if applicable);
- approval of certain related party transactions;
- increases or reductions of our authorized share capital;
- a merger; and
- the exercise of our board of directors' powers by a general meeting, if our board of directors is unable to exercise its powers and the exercise of any of its powers is required for our proper management.

The Companies Law requires that a notice of any annual general meeting or special general meeting be provided to shareholders at least 21 days prior to the meeting and if the agenda of the meeting includes, among other things, the appointment or removal of directors, the approval of transactions with office holders or interested or related parties, or an approval of a merger, notice must be provided at least 35 days prior to the meeting. Under the Companies Law and our amended and restated articles of association, shareholders are not permitted to take action by way of written consent in lieu of a meeting.

### **Quorum**

Pursuant to our amended and restated articles of association, holders of our ordinary shares have one vote for each ordinary share held on all matters submitted to a vote before the shareholders at a general meeting of shareholders. The quorum required for our general meetings of shareholders consists of at least two shareholders present in person or by proxy who hold or represent at least 33.3% of the total outstanding voting power of our shares, except that if (i) any such general meeting was initiated by and convened pursuant to a resolution adopted by the board of directors and (ii) at the time of such general meeting we qualify as a "foreign private issuer," in which case the requisite quorum will consist of two or more shareholders present in person or by proxy who hold or represent at least 25% of the total outstanding voting power of our shares. The requisite quorum shall be present within half an hour of the time fixed for the commencement of the general meeting. A general meeting adjourned for lack of a quorum shall be adjourned either to the same day in the next week, at the same time and place, to such day and at such time and place as indicated in the notice to such meeting, or to such day and at such time and place as the chairperson of the meeting shall determine. At the reconvened meeting, any number of shareholders present in person or by proxy shall constitute a quorum, unless a meeting was called pursuant to a request by our shareholders, in which case the quorum required is one or more shareholders, present in person or by proxy and holding the number of shares required to call the meeting as described above.

### **Vote requirements**

Our amended and restated articles of association provide that all resolutions of our shareholders require a simple majority vote, unless otherwise required by the Companies Law or by our amended and restated articles of association. Under the Companies Law, certain actions require the approval of a special majority, including: (1) an extraordinary transaction with a controlling shareholder or in which the controlling shareholder has a personal interest, (2) the terms of employment or other engagement of a controlling shareholder of the company

or a controlling shareholder's relative (even if such terms are not extraordinary) and (3) certain compensation-

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related matters described above under “Management—Compensation committee—Compensation policy under the Companies Law.” Under our amended and restated articles of association, the alteration of the rights, privileges, preferences or obligations of any class of our shares (to the extent there are classes other than ordinary shares) requires the approval of a simple majority of the class so affected (or such other percentage of the relevant class that may be set forth in the governing documents relevant to such class), in addition to a majority of all classes of shares voting together as a single class at a shareholder meeting.

Under our amended and restated articles of association, the approval of the holders of at least 65% of the total voting power of our shareholders is generally required to remove any of our directors from office, to amend the provision requiring the approval of at least 65% of the total voting power of our shareholders to remove any of our directors from office, or certain other provisions regarding our staggered board, shareholder proposals, the size of our board and plurality voting in contested elections. Another exception to the simple majority vote requirement is a resolution for the voluntary winding up, or an approval of a scheme of arrangement or reorganization, of the company pursuant to Section 350 of the Companies Law, which requires the approval of holders holding at least 75% of the voting rights represented at the meeting and voting on the resolution.

#### **Access to corporate records**

Under the Companies Law, all shareholders generally have the right to review minutes of our general meetings, our shareholder register (including with respect to material shareholders), our articles of association, our financial statements, other documents as provided in the Companies Law and any document we are required by law to file publicly with the Israeli Registrar of Companies or the Israel Securities Authority. Any shareholder who specifies the purpose of its request may request to review any document in our possession that relates to any action or transaction with a related party which requires shareholder approval under the Companies Law. We may deny a request to review a document if we determine that the request was not made in good faith, that the document contains a trade secret or a patent or that the document’s disclosure may otherwise impair our interests.

#### **Acquisitions under Israeli law**

##### ***Full tender offer***

A person wishing to acquire shares of a public Israeli company who would, as a result, hold over 90% of the target company’s voting rights or the target company’s issued and outstanding share capital (or of a class thereof), is required by the Companies Law to make a tender offer to all of the company’s shareholders for the purchase of all of the issued and outstanding shares of the company (or the applicable class). If (a) the shareholders who do not accept the offer hold less than 5% of the issued and outstanding share capital of the company (or the applicable class) and the shareholders who accept the offer constitute a majority of the offerees that do not have a personal interest in the acceptance of the tender offer or (b) the shareholders who did not accept the tender offer hold less than 2% of the issued and outstanding share capital of the company (or of the applicable class), all of the shares that the acquirer offered to purchase will be transferred to the acquirer by operation of law. A shareholder who had its shares so transferred may petition an Israeli court within six months from the date of acceptance of the full tender offer, regardless of whether such shareholder agreed to the offer, to determine whether the tender offer was for less than fair value and whether the fair value should be paid as determined by the court. However, an offeror may provide in the offer that a shareholder who accepted the offer will not be entitled to petition the court for appraisal rights as described in the preceding sentence, as long as the offeror and the company disclosed the information required by law in connection with the full tender offer. If the full tender offer was not accepted in accordance with any of the above alternatives, the acquirer may not acquire shares of the company that will increase its holdings to more than 90% of the company’s voting rights or the company’s issued and outstanding share capital (or of the applicable class) from shareholders who accepted the tender offer. Shares purchased in contradiction to the full tender offer rules under the Companies Law will have no rights and will become dormant shares.

##### ***Special tender offer***

The Companies Law provides that an acquisition of shares of an Israeli public company must be made

by means of a special tender offer if, as a result of the acquisition, the purchaser would become a holder of 25%

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or more of the voting rights in the company. This requirement does not apply if there is already another holder of 25% or more of the voting rights in the company. Similarly, the Companies Law provides that an acquisition of shares of an Israeli public company must be made by means of a special tender offer if, as a result of the acquisition, the purchaser would become a holder of more than 45% of the voting rights in the company, if there is no other shareholder of the company who holds more than 45% of the voting rights in the company. These requirements do not apply if (1) the acquisition occurs in the context of a private placement by the company that received shareholder approval as a private placement whose purpose is to give the purchaser 25% or more of the voting rights in the company, if there is no person who holds 25% or more of the voting rights in the company or as a private placement whose purpose is to give the purchaser 45% of the voting rights in the company, if there is no person who holds 45% of the voting rights in the company, (2) the acquisition was from a shareholder holding 25% or more of the voting rights in the company and resulted in the purchaser becoming a holder of 25% or more of the voting rights in the company, or (3) the acquisition was from a shareholder holding more than 45% of the voting rights in the company and resulted in the purchaser becoming a holder of more than 45% of the voting rights in the company. A special tender offer must be extended to all shareholders of a company. A special tender offer may be consummated only if (1) at least 5% of the voting power attached to the company's outstanding shares will be acquired by the offeror and (2) the number of shares tendered in the offer exceeds the number of shares whose holders objected to the offer (excluding the purchaser, its controlling shareholders, holders of 25% or more of the voting rights in the company and any person having a personal interest in the acceptance of the tender offer, or anyone on their behalf, including any such person's relatives and entities under their control).

In the event that a special tender offer is made, a company's board of directors is required to express its opinion on the advisability of the offer, or may abstain from expressing any opinion if it is unable to do so, provided that it gives the reasons for its abstention. The board of directors shall also disclose any personal interest that any of the directors has with respect to the special tender offer or in connection therewith. An office holder in a target company who, in his or her capacity as an office holder, performs an action the purpose of which is to cause the failure of an existing or foreseeable special tender offer or to impair the chances of its acceptance, is liable to the potential purchaser and shareholders for damages, unless such office holder acted in good faith and had reasonable grounds to believe he or she was acting for the benefit of the company. However, office holders of the target company may negotiate with the potential purchaser in order to improve the terms of the special tender offer and may further negotiate with third parties in order to obtain a competing offer.

If a special tender offer is accepted, then shareholders who did not respond to or that had objected the offer may accept the offer within four days of the last day set for the acceptance of the offer and they will be considered to have accepted the offer from the first day it was made. In the event that a special tender offer is accepted, then the purchaser or any person or entity controlling it or under common control with the purchaser or such controlling person or entity at the time of the offer may not make a subsequent tender offer for the purchase of shares of the target company and may not enter into a merger with the target company for a period of one year from the date of the offer, unless the purchaser or such person or entity undertook to effect such an offer or merger in the initial special tender offer. Shares purchased in contradiction to the special tender offer rules under the Companies Law will have no rights and will become dormant shares.

### ***Merger***

The Companies Law permits merger transactions if approved by each party's board of directors and, unless certain conditions described under the Companies Law are met, a simple majority of the outstanding shares of each party to the merger that are represented and voting on the merger. The board of directors of a merging company is required pursuant to the Companies Law to discuss and determine whether in its opinion there exists a reasonable concern that as a result of a proposed merger, the surviving company will not be able to satisfy its obligations towards its creditors, such determination taking into account the financial status of the merging companies. If the board of directors determines that such a concern exists, it may not approve a proposed merger. Following the approval of the board of directors of each of the merging companies, the boards of directors must jointly prepare a merger proposal for submission to the Israeli Registrar of Companies.

For purposes of the shareholder vote of a merging company whose shares are held by the other merging company, or by a person or entity holding 25% or more of the voting rights at the general meeting of shareholders of the other merging company, or by a person or entity holding the right to appoint 25% or more of the directors of the other merging company, unless a court rules otherwise, the merger will not be deemed

approved if a majority of the shares voted on the matter at the general meeting of shareholders (excluding

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abstentions) that are held by shareholders other than the other party to the merger, or by any person or entity who holds 25% or more of the voting rights of the other party or the right to appoint 25% or more of the directors of the other party, or any one on their behalf including their relatives or corporations controlled by any of them, vote against the merger. In addition, if the non-surviving entity of the merger has more than one class of shares, the merger must be approved by each class of shareholders. If the transaction would have been approved but for the separate approval of each class or the exclusion of the votes of certain shareholders as provided above, a court may still approve the merger upon the request of holders of at least 25% of the voting rights of a company, if the court holds that the merger is fair and reasonable, taking into account the valuation of the merging companies and the consideration offered to the shareholders. If a merger is with a company's controlling shareholder or if the controlling shareholder has a personal interest in the merger, then the merger is instead subject to the same special majority approval that governs all extraordinary transactions with controlling shareholders.

Under the Companies Law, each merging company must deliver to its secured creditors the merger proposal and inform its unsecured creditors of the merger proposal and its content. Upon the request of a creditor of either party to the proposed merger, the court may delay or prevent the merger if it concludes that there exists a reasonable concern that, as a result of the merger, the surviving company will be unable to satisfy the obligations of the merging company, and may further give instructions to secure the rights of creditors.

In addition, a merger may not be completed unless at least 50 days have passed from the date that a proposal for approval of the merger is filed with the Israeli Registrar of Companies and 30 days from the date that shareholder approval of both merging companies is obtained.

#### **Anti-takeover measures**

The Companies Law allows us to create and issue shares having rights different from those attached to our ordinary shares, including shares providing certain preferred rights with respect to voting, distributions or other matters and shares having preemptive rights. No preferred shares are authorized under our amended and restated articles of association. In the future, if we do authorize, create and issue a specific class of preferred shares, such class of shares, depending on the specific rights that may be attached to it, may have the ability to frustrate or prevent a takeover or otherwise prevent our shareholders from realizing a potential premium over the market value of their ordinary shares. The authorization and designation of a class of preferred shares will require an amendment to our amended and restated articles of association, which requires the prior approval of the holders of a majority of the voting power attached to our issued and outstanding shares at a general meeting of our shareholders. The convening of the meeting, the shareholders entitled to participate and the vote required to be obtained at such a meeting will be subject to the requirements set forth in the Companies Law and our amended articles of association, as described above in "—Shareholder meetings." In addition, as disclosed under "—Election of directors," we have a classified board structure, which effectively limits the ability of any investor or potential investor or group of investors or potential investors to gain control of our board of directors.

#### **Borrowing powers**

Pursuant to the Companies Law and our amended and restated articles of association, our board of directors may exercise all powers and take all actions that are not required under law or under our amended and restated articles of association to be exercised or taken by our shareholders, including the power to borrow money for company purposes.

#### **Changes in capital**

Our amended and restated articles of association enable us to increase or reduce our share capital. Any such changes are subject to Israeli law and must be approved by a resolution duly passed by our shareholders at a general meeting of shareholders. In addition, transactions that have the effect of reducing capital, such as the declaration and payment of dividends in the absence of sufficient retained earnings or profits, require the approval of both our board of directors and an Israeli court.





Our amended and restated articles of association provide that unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act (for the sake of clarification, this provision does not apply to causes of action arising under the Exchange Act). Our amended and restated articles of association also provide that unless we consent in writing to the selection of an alternative forum, the competent courts in Tel Aviv, Israel shall be the exclusive forum for any derivative action or proceeding brought on behalf of the Company, any action asserting a breach of a fiduciary duty owed by any of our directors, officers or other employees to the Company or our shareholders or any action asserting a claim arising pursuant to any provision of the Companies Law or the Israeli Securities Law.

**Transfer agent and registrar**

The transfer agent and registrar for our ordinary shares is American Stock Transfer & Trust Company. Its address is 6201 15th Avenue, Brooklyn, NY 11219, and its telephone number is (800) 937-5449.

**Listing**

Our ordinary shares are listed on the NYSE under the symbol "SMWB".

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*EXECUTION VERSION*

**SECOND AMENDMENT  
TO  
LOAN AND SECURITY AGREEMENT**

This Second Amendment to Loan and Security Agreement (this “Amendment”) is entered into and effective this 6<sup>th</sup> day of August, 2024 (“Second Amendment Effective Date”), by and among Silicon Valley Bank, a division of First-Citizens Bank & Trust Company (“Bank”), SIMILARWEB LTD, a company organized under the laws of the State of Israel (“ISR Borrower”), SIMILARWEB UK LIMITED, a limited liability company incorporated under the laws of England and Wales with company number 08634777 and its registered address at 145 City Road, Hoxton, London, United Kingdom, EC1V 1AZ, (“UK Borrower”), and SIMILARWEB, INC., a Delaware corporation (“US Borrower”) (ISR Borrower, UK Borrower and US Borrower are hereinafter jointly and severally, individually and collectively, referred to as “Borrower”).

**RECITALS**

- A.** Bank and Borrower have entered into that certain Loan and Security Agreement dated as of December 30, 2020, as amended pursuant to that certain Loan Modification Agreement dated as of November 13, 2022 (as the same may from time to time be further amended, modified, supplemented or restated, the “Loan Agreement”).
- B.** Bank has extended credit to Borrower for the purposes permitted in the Loan Agreement.
- C.** Borrower has requested that Bank amend the Loan Agreement to make certain revisions to the Loan Agreement as more fully set forth herein.
- D.** Bank has agreed to so amend certain provisions of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

- 1. Definitions.** Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.
- 2. Amendments to Loan Agreement.** The Loan Agreement shall be amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the bold and double-underlined text (indicated textually in the same manner as the following example: **bold and double-underlined text**) as set forth on the pages of the Loan Agreement attached as **Schedule I** hereto.
- 3. Limitation of Amendments.**

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*EXECUTION VERSION*

**3.1** The amendments set forth in Section 2, above, are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

**3.2** This Amendment shall constitute a Loan Document and be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect. Borrower hereby ratifies, confirms, and reaffirms all terms and conditions of all security or other collateral granted to Bank, and confirms that the indebtedness secured thereby includes, without limitation, the Obligations. In the event of a conflict between this Amendment and the Loan Agreement, the terms of this Amendment shall govern.

**4. Representations and Warranties.** To induce Bank to enter into this Amendment, Borrower hereby represents and warrants to Bank as follows:

**4.1** Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date are true and correct in all material respects as of such date (or all respects, as applicable), and (b) no Default or Event of Default has occurred and is continuing;

**4.2** Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

**4.3** The organizational documents of Borrower delivered to Bank on the Second Amendment Effective Date remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

**4.4** The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

**4.5** The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting Borrower, (b) any contractual restriction with a Person binding on Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the organizational documents of Borrower;

**4.6** The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this

Amendment, do not require any order, consent, approval, license, authorization or validation of,

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*EXECUTION VERSION*

or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on Borrower, except as already has been obtained or made; and

**4.7** This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

**5. Updated Perfection Certificates.** Each Borrower has delivered an updated Perfection Certificate dated as of the date hereof (collectively, the "**Updated Perfection Certificate**"), which Updated Perfection Certificate shall supersede in all respects that certain Perfection Certificate dated as of November 13, 2022 delivered by Borrower to Bank. Borrower and Bank acknowledge and agree that all references in the Loan Agreement to the "Perfection Certificate" shall hereinafter be deemed to be a reference to the Updated Perfection Certificate.

**6. Ratification of ISR Debenture.** Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and conditions of the ISR Debenture (as amended on or about the date hereof), and acknowledges, confirms and agrees that the ISR Debenture shall remain in full force and effect in accordance with its terms.

**7. Ratification of UK Debenture.** Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and conditions of the UK Debenture (as amended on or about the date hereof), and acknowledges, confirms and agrees that the UK Debenture shall remain in full force and effect in accordance with its terms.

**8. Ratification of IP Agreement.** Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and conditions of the IP Agreements, including as the that certain Intellectual Property Security Agreement between ISR Borrower and Bank dated as of December 30, 2020 is amended by that certain Second Amendment to Intellectual Property Security Agreement dated of the Second Amendment Effective Date (the "Second Amendment to IPSA"), and acknowledges, confirms and agrees that the IP Agreements (i) contains accurate and complete listings of all Intellectual Property Collateral, as defined in the IP Agreements, in all material respects and (ii) shall remain in full force and effect in accordance with their terms.

**9. Governing Law.** This Amendment shall be governed and construed in accordance with the laws of the State of California, without giving effect to conflicts of laws principles.

**10. Integration.** This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Loan Documents merge into this Amendment and the Loan Documents.



**11. Counterparts.** This Amendment may be executed in any number of counterparts

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and all of such counterparts taken together shall be deemed to constitute one and the same instrument. Each party hereto may execute this Amendment by electronic means and recognizes and accepts the use of electronic signatures and records by any other party hereto in connection with the execution and storage hereof.

**12. Conditions Precedent.** Bank's obligations under this Amendment are subject to the condition precedent that Bank shall have received, in form and substance satisfactory to Bank, such documents, and completion of such other matters, as Bank may reasonably deem necessary or appropriate, including, without limitation:

**12.1** This Amendment, the Second Amendment to IPSA, and the Updated Perfection Certificate duly executed on behalf of Borrower;

**12.2** A secretary's certificate of US Borrower with respect to US Borrower's Operating Documents, incumbency, specimen signatures and resolutions authorizing the execution and delivery of this Amendment and the other Loan Documents to which it is a party;

**12.3** An officer certificate of ISR Borrower with respect to ISR Borrower's articles, certificate of incorporation, incumbency and resolutions authorizing the execution and delivery of this Agreement and the other Loan Documents to which it is a party, together with the duly executed signatures thereto;

**12.4** A certificate of a director of UK Borrower attaching; (i) certificate of incorporation; (ii) its memorandum and articles of association; (iii) specimen signatures of the authorized signatories to the Loan Documents to which it is a party; (iv) applicable shareholder resolutions (if any); and (v) the Borrowing Resolutions;

**12.5** Duly executed original signatures of ISR Borrower (together with ISR Borrower's stamp) to the ISR Debentures' amendments and duly executed original notices to the Israeli Registrar of Companies for the registration of the ISR Debentures, as required for the registration of the ISR Debentures;

**12.6** An executed legal opinion of ISR Borrower's counsel dated as of the date hereof, substantially in the form provided to Bank prior to the Effective Date;

**12.7** Duly executed signatures to the completed Borrowing Resolutions for each Borrower;

**12.8** A good standing certificate of US Borrower, certified by the jurisdiction of formation of Borrower and each other jurisdiction in which Borrower is qualified to conduct business, dated as of a date no earlier than thirty (30) days prior to the date hereof;

**12.9** Certified copies, dated as of a recent date, of financing statement and other lien searches of Borrower, which shall be obtained by Bank, accompanied by written evidence (including any Uniform Commercial Code termination statements) that the Liens revealed in any such searched either (i) will be terminated prior to or in connection with this Amendment, or (ii) will constitute Permitted Liens;

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**12.10** Evidence reasonably satisfactory to Bank that the insurance policies required pursuant to Section 6.7 of the Loan Agreement are in full force and effect;

**12.11** A third party harvest analysis reasonably satisfactory to Bank;

**12.12** Duly executed signatures to the UK Debenture;

**12.13** A management forecast and customer review trends and metrics reasonably satisfactory to Bank; and

**12.14** Such other documents as Bank may reasonably request to effectuate the terms of this Amendment.

**13. Fees and Expenses.** Borrower shall reimburse Bank for all unreimbursed Bank Expenses, including without limitation, all legal fees and expenses incurred in connection with this Amendment (which external attorneys' fees (exclusive of disbursements) for the documentation and negotiation of this Amendment will not exceed Thirty Thousand Dollars (\$30,000) as of the Effective Date).

**14. Post-Closing Requirement.** Within thirty (30) days after the date hereof, Borrower shall deliver or cause to be delivered to Bank evidence reasonably satisfactory to Bank that the insurance endorsements required for Borrower in Section 6.7 of the Loan Agreement are in full force and effect.

[Signature page follows.]

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**IN WITNESS WHEREOF**, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

**BORROWER:**

**SIMILARWEB LTD**

By  \_\_\_\_\_

Name: Or Offer

Title: Chief Executive Officer

**SIMILARWEB INC.**

By  \_\_\_\_\_

Name: Or Offer

Title: Chief Executive Officer

EXECUTED AS A DEED BY  
**SIMILARWEB UK LIMITED**  
acting by a director  
in the presence of:

Signature of  director.....

Name of Director: Or Offer

Signature of  director.....

Name of Director: Jason Schwartz

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**BANK:**

**FIRST-CITIZENS BANK & TRUST COMPANY**

By  \_\_\_\_\_  
DocuSigned by:  
Dylan Wong  
A9FFC35F19414CC

Name: Dylan Wong

Title: Director



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**Schedule I**

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EXECUTION VERSION  
Conformed Through 2nd Amendment

## LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (this “Agreement”) dated as of ~~December~~ December 30, 2020 (the “Effective Date”) between (a) ~~SILICON VALLEY BANK, a California corporation~~ SILICON VALLEY BANK, A DIVISION OF FIRST-CITIZENS BANK & TRUST COMPANY (“Bank”), and (b) SIMILARWEB LTD, a private company organized under the laws of the State of Israel (“ISR Borrower”), SIMILARWEB UK LIMITED, a limited liability company incorporated under the laws of England and Wales with company number 08634777 and its registered address at Milton Gate, 60 Chiswell St., London EC17 4AG, United Kingdom, (“UK Borrower”), and SIMILARWEB, INC., a Delaware corporation with its registered address at 35 E. 21st St., New York, NY 10010, USA (“US Borrower”) (ISR Borrower, UK Borrower and US Borrower are hereinafter jointly and severally, individually and collectively, referred to as “Borrower”), provides the terms on which Bank shall lend to Borrower and Borrower shall repay Bank. The parties agree as follows:

### 1 ACCOUNTING AND OTHER TERMS

Accounting terms not defined in this Agreement shall be construed in accordance with GAAP. Calculations and determinations shall be made in accordance with GAAP; *provided* that if at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either Borrower or Bank shall so request, Borrower and Bank shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP, *provided, further*, that, until so amended, (a) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (b) Borrower shall provide Bank financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Notwithstanding the foregoing, all financial covenants and other financial calculations shall be computed with respect to Borrower on a consolidated basis.

### 2 LOAN AND TERMS OF PAYMENT

**2.1 Promise to Pay.** Subject to the terms and conditions set forth in this Agreement, Borrower hereby unconditionally promises to pay Bank the outstanding principal amount of all Credit Extensions and accrued and unpaid interest thereon as and when due in accordance with this Agreement.

#### 2.2 **Revolving Line.**

(a) Availability. Subject to the terms and conditions of this Agreement and to deduction of Reserves, Bank shall, subject to the terms and conditions set forth in this Agreement, make Advances not exceeding the Availability Amount. Amounts borrowed under the Revolving Line may be repaid and, prior to the Revolving Line Maturity Date, reborrowed, subject to the applicable terms and conditions precedent herein.

(b) Termination; Repayment. The Revolving Line terminates on the Revolving Line Maturity Date, when the principal amount of all Advances, the unpaid interest thereon, and all other Obligations relating to the Revolving Line shall be immediately due and payable.

**2.3 Overadvances.** If, at any time, the ~~outstanding sum of (a) the aggregate outstanding principal amount of any Advances exceeds the Availability Amount, plus (b) the aggregate Dollar Equivalent of the face amount of outstanding Letters of Credit (including drawn but unreimbursed Letters of Credit and any Letter of Credit Reserve), exceeds the lesser of (i) the Revolving Line or (ii) the Borrowing Base,~~ Borrower shall immediately pay to Bank in cash the amount of such excess (such excess, the “Overadvance”) and Borrower hereby irrevocably authorizes Bank to debit any of its accounts maintained with Bank or any of Bank’s Affiliates in connection therewith. Without limiting Borrower’s obligation to repay Bank any Overadvance, Borrower agrees to pay Bank interest on the outstanding amount of any Overadvance, on demand, at the Default Rate.

#### 2.4 **Payment of Interest on the Credit Extensions.**



(a) Interest Rate. Subject to Section 2.4(b), the principal amount outstanding under the Revolving Line shall accrue interest at a rate equal to the greater of: (i) a floating per annum rate equal to half of one percent (0.50%) above the Prime Rate; or (ii) a fixed per annum rate equal to three and three quarters of one percent (3.75%), in each case, which interest shall be payable monthly in accordance with Section 2.4(d) below. Notwithstanding the foregoing, upon consummation of a Qualified IPO and thereafter, subject to Section 2.4(b), the principal amount outstanding under the Revolving Line shall accrue interest at a rate equal to the greater of: (i) a floating per annum rate equal to one quarter of one percent (0.25%) above the Prime Rate; or (ii) a fixed per annum rate equal to three and one half of one percent (3.503.5%), in each case, which interest shall be payable monthly in accordance with Section 2.4(d) below.

(b) Default Rate. Immediately upon the occurrence and during the continuance of an Event of Default, Obligations shall bear interest at a rate per annum which is three percent (3.00%) above the rate that is otherwise applicable thereto (the "**Default Rate**"). Fees and expenses which are required to be paid by Borrower pursuant to the Loan Documents (including, without limitation, Bank Expenses) but are not paid when due shall bear interest until paid at a rate equal to the highest rate applicable to the Obligations. Payment or acceptance of the increased interest rate provided in this Section 2.4(b) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Bank.

(c) Adjustment to Interest Rate. Changes to the interest rate of any Credit Extension based on changes to the Prime Rate shall be effective on the effective date of any change to the Prime Rate and to the extent of any such change.

(d) Payment; Interest Computation. Interest is payable monthly on the Payment Date of each month and shall be computed on the basis of a 360-day year for the actual number of days elapsed. In computing interest, (i) all payments received after 12:00 p.m. Pacific time on any day shall be deemed received at the opening of business on the next Business Day, and (ii) the date of the making of any Credit Extension shall be included and the date of payment shall be excluded; *provided, however*, that if any Credit Extension is repaid on the same day on which it is made, such day shall be included in computing interest on such Credit Extension.

## 2.5 Fees. Borrower shall pay to Bank:

(a) Revolving Line Commitment Fee. On the Effective Date January 1, 2025, a fully earned, non-refundable commitment fee of One Two Hundred Seventy Five Sixty Two Thousand Five Hundred Dollars (\$175,000262,500) (the "**Revolving Line Commitment Fee**");

(b) Anniversary Fee. On the one (January 1) year anniversary of the Effective Date, 2026, a fully earned, non-refundable anniversary fee of One Two Hundred Seventy Five Sixty Two Thousand Five Hundred Dollars (\$175,000262,500) (the "**Anniversary Fee**");

(c) Letter of Credit Fee. Bank's customary fees and expenses for the issuance or renewal of Letters of Credit;

(d) [Reserved].

~~(e) Additional Fee. (x) In the event that a Qualified IPO is consummated prior to or on the one (1) year anniversary of the Effective Date, then, upon the consummation of such Qualified IPO, an additional fully earned, non-refundable fee in an amount equal to Eighty Seven Five Hundred Thousand Dollars (\$87,500); and (y) In the event that a Qualified IPO is consummated following the one (1) year anniversary of the Effective Date however prior to the Revolving Line Maturity Date, then, upon the consummation of such Qualified IPO, an additional fully earned, non-refundable fee in an amount equal to the product (i) of Eighty Seven Five Hundred Thousand Dollars (\$87,500), multiplied by (ii) a percentage which shall reflect the relative time remaining from the date of consummation of such Qualified IPO to the Revolving Line Maturity Date (in each case, the "**Additional Fee**");~~



~~(d) Additional Anniversary Fee. In the event that a Qualified IPO is consummated before the one (1) year anniversary of the Effective Date, then, on the one (1) year anniversary of such Qualified IPO—an additional fully earned, non-refundable anniversary fee in an amount equal to (i) the product of (A) Eighty Seven Five Hundred Thousand Dollars (\$87,500), multiplied by (B) a percentage which shall reflect the relative time remaining from the such one (1) year anniversary of such Qualified IPO to the Revolving Line Maturity Date out of the one year period commencing as of the first (1) year anniversary of the Effective Date (the “**Additional Anniversary Fee**”).~~

(e) Unused Revolving Line Facility Fee. Payable quarterly in arrears on a calendar year basis, on the last day of each calendar quarter occurring hereinafter prior to the Revolving Line Maturity Date, and on the Revolving Line Maturity Date, a fee (the “**Unused Revolving Line Facility Fee**”) in an amount equal to zero point thirty of one percent (0.3%) per annum of the average unused portion of the Revolving Line, as determined by Bank, computed on the basis of a year with the applicable number of days as set forth in Section 2.4(d). The unused portion of the Revolving Line, for purposes of this calculation, shall ~~be calculated on a calendar year basis and shall~~ equal the difference between (i) the Revolving Line, and (ii) (A) the average for the period of the daily closing balance of the Revolving Line outstanding plus (B) the aggregate Dollar Equivalent of the face amount of outstanding Letters of Credit (including drawn but unreimbursed Letters of Credit and any Letter of Credit Reserve). Borrower shall not be entitled to any credit, rebate or repayment of any Unused Revolving Line Facility Fee previously earned by Bank pursuant to this Section 2.5(b) notwithstanding any termination of this Agreement or the suspension or termination of Bank’s obligation to make Credit Extensions hereunder.

(f) Bank Expenses. All Bank Expenses (including reasonable documented external attorneys’ fees and expenses for documentation and negotiation of this Agreement (which external attorneys’ fees for the documentation and negotiation of this Agreement will not exceed Thirty Five Thousand Dollars (\$35,000) as of the Effective Date)), incurred through and after the Effective Date, when due (or, if no stated due date, upon demand by Bank).

(g) Fees Fully Earned. Unless otherwise provided in this Agreement or in a separate writing by Bank, Borrower shall not be entitled to any credit, rebate, or repayment of any fees earned by Bank pursuant to this Agreement notwithstanding any termination of this Agreement or the suspension or termination of Bank’s obligation to make loans and advances hereunder. Bank may deduct amounts owing by Borrower under the clauses of this Section 2.5 pursuant to the terms of Section 2.7(c).

**2.6 Good Faith Deposit.** Borrower has paid to Bank a deposit of Twenty Five Thousand Dollars (\$25,000) (the “**Good Faith Deposit**”) to initiate Bank’s due diligence review process. Any portion of the Good Faith Deposit not utilized to pay Bank Expenses will be applied to the Loan Fees.

## **2.7 Payments; Application of Payments; Debit of Accounts.**

(a) All payments to be made by Borrower under any Loan Document shall be made in immediately available funds in Dollars, without setoff or counterclaim, before 12:00 p.m. Pacific time on the date when due. Payments of principal and/or interest received after 12:00 p.m. Pacific time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment shall be due the next Business Day, and additional fees or interest, as applicable, shall continue to accrue until paid.

(b) Bank has the exclusive right to determine the order and manner in which all payments with respect to the Obligations may be applied. Borrower shall have no right to specify the order or the accounts to which Bank shall allocate or apply any payments required to be made by Borrower to Bank or otherwise received by Bank under this Agreement when any such allocation or application is not specified elsewhere in this Agreement.

(c) Bank may debit any of Borrower’s deposit accounts, including the Designated Deposit Account, for principal and interest payments or any other amounts Borrower owes Bank when due. Bank shall as





promptly as reasonably practicable notify Borrower when it debits Borrower's accounts for payments other than principal and interest. These debits shall not constitute a set-off.

## **2.8 Withholding.**

(a) All payments by ISR Borrower to Bank shall be made subject to applicable withholding taxes under the Israeli Income Tax Ordinance and the Convention between the Government of the State of Israel and the Government of the United States of America with respect to taxes on income, provided however, that if Bank provides ISR Borrower with a valid certificate of exemption from tax withholding or a determination applying a reduced withholding tax rate or any other instructions regarding the payment of withholding issued by the Israeli Tax Authority, then the withholding (if any) of any amounts from the payments to be made by the Borrower to Bank shall be made only in accordance with the provisions of such certificate. For the avoidance of doubt, any amounts withheld in accordance with this Section 2.8(a) shall be deemed to have been paid to the Bank.

(b) Subject to Section 2.8(a) above, Payments received by Bank from Borrower under this Agreement will be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority (including any interest, additions to tax or penalties applicable thereto). Specifically, however, if at any time any Governmental Authority, applicable law, regulation or international agreement requires Borrower to make any withholding or deduction from any such payment or other sum payable hereunder to Bank, Borrower hereby covenants and agrees that the amount due from Borrower with respect to such payment or other sum payable hereunder will be increased to the extent necessary to ensure that, after the making of such required withholding or deduction, Bank receives a net sum equal to the sum which it would have received had no withholding or deduction been required, and Borrower shall pay the full amount withheld or deducted to the relevant Governmental Authority. In the event that tax was withheld by Borrower, Borrower will, upon request, furnish Bank with proof reasonably satisfactory to Bank indicating that Borrower has made such withholding payment, and will cooperate with Bank in connection with any information and documentation reasonably required by Bank in connection with credits, exemptions, rebates, or other benefits to be obtained by Bank in connection with such withholding payments made by Borrower, which credits, exemptions, rebates, or other benefits shall be property of Bank, without payment to Borrower or application to any Obligations hereunder; provided, however, that Borrower need not make any withholding payment if the amount or validity of such withholding payment is contested in good faith by appropriate proceedings and as to which payment in full is bonded or reserved against by Borrower.

(c) Bank declares that it is a bank regulated under US federal law and accordingly classified as a "financial institution" as such term is defined in the Israeli Value Added Tax Law, 5736-1975 and any regulations and rules promulgated thereunder.

(d) The agreements and obligations of Borrower contained in this Section 2.8 shall survive the termination of this Agreement.

**2.9 UK Withholding; Gross-up.** All payments to be made by UK Borrower under this Agreement, whether in respect of principal, interest, fees or otherwise, shall (save insofar as required by law to the contrary) be paid in full without set-off or counterclaim and free and clear of and without any deduction or withholding or payment for or on account of any Taxes that may be imposed in the United Kingdom or any other jurisdiction from which payment may be made by UK Borrower under this Agreement excluding Taxes on income of Bank. If UK Borrower shall be required by law to effect any deduction or withholding or payment as aforesaid from or in connection with any payment made under this Agreement for the account of Bank then:

(a) UK Borrower shall promptly notify Bank upon becoming aware of the relevant requirements to deduct any such deduction or withholding or payment;

(b) UK Borrower shall ensure that such deduction or withholding or payment does not exceed the minimum legal liability therefor, shall remit the amount of such Tax to the appropriate Taxation authority and shall forthwith pay to Bank such additional amount as will result in the immediate receipt by Bank of the full amount



which would otherwise have been receivable hereunder had no such deduction or withholding or payment been made; and

(c) UK Borrower shall not later than fifty (50) days after each deduction or withholding or payment of any Taxes forward to Bank documentary evidence reasonably required by Bank in respect of the payment of any such Taxes.

#### **2.10 Letters of Credit Sublimit.**

(a) As part of the Revolving Line, Bank shall issue or have issued Letters of Credit denominated in Dollars or a Foreign Currency for Borrower's account. The aggregate Dollar Equivalent of the face amount of outstanding Letters of Credit (including drawn but unreimbursed Letters of Credit and any Letter of Credit Reserve) may not exceed the lesser of (i) the Revolving Line or (ii) the Borrowing Base, minus all outstanding principal amounts of any Advances. In addition, the aggregate Dollar Equivalent of the face amount of outstanding Letters of Credit (including drawn but unreimbursed Letters of Credit and any Letter of Credit Reserve) may not at any time exceed Ten Million Dollars (\$10,000,000). Any amounts needed to fully reimburse Bank for any amounts not paid by Borrower in connection with Letters of Credit will be treated as Advances under the Revolving Line and will accrue interest at the interest rate applicable to Advances.

(b) If, on the Revolving Line Maturity Date (or the effective date of any termination of this Agreement), there are any outstanding Letters of Credit, then on such date Borrower shall provide to Bank cash collateral in an amount equal to at least (i) one hundred five percent (105.0%) of the face amount of all such Letters of Credit denominated in Dollars and (ii) one hundred ten percent (110.0%) of the Dollar Equivalent of the face amount of all such Letters of Credit denominated in a Foreign Currency, plus, in each case, all interest, fees, and costs due or estimated by Bank to become due in connection therewith, to secure all of the Obligations relating to such Letters of Credit.

(c) All Letters of Credit shall be in form and substance acceptable to Bank in its sole discretion and shall be subject to the terms and conditions of Bank's standard Application and Letter of Credit Agreement (the "Letter of Credit Application"). Borrower shall execute any further documentation in connection with the Letters of Credit as Bank may reasonably request. Borrower shall be bound by the regulations and interpretations of the issuer of any Letters of Credit guaranteed by Bank and issued for Borrower's account or by Bank's interpretations of any Letter of Credit issued by Bank for Borrower's account. Bank shall not be liable for any error, negligence, or mistake, whether of omission or commission, in following Borrower's instructions or those contained in the Letters of Credit or any modifications, amendments, or supplements thereto.

(d) The obligation of Borrower to immediately reimburse Bank for drawings made under Letters of Credit shall be absolute, unconditional, and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement, such Letters of Credit, and the Letter of Credit Application.

(e) Borrower may request that Bank issue a Letter of Credit payable in a Foreign Currency. If a demand for payment is made under any such Letter of Credit, Bank shall treat such demand as an Advance to Borrower of the Dollar Equivalent of the amount thereof (plus fees and charges in connection therewith such as wire, cable, SWIFT or similar charges).

To guard against fluctuations in currency exchange rates, upon the issuance of any Letter of Credit payable in a Foreign Currency, Bank shall create a reserve (the "Letter of Credit Reserve") under the Revolving Line in an amount equal to a percentage (which percentage shall be determined by Bank in its sole discretion) of the Dollar Equivalent of the face amount of such Letter of Credit. The amount of the Letter of Credit Reserve may be adjusted by Bank from time to time to account for fluctuations in the exchange rate. The availability of funds under the Revolving Line shall be reduced by the amount of such Letter of Credit Reserve for as long as such Letter of Credit remains outstanding.



**3.1 Conditions Precedent to Initial Credit Extension.** Bank's obligation to make the initial Credit Extension is subject to the condition precedent that Bank shall have received, in form and substance satisfactory to Bank, such documents, and completion of such other matters, as Bank may reasonably deem necessary or appropriate, including, without limitation:

- (a) duly executed signatures to the Loan Documents;
- (b) duly executed signatures of Borrower to the IP Agreement, completed exhibits thereto and copies of intellectual property search results in connection therewith;

~~(c) duly executed signatures to the Control Agreements with [REDACTED];~~

(c) ~~(d)~~ duly executed original signatures of ISR Borrower (together with ISR Borrower's stamp) to the ISR Debentures and their translation to Hebrew and duly executed original notices to the Israeli Registrar of Companies for the registration of the ISR Debentures and original confirmation of such translations' compatibility, as required for the registration of the ISR Debentures;

(d) ~~(e)~~ an officer certificate of ISR Borrower with respect to ISR Borrower's articles, certificate of incorporation, incumbency and resolutions authorizing the execution and delivery of this Agreement and the other Loan Documents to which it is a party, together with the duly executed signatures thereto;

(e) ~~(f)~~ US Borrower's Operating Documents and long-form good standing certificates of US Borrower certified by the Secretary of State (or equivalent agency) of US Borrower's jurisdiction of organization or formation and each jurisdiction in which US Borrower is qualified to conduct business, each as of a date no earlier than thirty (30) days prior to the Effective Date;

~~(g) a [subordination agreement] [intercreditor agreement] by [REDACTED] in favor of Bank, together with the duly executed original signatures thereto and copies of the underlying documents evidencing Borrower's Indebtedness with such Person[s]; [to be deleted/completed once the PCs will be finalized]~~

(f) ~~(h)~~ a secretary's certificate of US Borrower with respect to US Borrower's Operating Documents, incumbency, specimen signatures and resolutions authorizing the execution and delivery of this Agreement and the other Loan Documents to which it is a party;

(g) ~~(i)~~ duly executed signatures to the completed Borrowing Resolutions for each Borrower;

(h) ~~(j)~~ evidence that (i) the Liens securing Indebtedness owed by ISR Borrower to Bank Leumi le-Israel B.M. will be terminated and (ii) the documents and/or filings evidencing the perfection of such Liens, including without limitation any financing statements and/or control agreements, have or will, concurrently with the initial Credit Extension, be terminated;

(i) ~~(k)~~ evidence that the charge dated 30 July 2016 (Charge Code: 0863 4777 0001) in favor of Bank Leumi Le-Israel B.M., has or will, concurrently with the initial Credit Extension, be terminated;

(j) ~~(l)~~ certified copies, dated as of a recent date, of financing statement and other lien filing searches, UK Companies Registry searches and Israel Companies Registrar searches, as Bank shall request, accompanied by written evidence (including any UCC termination statements) that the Liens indicated in any such financing statements or other filings either constitute Permitted Liens or have been or, in connection with the initial Credit Extension, will be terminated or released, in each case with respect to each Borrower;

(k) ~~(m)~~ the Perfection Certificate(s) of each Borrower together with the duly executed signatures thereto;

(l) ~~(n)~~ Intellectual Property search results and completed exhibits to the IP Agreements;



(m) ~~(e)~~ an executed legal opinion of ISR Borrower's counsel dated as of the Effective Date, substantially in the form provided to Bank prior to the Effective Date;

(n) ~~(p)~~ a legal opinion of Bank's UK counsel (authority/enforceability) in respect of UK Borrower, in form and substance acceptable to Bank and delivered to Bank on the Effective Date (it being agreed that the costs associated with such opinion constitute Bank Expenses);

(o) ~~(q)~~ evidence satisfactory to Bank that the insurance policies and endorsements required by Section 6.7 hereof are in full force and effect, together with appropriate evidence showing lender loss payable and/or additional insured clauses or endorsements in favor of Bank and cancellation notice to Bank;

(p) ~~(r)~~ duly executed signatures to the UK Debenture;

(q) ~~(s)~~ a certificate of a director of UK Borrower attaching; (i) certificate of incorporation; (ii) its memorandum and articles of association; (iii) specimen signatures of the authorized signatories to the Loan Documents to which it is a party; (iv) applicable shareholder resolutions (if any); and (v) the Borrowing Resolutions;

~~(t) [Placeholder for payoff process — we require receiving signed payoff letter and signed release of liens documents deposited with us in escrow, to be filed once existing lenders will confirm receipt of the funds (to be transferred directly to the existing lenders)] [please provide a form of such payoff letter & liens release docs for our review prior to their execution]~~

(r) a duly executed payoff letter in a form acceptable to Bank for the discharge of Borrower's debts and obligations to Bank Leumi le-Israel B.M. ("Bank Leumi") with respect to the Second Amended and Restated Loan and Security Agreement signed between Bank Leumi and the Borrower on December 22, 2019 (the "Leumi LSA");

(s) ~~(u)~~ with respect to the initial Advance, a completed Transaction Report (and any schedules related thereto and including any other information requested by Bank with respect to Borrower's Accounts); and

(t) ~~(v)~~ payment of the fees and Bank Expenses then due as specified in Section 2.5 hereof.

**3.2 Conditions Precedent to all Credit Extensions.** Bank's obligations to make each Credit Extension, including the initial Credit Extension, is subject to the following conditions precedent:

(a) timely receipt of the Credit Extension request and any materials and documents required by Section 3.4;

(b) the representations and warranties in this Agreement, in the ISR Debentures in the UK Debenture, and in the IP Agreements shall be true, accurate, and complete in all material respects on the date of the proposed Credit Extension and on the Funding Date of each Credit Extension; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects (or all respects, as applicable) as of such date, and no Event of Default shall have occurred and be continuing or result from the Credit Extension. Each Credit Extension is Borrower's representation and warranty on that date that the representations and warranties in this Agreement, in the ISR Debentures, the UK Debenture and the IP Agreement remain true, accurate, and complete in all material respects; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects (or all respects, as applicable) as of such date; and





(c) Bank determines to its satisfaction, in its good faith business judgment, that there has not been any material impairment in Borrower's general affairs, management, results of operation, financial condition or the prospect of repayment of the Obligations, nor any material adverse deviation by Borrower from the most recent business plan of Borrower, as applicable, presented to and accepted by Bank.

### 3.3 Covenant to Deliver.

Except as otherwise provided in [this Section 3.3\(b\)](#), Borrower agrees to deliver to Bank each item required to be delivered to Bank under this Agreement as a condition precedent to any Credit Extension. Borrower expressly agrees that a Credit Extension made prior to the receipt by Bank of any such item shall not constitute a waiver by Bank of Borrower's obligation to deliver such item, and the making of any Credit Extension in the absence of a required item shall be in Bank's sole discretion.

(a) Unless otherwise provided in writing, within ninety (90) days after the Effective Date, the Initial Audit has been completed to Bank's satisfaction in its sole discretion.

(b) Unless otherwise provided in writing, within thirty (30) days after the Effective Date, the Cash Collateral Account ~~and the Blocked Account have~~[has](#) been established to Bank's satisfaction in its sole discretion.

(c) [Unless otherwise provided in writing, within thirty \(30\) days after the Effective Date, duly executed signatures to a Control Agreement with Bank Leumi USA.](#)

(d) [Upon receipt by Bank Leumi of the entire amount of Borrower's debts and obligations to Bank Leumi under the Leumi LSA, release of all liens registered in favor of Bank Leumi over Borrower's assets and release of all other securities or guaranties in connection therewith.](#)

**3.4 Procedures for Borrowing.** Subject to the prior satisfaction of all other applicable conditions to the making of an Advance set forth in this Agreement, to obtain an Advance ([other than under Section 2.10](#)), Borrower (via an individual duly authorized by an Administrator) shall notify Bank (which notice shall be irrevocable) by electronic mail by 12:00 p.m. Pacific time on the Funding Date of the Advance. Such notice shall be made by Borrower through Bank's online banking program, *provided, however*, if Borrower is not utilizing Bank's online banking program, then such notice shall be in a written format acceptable to Bank that is executed by an Authorized Signer. Bank shall have received satisfactory evidence that the Board has approved that such Authorized Signer may provide such notices and request Advances. In connection with any such notification, Borrower must promptly deliver to Bank by electronic mail or through Bank's online banking program such reports and information as Bank may request in its good faith business judgment. Bank shall credit proceeds of an Advance to the Designated Deposit Account. Bank may make Advances under this Agreement based on instructions from an Authorized Signer or without instructions if the Advances are necessary to meet Obligations which have become due.

## 4 CREATION OF SECURITY INTEREST

**4.1 Grant of Security Interest.** Borrower hereby grants Bank, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Bank, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof. If Borrower shall at any time acquire a commercial tort claim, Borrower shall promptly notify Bank in a writing signed by Borrower of the general details thereof and grant to Bank in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to Bank.

Borrower acknowledges that it previously has entered, and/or may in the future enter, into Bank Services Agreements with Bank. Regardless of the terms of any Bank Services Agreement, Borrower agrees that any amounts Borrower owes Bank thereunder shall be deemed to be Obligations hereunder and that it is the intent of Borrower and Bank to have all such Obligations secured by the first priority perfected security interest in the



Collateral granted herein (subject only to Permitted Liens that are permitted pursuant to applicable law and the terms of this Agreement to have superior priority to Bank's Lien in this Agreement) and by the ISR Debentures, the UK Debenture and any and all other security agreements, mortgages or other collateral granted to Bank by Borrower as security for the Obligations, now or in the future (subject only to Permitted Liens that are permitted pursuant to applicable law and the terms of this Agreement to have superior priority to Bank's Lien in this Agreement).

If this Agreement is terminated, Bank's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are repaid in full in cash. Upon payment in full in cash of the Obligations (other than inchoate indemnity obligations) and at such time as Bank's obligation to make Credit Extensions has terminated, Bank shall, at the sole cost and expense of Borrower, as soon as practicable, release its Liens in the Collateral and all rights therein shall revert to Borrower. In the event (x) all Obligations (other than inchoate indemnity obligations), except for Bank Services, are satisfied in full, and (y) this Agreement is terminated, Bank shall terminate the security interest granted herein upon Borrower providing cash collateral acceptable to Bank in its good faith business judgment consistent with Bank's then current practice for Bank Services, if any. In the event such Bank Services consist of outstanding Letters of Credit, Borrower shall provide to Bank cash collateral in an amount equal to (x) if such Letters of Credit are denominated in Dollars, then one hundred five percent (105.0%); and (y) if such Letters of Credit are denominated in a Foreign Currency, then one hundred ten percent (110.0%), of the Dollar Equivalent of the face amount of all such Letters of Credit plus all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its good faith business judgment), to secure all of the Obligations relating to such Letters of Credit.

**4.2 Debentures.** Borrower undertakes to create, in favor of Bank, a first ranking floating charge over all of the present and future assets of ISR Borrower whether now existing or hereafter created (including without limitation, Intellectual Property), and a first ranking fixed charge over its registered and unissued share capital, its goodwill, Intellectual Property, equipment and other fixed assets and any tax benefits to which it may be entitled, in accordance with debentures of floating charge and fixed charge in the forms of Debenture attached as **Exhibit D-1** and **Exhibit D-2** respectively (as amended, modified or restated from time to time, jointly, the "ISR Debentures" and each, an "ISR Debenture"). In addition, Borrower undertakes to create within twenty (20) days of the end of each 6 months period, , and more often if requested at the good faith business judgment of Bank, a first ranking fixed charge over (i) each Account which is outstanding at such time, (ii) ISR Borrower's rights, whether then existing or thereafter created, to receive funds from its customers, and (iii) any additional applications for registration of Intellectual Property of ISR Borrower or additional registered Intellectual Property of ISR Borrower (as described in Section 6.10 below) and any additional unregistered Intellectual Property developed by ISR Borrower, and (iv) Borrower's Equipment, all in accordance with a debenture of fixed charge in the form of the Debenture attached hereto as **Exhibit D-2** (or in the form of an amendment to the existing ISR Debenture, at the Bank's discretion; each such new and/or amended debenture shall also be included in the definition of the term "ISR Debenture" herein). Borrower warrants and represents that the charges of the ISR Debentures, upon the filing thereof, shall be first priority fixed and floating charges (as provided therein) in the Collateral. **Exhibits D-4** through **D-10** attached hereto detail the Customers List, Pledged Accounts, Copyrights, Patents, Trademarks, Mask Works and Equipment List, as such terms are defined under the fixed charge ISR Debenture.

UK Borrower undertakes to create, in favor of Bank, a first ranking fixed charge over all of its present and future assets, whether now existing or hereafter created (including without limitation to the generality of the foregoing over its Accounts, Equipment and Intellectual Property) and a first floating charge over all of its property, undertaking and assets (howsoever described) as detailed in the UK Debenture attached as **Exhibit D-3** (as amended, modified or restated from time to time, the "UK Debenture").

**4.3 Priority of Security Interest.** Borrower represents, warrants, and covenants that the security interest granted herein is and shall at all times continue to be a first priority perfected security interest in the Collateral and a first priority fixed and floating charges as set forth in the ISR Debentures and the UK Debenture (subject only to Permitted Liens that are permitted pursuant to applicable law and the terms of this Agreement to have superior priority to Bank's Lien under this Agreement).



**4.4 Authorization to File Financing Statements.** Borrower hereby authorizes Bank to file financing statements, without notice to Borrower, with all appropriate jurisdictions to perfect or protect Bank's interest or rights hereunder, including a notice that any disposition of the Collateral, by either Borrower or any other Person, shall be deemed to violate the rights of Bank under the Code. Such financing statements may indicate the Collateral as "all assets of the Debtor" or words of similar effect, or as being of an equal or lesser scope, or with greater detail, all in Bank's discretion. Bank shall provide copies to Borrower of any such filings, including all financing statements so filed, upon Borrower's reasonable request.

## **5 REPRESENTATIONS AND WARRANTIES**

Borrower represents and warrants as follows:

**5.1 Due Organization, Authorization; Power and Authority.** Borrower is duly existing and in good standing as a Registered Organization in its jurisdiction of formation and is qualified and licensed to do business and is in good standing (to the extent such concept exists in the applicable jurisdiction) in any jurisdiction in which the conduct of its business or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to have a material adverse effect on Borrower's business. UK Borrower is a private limited company, duly incorporated and validly existing under the laws of England and has the power to carry on its business as it is now being conducted and to own its property and other assets. ISR Borrower is not in a status of a '*breaching company*' as such term is defined under the Israeli Companies Law, 5759-1999. In connection with this Agreement, each Borrower has delivered to Bank a completed certificate signed by the applicable Borrower, entitled "Perfection Certificate" (the "**Perfection Certificate**"). Borrower represents and warrants to Bank that (a) Borrower's exact legal name is that indicated on the Perfection Certificate and on the signature page hereof; (b) Borrower is an organization of the type and is organized in the jurisdiction set forth in the Perfection Certificate; (c) the Perfection Certificate accurately sets forth Borrower's organizational identification number or accurately states that Borrower has none; (d) the Perfection Certificate accurately sets forth Borrower's place of business, or, if more than one, its chief executive office as well as Borrower's mailing address (if different than its chief executive office); (e) Borrower (and each of its predecessors) has not, in the past five (5) years, changed its jurisdiction of formation, organizational structure or type, or any organizational number assigned by its jurisdiction; and (f) all other information set forth on the Perfection Certificate pertaining to Borrower and each of its Subsidiaries is accurate and complete (it being understood and agreed that Borrower may from time to time update certain information in the Perfection Certificate after the Effective Date to the extent permitted by one or more specific provisions in this Agreement). If Borrower is not now a Registered Organization but later becomes one, Borrower shall promptly notify Bank of such occurrence and provide Bank with Borrower's organizational identification number.

The execution, delivery and performance by Borrower of the Loan Documents to which it is a party have been duly authorized, and do not (i) conflict with any of Borrower's organizational documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law, (iii) contravene, conflict or violate, in any material respect, any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which Borrower or any of its property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect), or (v) conflict with, contravene, constitute a default or breach under, or result in or permit the termination or acceleration of, any material agreement by which Borrower is bound. Borrower is not in default under any agreement to which it is a party or by which it is bound in which the default could reasonably be expected to have a material adverse effect on Borrower's business.

**5.2 Collateral.** Borrower has good title to, rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien hereunder and under the ISR Debentures and UK Debenture, free and clear of any and all Liens except Permitted Liens. Borrower has no Collateral Accounts at or with any bank or financial institution other than Bank or Bank's Affiliates except for the Collateral Accounts described in the Perfection Certificate delivered to Bank in connection herewith and which Borrower has taken such actions as are necessary to give Bank a perfected security interest therein and, as provided in the ISR Debentures, and UK



Debenture fixed and floating charges thereon, pursuant to the terms of Section 6.8(b). The Accounts are bona fide, existing obligations of the Account Debtors.

The Collateral is not in the possession of any third party bailee (such as a warehouse) except as otherwise provided in the Perfection Certificate. None of the components of the Collateral shall be maintained at locations other than as provided in the Perfection Certificate or as permitted pursuant to Section 7.2.

Any Inventory, if applicable, is in all material respects of good and marketable quality, free from material defects.

Borrower is the sole owner of the Intellectual Property which it owns or purports to own except for (a) non-exclusive licenses granted to its customers in the ordinary course of business, (b) over-the-counter software that is commercially available to the public, and (c) material Intellectual Property licensed to Borrower and noted on the Perfection Certificate. Each Patent which it owns or purports to own and which is material to Borrower's business is valid and enforceable, and no part of the Intellectual Property which Borrower owns or purports to own and which is material to Borrower's business has been judged invalid or unenforceable, in whole or in part. To the best of Borrower's knowledge, no claim has been made that any part of the Intellectual Property violates the rights of any third party except to the extent such claim would not reasonably be expected to have a material adverse effect on Borrower's business.

Except as noted on the Perfection Certificate, Borrower is not a party to, nor is it bound by, any Restricted License.

**5.3 Customer Accounts.** For any customer Account that generates Monthly Recurring Revenues, all statements made and all unpaid balances appearing in all invoices, instruments and other documents evidencing such customer Accounts are and shall be true and correct in all material respects and all such invoices, instruments and other documents, and all of Borrower's Books are genuine and in all respects what they purport to be. All sales and other transactions underlying or giving rise to each customer Account that generates Monthly Recurring Revenues shall comply in all material respects with all applicable laws and governmental rules and regulations. Borrower has no knowledge of any actual or imminent Insolvency Proceeding of any Account Debtor whose accounts are customer Accounts that generate Monthly Recurring Revenues. To the best of Borrower's knowledge, all signatures and endorsements on all documents, instruments, and agreements relating to all customer Accounts are genuine, and all such documents, instruments and agreements are legally enforceable in accordance with their terms. Borrower is the owner of and has the legal right to sell, transfer, assign and encumber each customer Account, and, to Borrower's knowledge, there are no defenses, offsets, counterclaims or agreements for which the Account Debtor may claim any deduction or discount.

**5.4 Litigation.** There are no actions or proceedings pending or, to the knowledge of Borrower or any Responsible Officer, threatened in writing by or against Borrower in which an adverse decision could reasonably be expected to cause a Material Adverse Change.

**5.5 Financial Statements; Financial Condition.** All consolidated financial statements for Borrower delivered to Bank fairly present in all material respects Borrower's consolidated financial condition and Borrower's consolidated results of operations as of the dates and for the periods set forth therein, subject in the case of unaudited interim financial statements to normal year-end adjustments and the absence of footnotes. There has not been any material deterioration in Borrower's consolidated financial condition since the date of the most recent financial statements submitted to Bank.

**5.6 Solvency.** The fair salable value of Borrower's consolidated assets (including goodwill minus disposition costs) exceeds the fair value of Borrower's liabilities; Borrower is not left with unreasonably small capital after the transactions in this Agreement; and Borrower is able to pay its debts (including trade debts) as they mature and UK Borrower is not unable to pay its debts (including trade debts) within the meaning of the Insolvency Act 1986 and has not stopped paying its debts as they fall due and the value of its assets is not less than the value of its liabilities (taking into account its contingent and prospective obligations).





**5.7 Regulatory Compliance.** Borrower is not an “investment company” or a company “controlled” by an “investment company” under the Investment Company Act of 1940, as amended. Borrower is not engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Borrower (a) has complied in all material respects with all Requirements of Law, and (b) has not violated any Requirements of Law the violation of which could reasonably be expected to have a material adverse effect on its business. None of Borrower’s properties or assets has been used by Borrower, or to Borrower’s knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than legally. Borrower has obtained all material consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Governmental Authorities that are necessary to continue their respective businesses as currently conducted.

**5.8 Subsidiaries; Investments.** Borrower does not own any stock, partnership, or other ownership interest or other equity securities except for Permitted Investments.

**5.9 Tax Returns and Payments; Pension Contributions.** Borrower has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except to the extent such taxes are being contested in good faith by appropriate proceedings in accordance with applicable law, so long as such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor.

To the extent the payment of any duly assessed and payable taxes is deferred by Borrower as a result of such taxes being contested by Borrower, Borrower shall (i) notify Bank in writing of the commencement of, and any material development in, the proceedings, and (ii) post bonds or take any other steps required to prevent the Governmental Authority levying such contested taxes from obtaining a Lien upon any of the Collateral that is other than a “Permitted Lien.” Other than as set forth in the Perfection Certificate, Borrower is unaware of any claims or adjustments proposed for any of Borrower’s prior tax years which could result in additional taxes becoming due and payable by Borrower. Borrower has paid all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and Borrower has not withdrawn from participation in, and has not permitted partial or complete termination of, or permitted the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

**5.10 Use of Proceeds.** Borrower shall use the proceeds of the Credit Extensions solely as working capital and to fund its general business requirements, including, for the avoidance of doubt, Permitted Acquisitions, and not for personal, family, household or agricultural purposes.

**5.11 No Winding-Up.** Borrower has not taken any corporate or other action nor has any application been made or any other steps been taken or legal proceedings been started or (to Borrower’s knowledge) threatened in writing against Borrower for its winding-up or for the appointment of a liquidator, trustee, receiver, administrative receiver, administrator, examiner or similar officer of it or of any or all of its assets.

**5.12 Full Disclosure.** No written representation, warranty or other statement of Borrower in any certificate or written statement contained in any exhibit, report, statement or certificate furnished by or on behalf of Borrower in writing in connection with the Loan Documents given to Bank, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to Bank, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized by Bank that the projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

**5.13 Definition of “Knowledge”.** For purposes of the Loan Documents, whenever a representation or warranty is made to Borrower’s knowledge or awareness, to the “best of” Borrower’s knowledge, or with a similar



qualification, knowledge or awareness means the actual knowledge, after reasonable investigation, of any Responsible Officer.

**5.14 IIA and Investment Center.** ~~As of the Effective Date,~~ Borrower did not receive any grants, funds or benefits (including, but not limited to, tax benefits) from IIA or Investment Center, or the Binational Industrial Research and Development Foundation or any other Governmental Authority except as provided in **Schedule 5.14**. Borrower is not obligated to pay any royalties or any other payments to the IIA or Investment Center or the Binational Industrial Research and Development Foundation or any other Governmental Authority, except as provided in **Schedule 5.14**. The transactions contemplated under this Agreement, the ISR Debentures and any other Loan Document (including the realization of the Charged Property) are not subject to any right and do not require the approval of the IIA or Investment Center or the Binational Industrial Research and Development Foundation or any other Governmental Authority, except as provided in **Schedule 5.14**.

## **6 AFFIRMATIVE COVENANTS**

Borrower shall do all of the following:

### **6.1 Government Compliance.**

(a) Maintain its legal existence and good standing in its jurisdiction of formation and maintain qualification in each jurisdiction in which the failure to so qualify would reasonably be expected to have a material adverse effect on Borrower's business or operations. Borrower shall comply in all material respects with all laws, ordinances and regulations to which it is subject, except to the extent that failure to so comply would not reasonably be expected to have a material adverse effect on Borrower's business or operations.

(b) Obtain all of the Governmental Approvals necessary for the performance by Borrower of its obligations under the Loan Documents to which it is a party and the grant of a security interest to Bank in the Collateral. Borrower shall promptly provide copies of any such obtained Governmental Approvals to Bank.

### **6.2 Financial Statements, Reports, Certificates.** Provide Bank with the following:

(a) within fifteen (15) days after the last day of each month and together with any Advance request, a transaction report (and any schedules related thereto and including any other information requested by Bank with respect to Borrower's and its Subsidiaries' consolidated Monthly Recurring Revenue), which shall include, without limitation, Borrower's and its Subsidiaries' consolidated Monthly Recurring Revenue, including, without limitation, details of Monthly Recurring Revenue at the beginning of each calendar month, lost Monthly Recurring Revenue, new Monthly Recurring Revenue, new Monthly Recurring Revenue from up-sales or expansion revenues, total subscribers, new subscribers and lost subscribers, Advance Rate and Net Churn Percentage, including a declaration with respect to the Monthly Recurring Revenues attributable to the Non-Borrowing Subsidiaries, all as reasonably requested by Bank, each in a form acceptable to Bank (such report, the "**Transaction Report**");

(b) as soon as available, but no later than thirty (30) days after the last day of each month, a company prepared consolidated balance sheet (including consolidating balance sheet), income statement covering Borrower's and its Subsidiaries' consolidated operations for such month certified by a Responsible Officer and in a form acceptable to Bank (the "**Monthly Financial Statements**");

(c) within thirty (30) days after the last day of each month and together with the Monthly Financial Statements, a duly completed Compliance Certificate signed by a Responsible Officer, certifying that as of the end of such month, Borrower was in full compliance with all of the terms and conditions of this Agreement, and setting forth calculations showing compliance with the financial covenants set forth in this Agreement, and such other information as Bank may reasonably request, including, without limitation, a statement that at the end of such month there were no held checks;



(d) as soon as available, and at least annually, within ten (10) days of approval by Borrower's Board, and contemporaneously with any updates or amendments thereto, (A) annual operating budgets (including income statements, balance sheets and cash flow statements, by quarter) for the upcoming fiscal year of Borrower, (B) material changes to the capitalization table and in any event any changes that constitute a change of more than 10% in the Company's share capital (provided that ~~following consummation of a Qualified IPO~~, Borrower shall report Bank on any such changes to the capitalization table on a quarterly basis), and (C) annual financial and sales projections for the following fiscal year approved by Borrower's Board and commensurate in form and substance with those provided to Borrower's venture capital investors;

(e) as soon as available, and in any event within one hundred fifty (150) days following the end of Borrower's and its Subsidiaries' fiscal year, audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion on the financial statements from an independent certified public accounting firm reasonably acceptable to Bank (provided that any firm associated with the "Big Four" accounting firms or an affiliate thereof is deemed acceptable to Bank);

(f) in the event that Borrower becomes subject to the reporting requirements under the Exchange Act within five (5) Business Days of filing, copies of all periodic and other reports, proxy statements and other materials filed by Borrower and/or any Guarantor with the SEC, any Governmental Authority succeeding to any or all of the functions of the SEC or with any national securities exchange, or distributed to its shareholders, as the case may be. Documents required to be delivered pursuant to the terms hereof (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which Borrower posts such documents, or provides a link thereto, on Borrower's website on the internet at Borrower's website address; provided, however, Borrower shall promptly notify Bank in writing (which may be by electronic mail) of the posting of any such documents;

(g) within five (5) days of delivery, copies of all statements, reports and notices made available to Borrower's security holders or to any holders of Subordinated Debt;

(h) prompt report of any legal actions pending or threatened in writing against Borrower that could result in damages or costs to Borrower of, individually or in the aggregate, Five Hundred Thousand Dollars (\$500,000) or more;

(i) as soon as practicable, from time to time, such other information regarding Borrower or compliance with the terms of any Loan Documents as reasonably requested by Bank;

(j) prompt written notice of Borrower's knowledge of an event that could reasonably be expected to materially and adversely affect the value of the Intellectual Property; and

(k) ~~Provide Bank with prompt~~ Prompt written notice of any changes to the beneficial ownership information set out in items 2(d) through 2(g) of the Perfection Certificate. Borrower understands and acknowledges that Bank relies on such true, accurate and up-to-date beneficial ownership information to meet Bank's regulatory obligations to obtain, verify and record information about the beneficial owners of its legal entity customers.

### **6.3 Accounts Receivable.**

(a) Schedules and Documents Relating to Accounts. Borrower shall deliver to Bank transaction reports and schedules of collections, as provided in Section 6.2, on Bank's standard forms; provided, however, that Borrower's failure to execute and deliver the same shall not affect or limit Bank's Lien and other rights in all of Borrower's Accounts, nor shall Bank's failure to advance or lend against a specific Account affect or limit Bank's Lien and other rights therein.

(b) Disputes. Borrower shall promptly notify Bank of all (i) material disputes or claims relating to Accounts, and in any event (ii) disputes or claims relating to Accounts, where such disputes' and/or



claims' value exceeds in the aggregate in an amount of Three Hundred Thousand Dollars (\$300,000). Borrower may forgive (completely or partially), compromise, or settle any Account for less than payment in full, or agree to do any of the foregoing so long as (i) Borrower does so in good faith, in a commercially reasonable manner, in the ordinary course of business, in arm's-length transactions, and reports the same to Bank in the regular reports provided to Bank; (ii) no Event of Default has occurred and is continuing; and (iii) after taking into account all such discounts, settlements and forgiveness, the total outstanding Advances will not exceed the Availability Amount.

(c) Collection of Accounts. ~~Within thirty (30) days from the Effective Date,~~ Borrower shall direct Account Debtors to ~~(i) deliver or transmit all proceeds of Accounts of UK Borrower to blocked accounts established with Bank (collectively, the "Blocked Account") and (ii) deliver or transmit all proceeds of Accounts~~ into a lockbox account, or such other "blocked account" as specified by Bank, in each case located in the United States (either such account, the "Cash Collateral Account"); provided that, notwithstanding the foregoing, UK Borrower and, to the extent applicable, ISR Borrower, may continue to collect Accounts in the United Kingdom and Israel, respectively, in accordance with their practice on the Second Amendment Effective Date. Whether or not an Event of Default has occurred and is continuing, ~~ISR Borrower and US~~ Borrower shall immediately deliver all payments on and proceeds of Accounts collected in the United States to the Cash Collateral Account ~~and UK Borrower shall immediately get in and realize and pay into the Blocked Account all monies which it may receive in respect of Accounts.~~ It will be considered an immediate Event of Default if the Cash Collateral Account ~~and Blocked Account are~~ is not established and operational within 30 days following the Effective Date and at all times thereafter. Upon receipt by Borrower of any proceeds of Accounts, Borrower shall immediately transfer and deliver same to the Cash Collateral Account ~~or Blocked Account (as appropriate)~~ along with a detailed cash receipts journal. Subject to Bank's right to maintain a reserve pursuant to Section 6.3(d), all amounts received in the Cash Collateral Account ~~and the Blocked Account~~ shall be transferred on a daily basis to Borrower's operating account with Bank. Borrower hereby authorizes Bank to transfer to the Cash Collateral Account ~~or the Blocked Account (as applicable)~~ any amounts that Bank reasonably determines are proceeds of the Accounts (provided that Bank is under no obligation to do so and this allowance shall in no event relieve Borrower of its obligations hereunder).

(d) Reserves. Notwithstanding any terms in this Agreement to the contrary: Bank may, at times when an Event of Default exists or an event exists that, with notice or passage of time or both, Bank determines would constitute an Event of Default, Bank may hold any proceeds of the Accounts and any amounts in the Cash Collateral Account ~~or the Blocked Account~~ that are not applied to the Obligations pursuant to Section 6.3(c) above (including amounts otherwise required to be transferred to Borrower's operating account with Bank) as a reserve to be applied to any Obligations regardless of whether such Obligations are then due and payable.

(e) Returns. Provided no Event of Default has occurred and is continuing, if any Account Debtor returns any Inventory to Borrower, Borrower shall promptly (i) determine the reason for such return, (ii) issue a credit memorandum to the Account Debtor in the appropriate amount, and (iii) in case the value of such credit memorandum exceeds in the aggregate in an amount of Three Hundred Thousand Dollars (\$300,000), provide a copy of such credit memorandum to Bank. In the event any attempted return occurs after the occurrence and during the continuance of any Event of Default, Borrower shall hold the returned Inventory in trust for Bank, and immediately notify Bank of the return of the Inventory.

(f) Verifications; Confirmations; Credit Quality; Notifications. Bank may, from time to time, (i) verify and confirm directly with the respective Account Debtors the validity, amount and other matters relating to the Accounts, either in the name of Borrower or Bank or such other name as Bank may choose, and notify any Account Debtor of Bank's security interest in such Account and/or (ii) conduct a credit check of any Account Debtor to approve any such Account Debtor's credit. In addition, Bank may notify Account Debtors to make payments in respect of Accounts directly to Bank. Notwithstanding the foregoing, prior to the occurrence and continuance of an Event of Default, Bank will obtain Borrower's prior written consent before making any direct contact with Borrower's Account Debtors.

(g) No Liability. Bank shall not be responsible or liable for any shortage or discrepancy in, damage to, or loss or destruction of, any goods, the sale or other disposition of which gives rise to an Account, or for any error, act, omission, or delay of any kind occurring in the settlement, failure to settle, collection or failure to collect any Account, or for settling any Account in good faith for less than the full amount thereof, nor shall Bank



be deemed to be responsible for any of Borrower's obligations under any contract or agreement giving rise to an

Account. Nothing herein shall, however, relieve Bank from liability for its own gross negligence or willful misconduct.

**6.4 Remittance of Proceeds.** Except as otherwise provided in Section 6.3(c), deliver, in kind, all proceeds arising from the disposition of any Collateral to Bank in the original form in which received by Borrower not later than the following Business Day after receipt by Borrower, to be applied to the Obligations (a) prior to an Event of Default, pursuant to the terms of Section 6.3(c) hereof, and (b) after the occurrence and during the continuance of an Event of Default, pursuant to the terms of Section 9.4 hereof; provided that, if no Event of Default has occurred and is continuing, Borrower shall not be obligated to remit to Bank the proceeds of the sale of worn out or obsolete Equipment disposed of by Borrower in good faith in an arm's length transaction for an aggregate purchase price of One Hundred Thousand Dollars (\$100,000) or less (for all such transactions in any fiscal year). Borrower agrees that it will not commingle proceeds of Collateral with any of Borrower's other funds or property, but will hold such proceeds separate and apart from such other funds and property and in an express trust for Bank. Nothing in this Section 6.4 limits the restrictions on disposition of Collateral set forth elsewhere in this Agreement and/or in any other Loan Document.

**6.5 Taxes; Pensions.** Timely file all required tax returns and reports and timely pay all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower, except for deferred payment of any taxes contested pursuant to the terms of Section 5.9 hereof, and shall deliver to Bank, on demand, appropriate certificates attesting to such payments, and pay all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms.

**6.6 Access to Collateral; Books and Records.** At reasonable times, on three (3) Business Days' notice (provided no notice is required if an Event of Default has occurred and is continuing), Bank, or its agents, shall have the right to inspect the Collateral and the right to audit and copy Borrower's Books. The foregoing inspections and audits are expected to be conducted no more often than once every twelve (12) months per Borrower (or more frequently as Bank in its sole discretion determines that conditions warrant) unless an Event of Default has occurred and is continuing in which case such inspections and audits shall occur as often as Bank shall determine is necessary. The foregoing inspections and audits shall be conducted at Borrower's expense, and the charge therefor shall be One Thousand Dollars (\$1,000) per day (or such higher amount as shall represent Bank's then-current standard charge for the same), in each case, plus reasonable out-of-pocket expenses. In the event Borrower and Bank schedule an audit more than eight (8) days in advance, and Borrower cancels or seeks to or reschedules the audit with less than eight (8) days written notice to Bank, then (without limiting any of Bank's rights or remedies) Borrower shall pay Bank a fee of Two Thousand Dollars (\$2,000) plus any out-of-pocket expenses incurred by Bank to compensate Bank for the anticipated costs and expenses of the cancellation or rescheduling.

**6.7 Insurance.**

(a) Keep its business and the Collateral insured for risks and in amounts standard for companies in Borrower's industry and location and as Bank may reasonably request. Insurance policies shall be in a form, with financially sound and reputable insurance companies that are not Affiliates of Borrower, and in amounts that are reasonably satisfactory to Bank. All property policies of US Borrower and UK Borrower shall have a lender's loss payable endorsement showing Bank as the sole lender loss payee. All liability policies shall show, or have endorsements showing, Bank as an additional insured as follows: ~~SILICON VALLEY~~FIRST-CITIZENS BANK & TRUST COMPANY; 3003 Tasman Drive HF 150, Santa Clara, CA 95054, USA. With respect to any insurance policy of ISR Borrower, Bank shall be designated as a "Motav" in the meaning and for the purposes of the Israeli Insurance Contract Law 5741-1981.

(b) Ensure that proceeds payable under any property policy are, at Bank's option, payable to Bank on account of the Obligations.

(c) At Bank's reasonable request, Borrower shall deliver to Bank certified copies of insurance policies and evidence of all premium payments. Each provider of any such insurance required under this Section 6.7 shall agree, by endorsement upon the policy or policies issued by it or by independent instruments



furnished to Bank, that it will give Bank thirty (30) days prior written notice before any such policy or policies shall be materially altered or canceled. If Borrower fails to obtain insurance as required under this Section 6.7 or to pay any amount or furnish any required proof of payment to third persons and Bank, Bank may make all or part of such payment or obtain such insurance policies required in this Section 6.7, and take any action under the policies Bank deems prudent.

## 6.8 Accounts.

(a) Within not more than thirty (30) days from the Effective Date and thereafter, ISR Borrower and US Borrower shall maintain ~~its~~their primary operating and other deposit accounts, the Cash Collateral Account, ~~the Blocked Account~~ and primary securities/investment accounts, and a majority of ISR Borrower and US Borrower's cash with Bank and Bank's Affiliates, *provided however*, that ISR Borrower may maintain operating accounts with financial institutions in Israel so long as funds contained therein shall be in New Israeli Shekels, or, for the avoidance of doubt, in another currency for the purpose of conversion to New Israeli Shekels. Any Guarantor shall maintain all depository, operating and securities/investment accounts with Bank and Bank's Affiliates.

(b) In addition to and without limiting the restrictions in (a), Borrower shall provide Bank five (5) Business Days' prior written notice before establishing any Collateral Account at or with any bank or financial institution other than Bank or Bank's Affiliates. In addition, without limiting the provisions of subsection (a) above, (i) for each Collateral Account that Borrower at any time maintains, Borrower shall cause the applicable bank or financial institution (other than Bank) at or with which any Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Bank's Lien in such Collateral Account in accordance with the terms hereunder, which Control Agreement may not be terminated prior to the repayment of all Obligations and accrued and unpaid interest thereon in accordance with the provisions hereof and the termination of this Agreement without the prior written consent of Bank. The provisions of the previous sentence shall not apply to (i) deposit accounts exclusively used for payroll, payroll taxes, and other employee wage and benefit payments to or for the benefit of Borrower's employees and identified to Bank by Borrower as such and (ii) payment transmitter accounts; provided that the balance in any such account is transferred to a Collateral Account maintained with Bank at least once every five (5) Business Days.

## ~~6.9 Financial Covenants – Liquidity.~~

~~6.9 (a) Prior to the consummation of Qualified IPO, maintain~~Financial Covenants.  
Maintain at all times, tested monthly, Liquidity of at least ~~Twenty~~Thirty-Five Million Dollars (~~\$20,000,000~~).

~~(b) Upon and following the consummation of Qualified IPO, maintain at all times, tested monthly, Liquidity of at least Thirty Five Million Dollars (\$35,000,000).~~

## 6.10 Protection and Registration of Intellectual Property Rights.

(a) (i) Protect, defend and maintain the validity and enforceability of its Intellectual Property; (ii) promptly upon becoming aware thereof, notify Bank in writing of material infringements or any other event that could reasonably be expected to materially and adversely affect the value of its Intellectual Property; and (iii) not allow any Intellectual Property material to Borrower's business to be abandoned, forfeited or dedicated to the public without Bank's written consent.

(b) If Borrower (i) obtains any Patent, registered Trademark, registered Copyright, registered mask work, or any pending application for any of the foregoing, whether as owner, licensee or otherwise, or (ii) applies for any Patent or the registration of any Trademark, then Borrower shall promptly provide written notice thereof to Bank and shall execute such intellectual property security agreements and other documents and take such other actions as Bank may request in its good faith business judgment to perfect and maintain a first priority perfected security interest in favor of Bank in such property. If Borrower decides to register any Copyrights or mask works in the United States Copyright Office, Borrower shall: (x) provide Bank with at least five (5) Business Days' prior written notice of Borrower's intent to register such Copyrights or mask works together with a copy of



the application it intends to file with the United States Copyright Office (excluding exhibits thereto); (y) execute an intellectual property security agreement and such other documents and take such other actions as Bank may request in its good faith business judgment to perfect and maintain a first priority perfected security interest in favor of Bank in the Copyrights or mask works intended to be registered with the United States Copyright Office; and (z) record such intellectual property security agreement with the United States Copyright Office contemporaneously with filing the Copyright or mask work application(s) with the United States Copyright Office. Borrower shall promptly provide to Bank copies of all applications that it files for Patents or for the registration of Trademarks, Copyrights or mask works, together with evidence of the recording of the intellectual property security agreement required for Bank to perfect and maintain a first priority perfected security interest in such property.

(c) Provide written notice to Bank within ten (10) Business Days of entering or becoming bound by any Restricted License (other than over-the-counter software that is commercially available to the public). Borrower shall take such steps as Bank requests to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for (i) any Restricted License to be deemed "Collateral" and for Bank to have a security interest in it that might otherwise be restricted or prohibited by law or by the terms of any such Restricted License, whether now existing or entered into in the future, and (ii) Bank to have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with Bank's rights and remedies under this Agreement and the other Loan Documents.

**6.11 Litigation Cooperation.** From the date hereof and continuing through the termination of this Agreement, make available to Bank, without expense to Bank, Borrower and its officers, employees and agents and Borrower's books and records, to the extent that Bank may deem them reasonably necessary to prosecute or defend any third-party suit or proceeding instituted by or against Bank with respect to any Collateral or relating to Borrower.

**6.12 Online Banking.**

(a) Utilize Bank's online banking platform for all matters requested by Bank which shall include, without limitation (and without request by Bank for the following matters), uploading information pertaining to Accounts and Account Debtors, requesting approval for exceptions, requesting Credit Extensions, and uploading financial statements and other reports required to be delivered by this Agreement (including, without limitation, those described in Section 6.2 of this Agreement).

(b) Comply with the terms of the Bank's Online Banking Agreement as in effect from time to time and ensure that all persons utilizing Bank's online banking platform are duly authorized to do so by an Administrator. Bank shall be entitled to assume the authenticity, accuracy and completeness on any information, instruction or request for a Credit Extension submitted via Bank's online banking platform and to further assume that any submissions or requests made via Bank's online banking platform have been duly authorized by an Administrator.

**6.13 Further Assurances.** Execute any further instruments and take further action as Bank reasonably requests to perfect or continue Bank's Lien in the Collateral or to effect the purposes of this Agreement. Deliver to Bank, within five (5) Business Days after the same are sent or received, copies of all material correspondence, reports, documents and other filings with any Governmental Authority regarding compliance with or maintenance of Governmental Approvals or Requirements of Law or that could reasonably be expected to have a material effect on any of the Governmental Approvals or otherwise on the operations of Borrower.

**6.14 Inventory; Returns; Notices of Adjustments.** Keep all Inventory, if applicable, in good and marketable condition, free from material defects. Returns and allowances between Borrower and its Account Debtors shall follow Borrower's customary practices as they exist at the Effective Date. If, at any time during the term of this Agreement, any Account Debtor asserts an Adjustment in excess of One Hundred Thousand Dollars (\$100,000), Borrower issues a credit memorandum, or any representation, warranty or covenant set forth in this Agreement or the other Loan Documents is no longer true in all material respects, Borrower will promptly advise Bank.



**6.15 Grants.** Borrower shall provide written notice to the Bank upon receipt of any grants, funds or benefits from the IIA or the Investment Center or the Binational Industrial Research and Development Foundation or any other Governmental Authority. Notwithstanding the above, after the occurrence and during the continuance of an Event of Default, Borrower shall obtain the prior written consent of Bank before receiving any grants, funds or benefits, or filing for an application to receive funding from IIA or the Investment Center or the Binational Industrial Research and Development Foundation or any other Governmental Authority.

**6.16 Formation or Acquisition of Subsidiaries.** Notwithstanding and without limiting the negative covenants contained in Sections 7.3 and 7.7 hereof, at the time that Borrower or any Guarantor forms any direct or indirect Subsidiary or acquires any direct or indirect Subsidiary after the Effective Date (including, without limitation, pursuant to a Division), then, upon such Subsidiary becoming a Material Subsidiary (or any other Subsidiary becoming a Material Subsidiary), Borrower and such Guarantor (as applicable) shall (a) cause such Material Subsidiary to provide to Bank a joinder to this Agreement to become a co-borrower hereunder or a Guaranty to become a Guarantor hereunder, together with such appropriate financing statements and/or Control Agreements, all in form and substance satisfactory to Bank (including being sufficient to grant Bank a first priority Lien, to the extent required by Bank, in and to the assets of such newly formed or acquired Subsidiary), (b) provide to Bank appropriate certificates and powers and financing statements, pledging all of the direct or beneficial ownership interest in such Material Subsidiary, in form and substance satisfactory to Bank; and (c) provide to Bank all other documentation in form and substance satisfactory to Bank, including one or more opinions of counsel satisfactory to Bank, which in its opinion is appropriate with respect to the execution and delivery of the applicable documentation referred to above. Any document, agreement, or instrument executed or issued pursuant to this Section 6.16 shall be a Loan Document.

## **7 NEGATIVE COVENANTS**

Borrower shall not do any of the following without Bank's prior written consent:

**7.1 Dispositions.** Convey, sell, lease, transfer, assign, or otherwise dispose of (collectively, "Transfer") all or any part of its business or property (including for the avoidance of doubt, Intellectual Property) (including, without limitation, pursuant to a Division), except for Transfers (a) of Inventory in the ordinary course of business; (b) of worn-out or obsolete Equipment that is, in the reasonable judgment of Borrower, no longer economically practicable to maintain or useful in the ordinary course of business of Borrower; (c) of Equipment to the extent that such equipment is exchanged for credit against the purchase price of similar replacement equipment, or the proceeds of such Transfer are reasonably promptly applied to the purchase price of similar replacement Equipment, all in the ordinary course of business; (d) of assets by a Borrower to another Borrower; and (e) consisting of Permitted Liens and Permitted Investments;

**7.2 Changes in Business, Management, Control, or Business Locations.** (a) Engage in any business other than the businesses currently engaged in by Borrower or reasonably related thereto; (b) liquidate or dissolve; (c) fail to provide notice to Bank of any Key Person(s) departing from or ceasing to be employed by Borrower within five (5) days after his/her departure from Borrower; or (d) permit or suffer any Change in Control.

Borrower shall not, without at least thirty (30) days prior written notice to Bank: (1) add any new offices or business locations, including warehouses (unless such new offices or business locations contain less than Three Hundred Thousand Dollars (\$300,000) in Borrower's assets or property) or deliver any portion of the Collateral valued, individually or in the aggregate, in excess of Three Hundred Thousand Dollars (\$300,000) to a bailee at a location other than to a bailee and at a location already disclosed in the Perfection Certificate, (2) change its jurisdiction of organization, (3) change its organizational structure or type, (4) change its legal name, or (5) change any organizational number (if any) assigned by its jurisdiction of organization. If Borrower intends to add any new offices or business locations, including warehouses, containing in excess of Three Hundred Thousand Dollars (\$300,000) of Borrower's assets or property, then Borrower will provide notice to Bank, and, at Bank's request, the landlord of any such new offices or business locations, including warehouses, shall execute and deliver a landlord consent in form and substance satisfactory to Bank; provided no such landlord consent shall be required in connection with any locations in Israel. If Borrower intends to deliver any portion of the Collateral valued, individually or in the aggregate, in excess of Three Hundred Thousand Dollars (\$300,000) to a bailee, and Bank and





such bailee are not already parties to a bailee agreement governing both the Collateral and the location to which Borrower intends to deliver the Collateral, then Borrower will provide notice to Bank, and, at Bank's request, such bailee shall execute and deliver a bailee agreement in form and substance satisfactory to Bank; provided no such bailee agreement shall be required in connection with any locations in Israel.

**7.3 Mergers or Acquisitions.** Merge or consolidate with any other Person, or acquire all or substantially all of the capital stock or property of another Person (including, without limitation, pursuant to a Division), except Permitted Acquisitions. In case the Company shall wish to enter into any of the foregoing transactions (other than a Permitted Acquisition), it shall provide Bank a written notice to that effect, detailing all economic, legal and other material terms of such transaction, including a confirmation that consummation of such transaction shall not result in breach of the Company's financial covenants set forth hereunder or in any other Event of Default (the "**Company's Notice**") and the Bank shall provide the Company its response to such notice, in its commercially reasonable discretion, within 5 Business Days from receipt by the Bank of the Company's Notice, provided that to the extent that the Bank shall not provide its response within the said 5 Business Days, it shall be deemed as if the Bank provided its consent to such transaction. It is clarified that at Bank's request, Borrower shall provide Bank such other reasonable information regarding such transaction.

**7.4 Indebtedness.** Create, incur, assume, or be liable for any Indebtedness, other than Permitted Indebtedness.

**7.5 Encumbrance.** Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, except for Permitted Liens, permit any Collateral not to be subject to the first priority security interest granted herein or the charges granted under the ISR Debentures, and UK Debentures, or enter into any agreement, document, instrument or other arrangement (except with or in favor of Bank) with any Person which directly or indirectly prohibits or has the effect of prohibiting Borrower from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower's Intellectual Property, except as is otherwise permitted in Section 7.1 hereof and the definition of "Permitted Liens" herein.

**7.6 Maintenance of Collateral Accounts.** Maintain any Collateral Account except pursuant to the terms of Section 6.8(b) hereof.

**7.7 Distributions; Investments.** (a) Pay any dividends or make any distribution or payment (other than dividends, distributions or payments by US Borrower or UK Borrower to ISR Borrower) or redeem, retire or purchase any capital stock or shares; or (b) directly or indirectly acquire or own any Person or make any Investment other than Permitted Investments.

**7.8 Transactions with Affiliates.** Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower, except for transactions that are in the ordinary course of Borrower's business, upon fair and reasonable terms that are no less favorable to Borrower than would be obtained in an arm's length transaction with a non-affiliated Person.

Notwithstanding the foregoing, Borrower shall not, directly or indirectly, make any payments to Borrower's and/or any Subsidiary's current or former shareholders, but may pay and/or approve compensation payable in the ordinary course of business, to officers and directors (including if Affiliates of Borrower) in their capacity as such, in each case, under remuneration arrangements approved by Borrower's competent corporate organ (whether the board of directors or compensation committee).

**7.9 Subordinated Debt.** (a) Make or permit any payment on any Subordinated Debt, except under the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the amount thereof, provide for earlier or greater principal, interest, or other payments thereon, or adversely affect the subordination thereof to Obligations owed to Bank.



**7.10 Compliance.** Become an “investment company” or a company controlled by an “investment company”, under the Investment Company Act of 1940, as amended, or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of any Credit Extension for that purpose; fail to meet the minimum funding requirements of ERISA, permit a Reportable Event or Prohibited Transaction, as defined in ERISA, to occur; fail to comply with the Federal Fair Labor Standards Act or violate any other law or regulation, if the violation could reasonably be expected to have a material adverse effect on Borrower’s business; withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

## **8 EVENTS OF DEFAULT**

Any one of the following shall constitute an event of default (an “**Event of Default**”) under this Agreement:

**8.1 Payment Default.** Borrower fails to (a) make any payment of principal or interest on any Credit Extension and/or any payment of any Loan Fees, in each case when due, or (b) pay any other Obligations within three (3) Business Days after such Obligations are due and payable (which three (3) Business Day cure period shall not apply to payments due on the Revolving Line Maturity Date). During the cure period, the failure to make or pay any payment specified under clause (b) hereunder is not an Event of Default (but no Credit Extension will be made during the cure period);

**8.2 Covenant Default.** Borrower (a) fails or neglects to perform any obligation in Section 6 of this Agreement or violates any covenant in Section 7 of this Agreement or any other term, provision, condition, covenant or agreement contained in the ISR Debentures, or (b) fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement or any Loan Documents and as to any default (other than those specified in clause (a)) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within ten (10) days after the occurrence thereof; *provided, however*, that if the default cannot by its nature be cured within the ten (10) day period or cannot after diligent attempts by Borrower be cured within such ten (10) day period and such default is likely to be cured within a reasonable time, then Borrower shall have an additional reasonable period (which shall not in any case exceed thirty (30) days) to attempt to cure such default, and within such reasonable time period the failure to have cured such default shall not be deemed an Event of Default (provided that no Credit Extensions will be made during such cure period). Grace and cure periods provided under this Section 8.2 shall not apply, among other things, to financial covenants or any other covenants that are required to be satisfied, completed or tested by a date certain or any covenants set forth in clause (a);

**8.3 Material Adverse Change.** A Material Adverse Change occurs;

**8.4 Attachment; Levy; Restraint on Business.**

(a) (i) The service of process seeking to attach, by trustee or similar process, any funds of Borrower in excess of Two Hundred Fifty Thousand Dollars (\$250,000), or (ii) a notice of lien or levy is filed against any of Borrower’s assets by any Governmental Authority, and the same under subclauses (i) and (ii) hereof are not, within ten (10) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); *provided, however*, no Credit Extensions shall be made during any ten (10) day cure period; or

(b) (i) any material portion of Borrower’s assets is attached, seized, levied on, or comes into possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents Borrower from conducting all or any material part of its business;

**8.5 Insolvency.** If any of the following occurs in respect of Borrower (each of which shall be an “**Insolvency Proceeding**”) (a) Borrower is or is deemed for the purposes of any law to be, unable to pay its debts



(including trade debts) as they become due or otherwise becomes insolvent; (b) Borrower begins a US Insolvency Proceeding or an Israeli Insolvency Proceeding; or (c) a US Insolvency Proceeding or Israeli Insolvency Proceeding is begun against Borrower and is not dismissed or stayed within thirty (30) days (but no Credit Extensions shall be made until any US Insolvency Proceeding or Israeli Insolvency Proceeding, as applicable, is dismissed) or (d) a UK Insolvency Proceeding is begun against Borrower and not dismissed or stayed within fourteen (14) days (but no Credit Extensions shall be made until any UK Insolvency Proceeding is dismissed);

**8.6 Other Agreements.** There is, under any agreement to which Borrower or any Guarantor is a party with a third party or parties, (a) any default resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount individually or in the aggregate in excess of Three Hundred Thousand Dollars (\$300,000); or (b) any breach or default by Borrower or Guarantor, the result of which could have a material adverse effect on Borrower's or any Guarantor's business;

**8.7 Judgments; Penalties.** One or more fines, penalties or final judgments, orders or decrees for the payment of money in an amount, individually or in the aggregate, of at least Three Hundred Thousand Dollars (\$300,000) (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall be rendered against Borrower by any Governmental Authority, and the same are not, within ten (10) days after the entry, assessment or issuance thereof, discharged, satisfied, or paid, or after execution thereof, stayed or bonded pending appeal, or such judgments are not discharged prior to the expiration of any such stay (provided that no Credit Extensions will be made prior to the satisfaction, payment, discharge, stay, or bonding of such fine, penalty, judgment, order or decree);

**8.8 Misrepresentations.** Borrower or any Person acting for Borrower makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Bank or to induce Bank to enter this Agreement or any Loan Document, and such representation, warranty, or other statement is incorrect in any material respect when made, and/or if Borrower or any Person acting for Borrower makes any representation, warranty, or other statement now or later in the ISR Debentures and such representation, warranty, or other statement is incorrect;

**8.9 Subordinated Debt.** Any document, instrument, or agreement evidencing any Subordinated Debt shall for any reason be revoked or invalidated or otherwise cease to be in full force and effect, any Person shall be in breach thereof or contest in any manner the validity or enforceability thereof or deny that it has any further liability or obligation thereunder, or the Obligations shall for any reason be subordinated or shall not have the priority contemplated by this Agreement or any applicable subordination or intercreditor agreement;

**8.10 Guaranty.** (a) Any guaranty of any Obligations terminates or ceases for any reason to be in full force and effect; (b) any Guarantor does not perform any obligation or covenant under any guaranty of the Obligations; (c) any circumstance described in Sections 8.3, 8.4, 8.5, 8.6, 8.7, or 8.8 of this Agreement occurs with respect to any Guarantor, (d) the death, liquidation, winding up, or termination of existence of any Guarantor; or (e) (i) a material impairment in the perfection or priority of Bank's Lien in the collateral provided by Guarantor or in the value of such collateral or (ii) a material adverse change in the general affairs, management, results of operation, condition (financial or otherwise) or the prospect of repayment of the Obligations occurs with respect to any Guarantor; and

**8.11 Governmental Approvals.** Any Governmental Approval shall have been (a) revoked, rescinded, suspended, modified in an adverse manner or not renewed in the ordinary course or (b) subject to any decision by a Governmental Authority that designates a hearing with respect to any applications for renewal of any of such Governmental Approval or that could result in the Governmental Authority taking any of the actions described in clause (a) above, and such decision or such revocation, rescission, suspension, modification or non-renewal (i) causes, or could reasonably be expected to cause, a Material Adverse Change, or (ii) adversely affects the legal qualifications of Borrower to hold such Governmental Approval in any applicable jurisdiction and such revocation, rescission, suspension, modification or non-renewal could reasonably be expected to affect the status of or legal qualifications of Borrower to hold any Governmental Approval in any other jurisdiction; and



~~**8.12 Non-borrowing Subsidiaries.** (a) SimilarWeb France SAS, at any time maintain cash and cash equivalents with an aggregate gross value greater than the equivalent of Two Million Dollars (\$2,000,000); or (b) SimilarWeb Australia Pty Ltd., at any time maintain cash and cash equivalents with an aggregate gross value greater than the equivalent of Two Million Dollars (\$2,000,000); or (c) SimilarWeb Japan KK, at any time maintains cash and cash equivalents with an aggregate gross value greater than the equivalent of Three Million Dollars (\$3,000,000); or (d) all Non-borrowing Subsidiaries (whether exist at time of execution hereof or acquired/purchased thereafter, and including for the avoidance of doubt, without limitation SimilarWeb Japan KK, SimilarWeb France SAS and SimilarWeb Australia Pty Ltd.) at any time maintain cash and cash equivalents with an aggregate gross value greater than the equivalent of Seven Million Dollars (\$7,000,000).~~

**8.12 Non-borrowing Subsidiaries.** All Borrower's direct or indirect Subsidiaries that are not parties to this Agreement (for all such Subsidiaries measured together), at any time maintain assets (including cash) with an aggregate gross value greater than the equivalent of an amount equal to Sixteen Million Dollar (\$16,000,000).

## **9 BANK'S RIGHTS AND REMEDIES**

**9.1 Rights and Remedies.** Upon the occurrence and during the continuance of an Event of Default, Bank may, without notice or demand, do any or all of the following:

(a) declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 occurs all Obligations are immediately due and payable without any action by Bank);

(b) stop advancing money or extending credit for Borrower's benefit under this Agreement or under any other agreement between Borrower and Bank;

(c) demand that Borrower (i) deposit cash with Bank in an amount equal to (A) one hundred five percent (105.0%) of the Dollar Equivalent of the aggregate face amount of all Letters of Credit denominated in Dollars remaining undrawn, and (B) one hundred ten percent (110.0%) of the Dollar Equivalent of the aggregate face amount of all Letters of Credit denominated in a Foreign Currency remaining undrawn (plus, in each case, all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its good faith business judgment)), to secure all of the Obligations relating to such Letters of Credit, as collateral security for the repayment of any future drawings under such Letters of Credit, and Borrower shall forthwith deposit and pay such amounts, and (ii) pay in advance all letter of credit fees scheduled to be paid or payable over the remaining term of any Letters of Credit;

(d) verify the amount of, demand payment of and performance under, and collect any Accounts and General Intangibles, settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Bank considers advisable, and notify any Person owing Borrower money of Bank's security interest in such funds. Borrower shall collect all payments in trust for Bank and, if requested by Bank, immediately deliver the payments to Bank in the form received from the Account Debtor, with proper endorsements for deposit;

(e) make any payments and do any acts it considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral. Borrower shall assemble the Collateral if Bank requests and make it available as Bank designates. Bank may enter premises where the Collateral is located, take and maintain possession of any part of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Borrower grants Bank a license to enter and occupy any of its premises, without charge, to exercise any of Bank's rights or remedies;

(f) apply to the Obligations any (i) balances and deposits of Borrower it holds, or (ii) amount held by Bank owing to or for the credit or the account of Borrower;

(g) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell the Collateral. Bank is hereby granted a non-exclusive, royalty-free license or other right to use, without charge, Borrower's labels, Patents, Copyrights, mask works, rights of use of any name, trade secrets, trade names,





Trademarks, and advertising matter, or any similar property as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Bank's exercise of its rights under this Section 9.1, Borrower's rights under all licenses and all franchise agreements inure to Bank's benefit;

(h) place a "hold" on any account maintained with Bank and/or deliver a notice of exclusive control, any entitlement order, or other directions or instructions pursuant to any Control Agreement or similar agreements providing control of any Collateral;

(i) demand and receive possession of Borrower's Books; and

(j) exercise all rights and remedies available to Bank under the Loan Documents or at law or equity, including all remedies provided under the Code (including disposal of the Collateral pursuant to the terms thereof) or any other applicable law, including realization of securities and the exercise of all of Bank's rights and remedies with respect to the ISR Debentures and the UK Debenture.

**9.2 Power of Attorney.** Borrower hereby irrevocably appoints Bank as its lawful attorney-in-fact to: (a) exercisable following the occurrence of an Event of Default, (i) sign Borrower's name on any invoice or bill of lading for any Account or drafts against Account Debtors; (ii) demand, collect, sue, and give releases to any Account Debtor for monies due, settle and adjust disputes and claims about the Accounts directly with Account Debtors, and compromise, prosecute, or defend any action, claim, case, or proceeding about any Collateral (including filing a claim or voting a claim in any bankruptcy case in Bank's or Borrower's name, as Bank chooses); (iii) make, settle, and adjust all claims under Borrower's insurance policies; (iv) pay, contest or settle any Lien, charge, encumbrance, security interest, or other claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; (v) transfer the Collateral into the name of Bank or a third party as the Code permits; and (vi) receive, open and dispose of mail addressed to Borrower; and (b) regardless of whether an Event of Default has occurred, (i) endorse Borrower's name on any checks, payment instruments, or other forms of payment or security; and (ii) notify all Account Debtors to pay Bank directly. Borrower hereby appoints Bank as its lawful attorney-in-fact to sign Borrower's name on any documents necessary to perfect or continue the perfection of Bank's security interest in the Collateral regardless of whether an Event of Default has occurred until all Obligations have been satisfied in full and the Loan Documents have been terminated. Bank's foregoing appointment as Borrower's attorney in fact, and all of Bank's rights and powers, coupled with an interest, are irrevocable until all Obligations have been fully repaid and performed and the Loan Documents have been terminated.

**9.3 Protective Payments.** If Borrower fails to obtain the insurance called for by Section 6.7 or fails to pay any premium thereon or fails to pay any other amount which Borrower is obligated to pay under this Agreement or any other Loan Document or which may be required to preserve the Collateral, Bank may obtain such insurance or make such payment, and all amounts so paid by Bank are Bank Expenses and immediately due and payable, bearing interest at the then highest rate applicable to the Obligations, and secured by the Collateral. Bank will make reasonable efforts to provide Borrower with notice of Bank obtaining such insurance at the time it is obtained or within a reasonable time thereafter. No payments by Bank are deemed an agreement to make similar payments in the future or Bank's waiver of any Event of Default.

**9.4 Application of Payments and Proceeds.** Bank shall have the right to apply in any order any funds in its possession, whether from Borrower account balances, payments, proceeds realized as the result of any collection of Accounts or other disposition of the Collateral, or otherwise, to the Obligations. Bank shall pay any surplus to Borrower by credit to the Designated Deposit Account or to other Persons legally entitled thereto; Borrower shall remain liable to Bank for any deficiency. If Bank, directly or indirectly, enters into a deferred payment or other credit transaction with any purchaser at any sale of Collateral, Bank shall have the option, exercisable at any time, of either reducing the Obligations by the principal amount of the purchase price or deferring the reduction of the Obligations until the actual receipt by Bank of cash therefor.

**9.5 Bank's Liability for Collateral.** So long as Bank complies with reasonable banking practices regarding the safekeeping of the Collateral in the possession or under the control of Bank, Bank shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution



in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. Borrower bears all risk of loss, damage or destruction of the Collateral.

**9.6 No Waiver; Remedies Cumulative.** Bank's failure, at any time or times, to require strict performance by Borrower of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Bank thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by the party granting the waiver and then is only effective for the specific instance and purpose for which it is given. Bank's rights and remedies under this Agreement and the other Loan Documents are cumulative. Bank has all rights and remedies provided under the Code, by law, or in equity. Bank's exercise of one right or remedy is not an election and shall not preclude Bank from exercising any other remedy under this Agreement or other remedy available at law or in equity, and Bank's waiver of any Event of Default is not a continuing waiver. A party's delay in exercising any remedy is not a waiver, election, or acquiescence.

**9.7 Demand Waiver.** Borrower waives demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Bank on which Borrower is liable.

**9.8 Borrower Liability.** Any Borrower may, acting singly, request Credit Extensions hereunder. Each Borrower hereby appoints each other as agent for the other for all purposes hereunder, including with respect to requesting Credit Extensions hereunder. Each Borrower hereunder shall be jointly and severally obligated to repay all Credit Extensions made hereunder, regardless of which Borrower actually receives said Credit Extension, as if each Borrower hereunder directly received all Credit Extensions. Each Borrower waives (a) any suretyship defenses available to it under the Code or any other applicable law, including, without limitation, the benefit of California Civil Code Section 2815 permitting revocation as to future transactions and the benefit of California Civil Code Sections 1432, 2809, 2810, 2819, 2839, 2845, 2847, 2848, 2849, 2850, and 2899 and 3433, and (b) any right to require Bank to: (i) proceed against any Borrower or any other person; (ii) proceed against or exhaust any security; or (iii) pursue any other remedy. Bank may exercise or not exercise any right or remedy it has against any Borrower or any security it holds (including the right to foreclose by judicial or non-judicial sale) without affecting any Borrower's liability. Notwithstanding any other provision of this Agreement or other related document, each Borrower irrevocably waives all rights that it may have at law or in equity (including, without limitation, any law subrogating Borrower to the rights of Bank under this Agreement) to seek contribution, indemnification or any other form of reimbursement from any other Borrower, or any other Person now or hereafter primarily or secondarily liable for any of the Obligations, for any payment made by Borrower with respect to the Obligations in connection with this Agreement or otherwise and all rights that it might have to benefit from, or to participate in, any security for the Obligations as a result of any payment made by Borrower with respect to the Obligations in connection with this Agreement or otherwise. Any agreement providing for indemnification, reimbursement or any other arrangement prohibited under this Section 9.8 shall be null and void. If any payment is made to a Borrower in contravention of this Section 9.8, such Borrower shall hold such payment in trust for Bank and such payment shall be promptly delivered to Bank for application to the Obligations, whether matured or unmatured.

Each Borrower is entering into this Agreement, and making all representations and warranties hereunder, on a joint and several basis, and all covenants, agreements and undertakings herein expressed or implied on the part of each Borrower shall be deemed to be joint and several.

## **10 NOTICES**

All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement or any other Loan Document shall be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail or facsimile transmission if transmitted during a Business Day, and if not, then on the next Business Day; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Bank or Borrower may change its mailing



or electronic mail address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Borrower: SimilarWeb Ltd.  
~~121 Menachem Begin~~ [33 Yitzhak Rabin Road](#)  
~~Tel Aviv 6701203~~ [Givatayim 5348303](#), Israel  
Attn: Jason Schwartz, CFO  
E-Mail: [jasons@similarweb.com](mailto:jasons@similarweb.com) [jasons@similarweb.com](mailto:jasons@similarweb.com)

and with a copy  
(which shall not  
constitute notice) to: Meitar | Law Offices  
Abba Hillel 16  
Ramat Gan 5250608, Israel  
Attn: David Glatt, Adv. and David Dydek, Adv.  
E-Mail: [dglatt@meitar.com](mailto:dglatt@meitar.com); [davidd@meitar.com](mailto:davidd@meitar.com)

If to Bank: Silicon Valley Bank-  
~~Alphabeta, 14-18 Finsbury Square,~~  
[a division of First-Citizens Bank & Trust Company](#)  
[11 W 42nd Street](#)  
~~London EC2A 1BR~~  
[New York, NY 10036](#)  
Attn: ~~Jim Watts~~ [Dylan Wong](#)  
E-Mail: [JWatts2@svb.com](mailto:JWatts2@svb.com) [Dwong@svb.com](mailto:Dwong@svb.com)

and with a copy to: Shibolet Law Firm  
~~4 Berkowitz~~ [TOU Towers, Yitzhak Sadeh St.](#)  
~~Tel Aviv 6423806~~ [Tel Aviv 6777504](#), Israel  
Attn: Maya Koubi Bara-nes, adv. and [Yoav Manor](#)  
Fax: ~~+972-7778333~~ [972-3-7778333](#)  
E-Mail: [mayaMaya@Shibolet.com](mailto:mayaMaya@Shibolet.com); [Y.Manor@shibolet.com](mailto:Y.Manor@shibolet.com)

and with a copy to: [Morrison & Foerster LLP](#)  
[200 Clarendon Street](#)  
[Boston, Massachusetts 02116](#)  
Attn: [Charles W. Stavros](#)  
Email: [cstavros@mof.com](mailto:cstavros@mof.com)

## 11 CHOICE OF LAW, VENUE, JURY TRIAL WAIVER AND JUDICIAL REFERENCE

Except as otherwise expressly provided in any of the Loan Documents, California law governs the Loan Documents without regard to principles of conflicts of law. Except to the extent otherwise set forth in the Loan Documents, Borrower and Bank each submit to the exclusive jurisdiction of the State and Federal courts in California; provided, however, that nothing in this Agreement shall be deemed to operate to preclude Bank from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favor of Bank. Borrower expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and Borrower hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Borrower hereby waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to Borrower at the address set forth in, or subsequently provided by Borrower in accordance with, Section 10 of this Agreement and that service so made shall be deemed completed upon the earlier



to occur of Borrower's actual receipt thereof or three (3) days after deposit in the U.S. mails, proper postage prepaid.

**TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BORROWER AND BANK EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BOTH PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.**

WITHOUT INTENDING IN ANY WAY TO LIMIT THE PARTIES' AGREEMENT TO WAIVE THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY, if the above waiver of the right to a trial by jury is not enforceable, the parties hereto agree that any and all disputes or controversies of any nature between them arising at any time shall be decided by a reference to a private judge, mutually selected by the parties (or, if they cannot agree, by the Presiding Judge of the Santa Clara County, California Superior Court) appointed in accordance with California Code of Civil Procedure Section 638 (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts), sitting without a jury, in Santa Clara County, California; and the parties hereby submit to the jurisdiction of such court. The reference proceedings shall be conducted pursuant to and in accordance with the provisions of California Code of Civil Procedure Sections 638 through 645.1, inclusive. The private judge shall have the power, among others, to grant provisional relief, including without limitation, entering temporary restraining orders, issuing preliminary and permanent injunctions and appointing receivers. All such proceedings shall be closed to the public and confidential and all records relating thereto shall be permanently sealed. If during the course of any dispute, a party desires to seek provisional relief, but a judge has not been appointed at that point pursuant to the judicial reference procedures, then such party may apply to the Santa Clara County, California Superior Court for such relief. The proceeding before the private judge shall be conducted in the same manner as it would be before a court under the rules of evidence applicable to judicial proceedings. The parties shall be entitled to discovery which shall be conducted in the same manner as it would be before a court under the rules of discovery applicable to judicial proceedings. The private judge shall oversee discovery and may enforce all discovery rules and orders applicable to judicial proceedings in the same manner as a trial court judge. The parties agree that the selected or appointed private judge shall have the power to decide all issues in the action or proceeding, whether of fact or of law, and shall report a statement of decision thereon pursuant to California Code of Civil Procedure Section 644(a). Nothing in this paragraph shall limit the right of any party at any time to exercise self-help remedies, foreclose against collateral, or obtain provisional remedies. The private judge shall also determine all issues relating to the applicability, interpretation, and enforceability of this paragraph.

This Section 11 shall survive the termination of this Agreement.

## **12 GENERAL PROVISIONS**

**12.1 Termination Prior to Revolving Line Maturity Date; Survival.** All covenants, representations and warranties made in this Agreement shall continue in full force until this Agreement has terminated pursuant to its terms and all Obligations have been satisfied. So long as Borrower has satisfied the Obligations (other than inchoate indemnity obligations, and any other obligations which, by their terms, are to survive the termination of this Agreement, and any Obligations under Bank Services Agreements that are cash collateralized in accordance with Section 4.1 of this Agreement), this Agreement may be terminated prior to the Revolving Line Maturity Date by Borrower, effective three (3) Business Days after written notice of termination is given to Bank. Those obligations that are expressly specified in this Agreement as surviving this Agreement's termination shall continue to survive notwithstanding this Agreement's termination. Without limiting the foregoing, except as otherwise provided in Section 4.1, the grant of a security interest by Borrower in Section 4.1 and the charges granted under the ISR Debentures and the UK Debenture shall survive until the termination of this Agreement, the ISR Debentures and the UK Debenture and all Bank Services Agreements.

**12.2 Successors and Assigns.** This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not assign this Agreement or any rights or obligations under it without Bank's prior written consent (which may be granted or withheld in Bank's discretion). Bank has the right,





without the consent of or notice to Borrower, to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any interest in, Bank's obligations, rights, and benefits under this Agreement and the other Loan Documents.

### 12.3 Indemnification.

(a) General Indemnification. Borrower agrees, without duplication with any other obligation contained in this Agreement or the other Loan Documents, to indemnify, defend and hold Bank and its directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Bank (each, an "**Indemnified Person**") harmless against: (i) all obligations, demands, claims, and liabilities (collectively, "**Claims**") claimed or asserted by any other party in connection with the transactions contemplated by the Loan Documents; and (ii) all losses or expenses (including Bank Expenses) in any way suffered, incurred, or paid by such Indemnified Person as a result of, following from, consequential to, or arising from transactions between Bank and Borrower (including reasonable attorneys' fees and expenses), except for Claims and/or losses directly caused by such Indemnified Person's gross negligence or willful misconduct, in each case as determined by a court of competent jurisdiction by final and nonappealable judgment.

(b) Judgment Currency; Currency Indemnification. If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures Bank could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of Borrower with respect to any such sum due from it to Bank hereunder or under any other Loan Document shall, notwithstanding any judgment in a currency (the "**Judgment Currency**") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "**Agreement Currency**"), be discharged only to the extent that on the Business Day following receipt by Bank of any sum adjudged to be so due in the Judgment Currency, Bank may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to Bank from Borrower in the Agreement Currency, Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify Bank against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to Bank in such currency, Bank agrees to return the amount of any excess to Borrower (or to any other Person who may be entitled thereto under applicable law).

(c) ~~(b)~~ This Section 12.3 shall survive until all statutes of limitation with respect to the Claims, losses, and expenses for which indemnity is given shall have run.

**12.4 Time of Essence.** Time is of the essence for the performance of all Obligations in this Agreement; *provided, however*, Bank acknowledges and agrees that this Section 12.4 shall in no event shorten or remove any grace or cure periods specifically provided in this Agreement.

**12.5 Severability of Provisions.** Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

**12.6 Correction of Loan Documents.** Bank may correct patent errors and fill in any blanks in the Loan Documents consistent with the agreement of the parties.

**12.7 Amendments in Writing; Waiver; Integration.** No purported amendment or modification of any Loan Document, or waiver, discharge or termination of any obligation under any Loan Document, shall be enforceable or admissible unless, and only to the extent, expressly set forth in a writing signed by the party against which enforcement or admission is sought. Without limiting the generality of the foregoing, no oral promise or statement, nor any action, inaction, delay, failure to require performance or course of conduct shall operate as, or evidence, an amendment, supplement or waiver or have any other effect on any Loan Document. Any waiver granted shall be limited to the specific circumstance expressly described in it, and shall not apply to any subsequent or other circumstance, whether similar or dissimilar, or give rise to, or evidence, any obligation or commitment to grant any further waiver. The Loan Documents represent the entire agreement about this subject matter and



supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of the Loan Documents merge into the Loan Documents.

**12.8 Counterparts and Execution.** This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement. It is intended that this Agreement shall take effect as a deed in respect of UK Borrower notwithstanding the method of execution of this Agreement by the other parties hereto.

**12.9 Confidentiality.** In handling any confidential information, Bank shall exercise the same degree of care that it exercises for its own proprietary information, but disclosure of information may be made: (a) to Bank's Subsidiaries or Affiliates (such Subsidiaries and Affiliates, together with Bank, collectively, "**Bank Entities**"); (b) to prospective transferees or purchasers of any interest in the Credit Extensions (provided, however, that any prospective transferee or purchaser shall have entered into an agreement containing provisions substantially the same as those in this Section 12.9); (c) as required by law, regulation, subpoena, or other order; (d) to Bank's regulators or as otherwise required in connection with Bank's examination or audit; (e) as Bank considers appropriate in exercising remedies under the Loan Documents; (f) to any creditor of Borrower that signed a subordination, intercreditor, or other similar agreement with Bank, as required and in accordance with the provisions of such subordination, intercreditor, or other similar agreement; and (g) to third-party service providers of Bank so long as such service providers have executed a confidentiality agreement with Bank with terms no less restrictive than those contained herein. Confidential information does not include information that is either: (i) in the public domain or in Bank's possession when disclosed to Bank, or becomes part of the public domain (other than as a result of its disclosure by Bank in violation of this Agreement) after disclosure to Bank; or (ii) disclosed to Bank by a third party, if Bank does not know that the third party is prohibited from disclosing the information.

Bank Entities may use anonymous forms of confidential information for aggregate datasets, for analyses or reporting, and for any other uses not expressly prohibited in writing by Borrower. The provisions of the immediately preceding sentence shall survive the termination of this Agreement.

**12.10 Electronic Execution of Documents.** The words "execution," "signed," "signature" and words of like import in any Loan Document, the ISR Debentures and related translations and report forms shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act. For the avoidance of doubt, this Section 12.10 shall not apply on the ISR Debentures and their translation to Hebrew, the notices to the Israeli Registrar of Companies for the registration of the ISR Debentures and the approval of the translation's compatibility.

**12.11 Right of Setoff.** Borrower hereby grants to Bank a Lien and a right of setoff as security for all Obligations to Bank, whether now existing or hereafter arising upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Bank or any entity under the control of Bank (including a subsidiary of Bank) or in transit to any of them. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Bank may setoff the same or any part thereof and apply the same to any liability or Obligation of Borrower even though unmatured and regardless of the adequacy of any other collateral securing the Obligations. ANY AND ALL RIGHTS TO REQUIRE BANK TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

**12.12 Captions.** The headings used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.



**12.13 Construction of Agreement.** The parties mutually acknowledge that they and their attorneys have participated in the preparation and negotiation of this Agreement. In cases of uncertainty this Agreement shall be construed without regard to which of the parties caused the uncertainty to exist.

**12.14 Relationship.** The relationship of the parties to this Agreement is determined solely by the provisions of this Agreement. The parties do not intend to create any agency, partnership, joint venture, trust, fiduciary or other relationship with duties or incidents different from those of parties to an arm's-length contract.

**12.15 Third Parties.** Nothing in this Agreement, whether express or implied, is intended to: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any persons other than the express parties to it and their respective permitted successors and assigns; (b) relieve or discharge the obligation or liability of any person not an express party to this Agreement; or (c) give any person not an express party to this Agreement any right of subrogation or action against any party to this Agreement.

**12.16 Attorneys' Fees, Costs and Expenses.** In any action or proceeding between Borrower and Bank arising out of or relating to the Loan Documents, the prevailing party shall be entitled to recover its reasonable attorneys' fees and other costs and expenses incurred, in addition to any other relief to which it may be entitled.

### **13 DEFINITIONS**

**13.1 Definitions.** As used in the Loan Documents, the word "shall" is mandatory, the word "may" is permissive, the word "or" is not exclusive, the words "includes" and "including" are not limiting, the singular includes the plural, and numbers denoting amounts that are set off in brackets are negative. As used in this Agreement, the following capitalized terms have the following meanings:

"**Account**" is, as to any Person, any "**account**" of such Person as "account" is defined in the Code with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to such Person.

"**Account Debtor**" is any "**account debtor**" as defined in the Code with such additions to such term as may hereafter be made.

"**Act**" means the Securities Act of 1933, as amended.

~~"**Additional Fee**" is defined on Section 2.5(a).~~

"**Administrator**" is an individual that is named:

(a) as an "Administrator" in the "SVB Online Services" form completed by Borrower with the authority to determine who will be authorized to use SVB Online Services (as defined in Bank's Online Banking Agreement as in effect from time to time) on behalf of Borrower; and

(b) as an Authorized Signer of Borrower in an approval by the Board.

"**Advance**" or "**Advances**" means a revolving credit loan (or revolving credit loans) under the Revolving Line.

"**Advance Rate**" is the product of (a) six hundred percent (600%), multiplied by (b) Net Retention Rate, and provided that Bank may, in its good faith business judgment (which decision shall be based upon factors pertaining to and/or affecting Borrower), change the foregoing advance percentage and/or the Net Churn Percentage in order to mitigate the impact of events, conditions, contingencies or risks that may adversely affect the Collateral or the value thereof. In the event that Bank changes the Advance Rate pursuant to the preceding sentence, Bank shall immediately notify Borrower ("**Change Notice**"), and such change shall become effective upon such Change Notice. Without derogating from the generality of the foregoing and notwithstanding anything else to the contrary hereunder, in case an Overadvance is created solely and directly from such change, then such Overadvance shall be



paid to Bank within up to sixty (60) days after delivery of such Change Notice to Borrower. In the event that Borrower disputes any such change to the Advance Rate, Bank shall meet with Borrower and explain the reasons for such change and the calculation thereof. The Advance Rate shall be calculated by Bank based on information provided by Borrower and acceptable to Bank, in its good faith business judgment, monthly, on the last day of each calendar month for the immediately succeeding calendar month, or such earlier time as Bank may determine necessary in its good faith business judgment.

“**Affiliate**” is, with respect to any Person, each other Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person’s senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person’s managers and members.

“**Agreement**” is defined in the preamble hereof.

“**Agreement Currency**” is defined in Section 12.3(b).

“**Anniversary Fee**” is defined in Section 2.5(b)

“**Availability Amount**” is (a) the lesser of (i) the Revolving Line or (ii) the amount available under the Borrowing Base, minus the sum of (b) (i) the outstanding principal balance of any Advances and (ii) the aggregate Dollar Equivalent of the face amount of outstanding Letters of Credit (including drawn but unreimbursed Letters of Credit and any Letter of Credit Reserve).

“**Bank**” is defined in the preamble hereof.

“**Bank Entities**” is defined in Section 12.9.

“**Bank Expenses**” are all audit fees and expenses, costs, and expenses (including reasonable attorneys’ fees and expenses) for preparing, amending, negotiating, administering, defending and enforcing the Loan Documents (including, without limitation, those incurred in connection with appeals or Insolvency Proceedings) or otherwise incurred with respect to Borrower or any Guarantor.

“**Bank Services**” are any products, credit services, and/or financial accommodations previously, now, or hereafter provided to Borrower or any of its Subsidiaries by Bank or any Bank Affiliate, including, without limitation, any letters of credit, cash management services (including, without limitation, merchant services, direct deposit of payroll, business credit cards, and check cashing services), interest rate swap arrangements, and foreign exchange services as any such products or services may be identified in Bank’s various agreements related thereto (each, a “Bank Services Agreement”) and shall include, without limitation, any Letters of Credit pursuant to Section 2.10.

“**Bank Services Agreement**” is defined in the definition of Bank Services.

~~“**Blocked Account**” is defined in Section 6.3(e) of this Agreement.~~

“**Board**” is Borrower’s board of directors.

“**Borrower**” is defined in the preamble hereof.

“**Borrower’s Books**” are all Borrower’s books and records including ledgers, federal and state tax returns, records regarding Borrower’s assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

“**Borrowing Base**” is the product of (a) Monthly Recurring Revenue, as determined by Bank from Borrower’s most recent Transaction Report, multiplied by (b) the Advance Rate.





**“Borrowing Resolutions”** are, with respect to any Person, those resolutions adopted by such Person’s board of directors (and, if required under the terms of such Person’s Operating Documents, stockholders) and delivered by such Person to Bank approving the Loan Documents to which such Person is a party and the transactions contemplated thereby, together with a certificate executed by its officer on behalf of such Person certifying (a) such Person has the authority to execute, deliver, and perform its obligations under each of the Loan Documents to which it is a party, (b) that set forth as a part of or attached as an exhibit to such certificate is a true, correct, and complete copy of the resolutions then in full force and effect authorizing and ratifying the execution, delivery, and performance by such Person of the Loan Documents to which it is a party, (c) the name(s) of the Person(s) authorized to execute the Loan Documents, including making (and executing if applicable) any Credit Extension request, on behalf of such Person, together with a sample of the true signature(s) of such Person(s), and (d) that Bank may conclusively rely on such certificate unless and until such Person shall have delivered to Bank a further certificate canceling or amending such prior certificate.

**“Business Day”** is any day that is not a Saturday, Sunday or a day on which Bank is closed.

**“Cash Collateral Account”** is defined in Section 6.3(c).

**“Cash Equivalents”** means (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency or any State thereof having maturities of not more than one (1) year from the date of acquisition; (b) commercial paper maturing no more than one (1) year after its creation and having the highest rating from either Standard & Poor’s Ratings Group or Moody’s Investors Service, Inc.; (c) Bank’s certificates of deposit issued maturing no more than one (1) year after issue or securities with maturities of six (6) months or less from the date of acquisition backed by standby letters of credit issued by Bank or any commercial bank satisfying the requirements of this clause; (d) securities with maturities of one (1) year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory of the United States, or by any foreign government, the securities of which state, commonwealth, territory or foreign government are rated at least A-1 from either Standard & Poor’s Rating Group or P-1 from Moody’s Investors Service, Inc; and (e) money market funds at least ninety-five percent (95%) of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (d) of this definition.

**“Charged Property”** is defined in the ISR Debentures.

**“Change in Control”** means the entering into any transaction or series of related transactions (A) which result in ISR Borrower owning less than one hundred percent (100.0%) of the equity interests in US Borrower or UK Borrower or (B) ~~in which the shareholders of ISR Borrower who were not shareholders immediately prior to the first such transaction own more than forty-nine percent (49.0%) of the voting share of ISR Borrower immediately after giving effect to such transaction or related series of such transactions (other than by the sale of Borrower’s equity securities in a public offering or to venture capital or private equity investors so long as Borrower provides to Bank a description of the material terms of the transaction and, with respect to a sale of securities to venture capital or private equity investors, Borrower identifies to Bank such investors at least Seven (7) Business Days prior to the closing of the transaction);~~ at any time, any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), (other than Anglo-Peacock Nominees Limited, Viola Group, MIH E-COMMERCE HOLDINGS BV, ICP S1, L.P., or Or Offer) shall become, or obtain rights (whether by means of warrants, options or otherwise) to become, the “beneficial owner” (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of thirty-five percent (35.0%) or more of the ordinary voting power for the election of directors, partners, managers and members, as applicable, of ISR Borrower (determined on a fully diluted basis).

**“Claims”** is defined in Section 12.3.

**“Code”** is (a) the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of California; provided, that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory

provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Bank's Lien

on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of California, the term "Code" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions, and (b) with respect to ISR Borrower and/or UK Borrower and/or any assets located outside of the United States, any applicable law.

"**Collateral**" is (a) any and all properties, rights and assets of Borrower described on Exhibit A, (b) any and all properties, rights and assets granted by ISR Borrower to Bank as set forth in the ISR Debentures, including, without limitation, the Charged Property and (c) with respect to UK Borrower, any and all properties, rights and assets of UK Borrower subject to a Lien granted by UK Borrower to Bank (including, without limitation, the "Security Assets" as defined in the UK Borrower Debenture).

"**Collateral Account**" is any Deposit Account, Securities Account, or Commodity Account.

"**Commodity Account**" is any "commodity account" as defined in the Code with such additions to such term as may hereafter be made.

"**Company's Notice**" is defined in Section 7.3.

"**Compliance Certificate**" is that certain certificate in the form attached hereto as Exhibit B.

"**Contingent Obligation**" is, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, dividend, letter of credit or other obligation of another such as an obligation, in each case, directly or indirectly guaranteed, endorsed, co made, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; but "Contingent Obligation" does not include endorsements in the ordinary course of business. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under any guarantee or other support arrangement.

"**Control Agreement**" is any control agreement entered into among the depository institution at which Borrower maintains a Deposit Account or the securities intermediary or commodity intermediary at which Borrower maintains a Securities Account or a Commodity Account, Borrower, and Bank pursuant to which Bank obtains control (within the meaning of the Code) over such Deposit Account, Securities Account, or Commodity Account.

"**Copyrights**" are any and all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

"**Credit Extension**" is any Advance, Overadvance, Letter of Credit, or any other extension of credit by Bank for Borrower's benefit.

"**Currency**" is coined money and such other banknotes or other paper money as are authorized by law and circulate as a medium of exchange.

"**Default Rate**" is defined in Section 2.52.4(b).

"**Deposit Account**" is any "deposit account" as defined in the Code with such additions to such term as may hereafter be made.

"**Designated Deposit Account**" is the account number ending 897 (last three digits) maintained by Borrower with Bank (provided, however, if no such account number is included, then



the Designated Deposit Account shall be any deposit account of Borrower maintained with Bank as chosen by Bank).

“Disqualified Stock” is any capital stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is 91 days after the date on which the Revolving Line Maturity Date.

“**Division**” means, in reference to any Person which is an entity, the division of such Person into two (2) or more separate Persons, with the dividing Person either continuing or terminating its existence as part of such division, including, without limitation, as contemplated under Section 18-217 of the Delaware Limited Liability Company Act for limited liability companies formed under Delaware law, or any analogous action taken pursuant to any other applicable law with respect to any corporation, limited liability company, partnership or other entity.

“**Dollars,**” “**dollars**” or use of the sign “\$” means only lawful money of the United States and not any other currency, regardless of whether that currency uses the “\$” sign to denote its currency or may be readily converted into lawful money of the United States.

“**Dollar Equivalent**” is, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in a Foreign Currency, the equivalent amount therefor in Dollars as determined by Bank at such time on the basis of the then-prevailing rate of exchange in San Francisco, California, for sales of the Foreign Currency for transfer to the country issuing such Foreign Currency.

“**Effective Date**” is defined in the preamble hereof.

“**Equipment**” is all “**equipment**” as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

“**ERISA**” is the Employee Retirement Income Security Act of 1974, and its regulations.

“**Event of Default**” is defined in Section 8.

“**Exchange Act**” is the Securities Exchange Act of 1934, as amended.

“**Foreign Currency**” means lawful money of a country other than the United States.

“**Funding Date**” is any date on which a Credit Extension is made to or for the account of Borrower which shall be a Business Day.

“**GAAP**” is generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination.

“**General Intangibles**” is all “**general intangibles**” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation, all Intellectual Property, claims, income and other tax refunds, security and other deposits, payment intangibles, contract rights, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.



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“**Governmental Approval**” is any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

“**Good Faith Deposit**” is defined in Section 2.6.

“**Governmental Authority**” is any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, and any securities exchange and any self-regulatory organization.

“**Guarantor**” is any Person providing a Guaranty in favor of Bank.

“**Guaranty**” is any guarantee of all or any part of the Obligations, as the same may from time to time be amended, restated, modified or otherwise supplemented.

“**IIA**” is the Israel Innovation Authority of the Israeli Ministry of the Economy.

“**Indebtedness**” is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments (c) capital lease obligations, and (d) to the extent not already included in any of (a) through (c) above, Contingent Obligations.

“**Indemnified Person**” is defined in Section 12.3.

“**Initial Audit**” is Bank’s inspection of Borrower’s Accounts, the Collateral, and Borrower’s Books, with results satisfactory to Bank in its sole and absolute discretion.

“**Insolvency Proceeding**” is defined in Section 8.5.

“**Intellectual Property**” means, with respect to any Person, all of such Person’s right, title, and interest in and to the following:

- (a) its Copyrights, Trademarks and Patents;
- (b) any and all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how and operating manuals;
- (c) any and all source code;
- (d) any and all design rights which may be available to such Person;
- (e) any and all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property rights identified above; and
- (f) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

“**Inventory**” is all “**inventory**” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of Borrower’s custody or possession or in transit and including any returned goods and any documents of title representing any of the above.





“**Investment**” is any beneficial ownership interest in any Person (including stock, partnership interest or other securities), and any loan, advance or capital contribution to any Person.

“**IP Agreement**” is, collectively, (a) that certain Intellectual Property Security Agreement between ISR Borrower and Bank dated as of the Effective Date, and (b) that certain Intellectual Property Security Agreement between US Borrower and Bank and (c) that certain Intellectual Property Security Agreement between UK Borrower and Bank dated as of the Effective Date, in each case as may be amended, modified, supplemented and/or restated from time to time.

“**IPO**” is the Company’s initial underwritten public offering and sale of its ordinary shares pursuant to an effective registration statement under the Act.

“**ISR Borrower**” is defined in the preamble of this Agreement.

“**ISR Debenture(s)**” is defined in Section 4.2.

“**Israeli Insolvency Proceeding**” is any proceeding by or against any Person under (a) if applicable, the Israeli Companies Ordinance 5743-1983 or the Israeli Companies Law 5759-1999, and (b) the Israeli Insolvency and Economic Rehabilitation Law, 5788-2018 or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

“**Judgment Currency**” is defined in Section 12.3(b).

“**Key Person**” is Or Offer, ISR Borrower’s Chief Executive Officer as of the Effective Date and Jason Schwartz, ISR Borrower’s Chief Financial Officer as of the Effective Date.

“**Letter of Credit**” is a standby or commercial letter of credit issued by Bank upon request of Borrower based upon an application, guarantee, indemnity, or similar agreement on the part of Bank as set forth in Section 2.10.

“**Letter of Credit Application**” is defined in Section 2.10(c).

“**Letter of Credit Reserve**” is defined in Section 2.10(f).

“**Lien**” is a claim, mortgage, deed of trust, levy, charge, pledge, security interest or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

“**Liquidity**” is, at any time, the sum of (a) the aggregate amount of unrestricted and unencumbered (specifically excluding Bank’s floating lien granted hereunder or under the ISR Debenture) cash and Cash Equivalents held at such time by Borrower and its Subsidiaries, including for the avoidance of doubt all Cash Collateral Accounts ~~and Blocked Accounts~~ of Borrower, and (b) the Availability Amount.

“**Loan Documents**” are, collectively, this Agreement and any schedules, exhibits, certificates, notices, and any other documents related to this Agreement, the IP Agreements, any Bank Services Agreement, the Perfection Certificates, the ISR Debentures, the UK Debenture, any subordination agreement, any note, or notes or guaranties executed by Borrower or any Guarantor, and any other present or future agreement by Borrower and/or any Guarantor with or for the benefit of Bank, all as amended, restated, or otherwise modified.

“**Loan Fees**” shall mean, collectively, the Revolving Line Commitment ~~Fee, the Additional~~ Fee, the Anniversary Fee, the Additional Anniversary Fee and the Unused Revolving Line Facility Fee.

“**Material Adverse Change**” is (a) a material impairment in the perfection or priority of Bank’s Lien in the Collateral or in the value of such Collateral; (b) a material adverse change in the business, operations, or



condition (financial or otherwise) of Borrower; or (c) a material impairment of the prospect of repayment of any portion of the Obligations.

“Material Intellectual Property” is Intellectual Property that is material to the business of the Borrower or its Subsidiaries.

“Material Subsidiary” means a Subsidiary of Borrower (a) that generates Monthly Recurring Revenues which constitute at least ten percent (10%) of the total Monthly Recurring Revenue of Borrower and its Subsidiaries, (b) owns capital stock or other equity interests, directly or indirectly, of any Subsidiary that is a Material Subsidiary or (c) owns Material Intellectual Property.

“Measurement Period” is each three months period (TT3).

“Monthly Financial Statements” is defined in Section 6.2(c).

“Monthly Recurring Revenue” is, for any period of determination, the monthly value of Borrower’s and its Subsidiaries’ contracted recurring Revenue attributable to subscriptions, recurring services, software licenses and any other recurring services offered by Borrower on a direct basis (specifically excluding, for the avoidance of any doubt, any one-time maintenance, support, professional, consulting and/or other services offered by Borrower) pursuant to binding, written agreements which arise in the ordinary course of Borrower’s business and are payable on a monthly, quarterly or annual basis, that in each case (i) meets all of Borrower’s representations and warranties described in Section 5.3, (ii) is or may be due and owing from Account Debtors deemed acceptable to Bank in its sole discretion, and (iii) do not include any temporary increase and/or decrease in the tier package provided by Borrower to a certain client which were not made pursuant to binding, written agreements consistent with Borrower’s ordinary course of business. For the purpose of this definition, “Revenue” means revenues determined in accordance with GAAP, which for the avoidance of doubt take into account any discounts, credits, reserves for bad debt and other customer adjustments or other offsets; provided that Bank reserves the right at any time and from time to time to exclude and/or remove any Account, or portion thereof, from the definition of Monthly Recurring Revenue, in its good faith business judgment. Notwithstanding the foregoing, ~~Borrower’s Subsidiaries’~~ Monthly Recurring Revenue of Subsidiaries that are not a Borrower or Guarantor shall be included in the Monthly Recurring Revenue calculation hereunder up to an amount equal to (a) ten percent (10%) of the total Monthly Recurring Revenue on an individual basis and (b) twenty five percent (25%) of the total Monthly Recurring Revenue on a combined basis with all such Subsidiaries that are not a Borrower or Guarantor.

“NIS” means only lawful money of the State of Israel.

“Net Churn Percentage” is, expressed as a percentage, (a) the amount of net Monthly Recurring Revenue lost or not retained (including in each case by customer attrition and reduced usage by a customer, however taking into account upsells and expansion revenues for existing clients) in a Measurement Period (provided, however, if such amount is less than zero (0), then such amount shall be deemed to be zero (0)), divided by (b) the amount of Monthly Recurring Revenue during the previous Measurement Period.

“Net Retention Rate” is (a) One Hundred percent (100%) minus (b) (i) the Net Churn Percentage for the most recent Measurement Period, multiplied by (ii) Four (4); provided, however, in no event shall the Net Retention Rate exceed one hundred percent (100%).

“Non-GAAP Operating Income (Loss)” is ISR Borrower’s and its Subsidiaries’ operating income (loss), adjusted for share-based compensation, retention payments related to business combinations, amortization of intangible assets, non-recurring expenses in relation to ISR Borrower’s initial public offering and certain other non-recurring items included in ISR Borrower’s public reporting filed with the SEC; provided that, notwithstanding anything set forth in this Agreement, the accounting terms set forth in this definition do not need to be construed in accordance with GAAP.

“Obligations” are Borrower’s obligations to pay when due any debts, principal, interest, fees, Bank Expenses, the Loan Fees, and other amounts Borrower owes Bank now or later, whether under this Agreement, the



other Loan Documents, or otherwise, including, without limitation, all obligations relating to Bank Services and interest accruing after Insolvency Proceedings begin and debts, liabilities, or obligations of Borrower assigned to Bank, and to perform Borrower's duties under the Loan Documents.

**"Operating Documents"** are, for any Person, such Person's formation documents, as certified by the Secretary of State (or equivalent agency) of such Person's jurisdiction of organization on a date that is no earlier than thirty (30) days prior to the Effective Date, if applicable, and, (a) if such Person is a corporation, its bylaws, certificate of incorporation or memorandum and/or articles of association (or similar document, as the case may be) in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

**"Overadvance"** is defined in Section 2.3.

**"Patents"** means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.

**"Payment Date"** is with respect to Advances, the last calendar day of each month.

**"Perfection Certificate"** is defined in Section 5.1.

**"Permitted Acquisition"** means a transaction whereby Borrower acquires, or permits any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person, which satisfies each of the following conditions:

(a) no Event of Default has occurred and is continuing or would reasonably be anticipated to exist after giving effect to the transaction and Bank has received reasonable satisfactory evidence that Borrower is in compliance with all terms and conditions of this Agreement (and that it will be in compliance after giving effect to the transaction);

(b) the acquisition is approved by the board of directors (or equivalent control group) of all parties to the transaction;

(c) the total aggregate consideration to be paid by Borrower and its Subsidiaries (excluding capital stock of ISR Borrower that is not Disqualified Stock), in all of the contemplated transactions during any twelve (12) month period shall not exceed Ten Million Dollars (\$10,000,000);

(d) Borrower provides Bank, at least five (5) Business Days before the closing of the contemplated transaction, financial statements and a written confirmation, supported by reasonably detailed calculations, that on a pro forma basis (after giving effect to such transaction) Borrower is projected to be in compliance with the financial covenant in Section 6.9 for the one (1) year period ending after the proposed date of consummation of such contemplated transaction;

(e) Borrower is a surviving legal entity after completion of the contemplated transaction;

(f) the contemplated transaction is consensual and non-hostile;

(g) no Indebtedness will be incurred, assumed, or would exist with respect to Borrower or its Subsidiaries as a result of the contemplated transaction, other than Permitted Indebtedness, and no Liens will be incurred, assumed, or would exist with respect to the assets of Borrower or its Subsidiaries as a result of the contemplated transaction, other than Permitted Liens;

(h) Borrower provides Bank, at least five (5) Business Days before the closing of the contemplated transaction, a written confirmation that on a pro forma basis (after giving effect to such transaction)



such acquisition is projected to result in increased Non-GAAP Operating Income (Loss) for the twelve (12) month period immediately following the proposed date of consummation of such contemplated transaction;

(i) Borrower provides Bank, at least five (5) Business Days before the closing of the contemplated transaction, a written confirmation that on a pro forma basis (immediately after giving effect to such transaction) Borrower's Liquidity shall be at least Sixty Million Dollars (\$60,000,000);

(j) any Person whose capital stock is acquired or any Subsidiary that acquires assets in such contemplated transaction shall, within thirty (30) days of the consummation of the transaction, become a co-borrower or guarantor (as determined by Bank in its sole discretion) pursuant to Section 6.16 (if applicable) hereunder and shall grant a first priority Lien in all of its assets to Bank;

(k) Borrower shall have delivered to the Bank, at least five (5) Business Days prior to the date on which any such acquisition is to be consummated (or such later date as is agreed by Bank in its sole discretion), a certificate of a Responsible Officer of Borrower, in form and substance reasonably satisfactory to Bank, certifying that all of the requirements set forth in this definition have been satisfied or will be satisfied on or prior to the consummation of such purchase or other acquisition; and

(l) Borrower shall provide to Bank as soon as available but in any event not later than five (5) Business Days after the execution thereof, a copy of any executed purchase agreement or similar agreement with respect to any such purchase or acquisition.

**“Permitted Indebtedness” is:**

- (a) Borrower's Indebtedness to Bank under this Agreement and the other Loan Documents;
- (a) Indebtedness existing on the Effective Date which is shown on the Perfection Certificate;
- (b) Subordinated Debt;
- (c) Indebtedness secured by Liens permitted under clause (h) of the definition of “Permitted Liens” hereunder;
- (d) interest rate hedges and foreign currency hedges entered into by Borrower to hedge risks with respect to outstanding Indebtedness of Borrower and not for speculative or investment purposes, up to an aggregate amount of Ten Million Dollars (\$10,000,000);
- (e) unsecured Indebtedness to Borrower's trade creditors incurred in the ordinary course of business;
- (f) unsecured Indebtedness to Borrower's employees incurred in the ordinary course of business, provided that such Indebtedness are timely paid to Borrower's employees in the ordinary course of business in accordance with applicable law and agreement;
- (g) unsecured Indebtedness to Borrower's customers classified as deferred revenue in accordance with GAAP and incurred in the ordinary course of business (solely such that are classified as deferred revenues under the Company's financial statements and specifically excluding actual Indebtedness payable to Borrower's customers);
- (h) any other unsecured Indebtedness incurred by Borrower in an aggregate outstanding amount not to exceed \$500,000 at any one time; and
- (i) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness (a) through (i) above, provided that the principal amount thereof is not increased or the





terms thereof are not modified to impose more burdensome terms upon Borrower or its Subsidiary, as the case may be.

**“Permitted Investments”** are:

- (a) Investments (including, without limitation, Subsidiaries) existing on the Effective Date which are shown on the Perfection Certificate (specifically excluding future Investments in Subsidiaries); ~~and~~
- (b) Investments consisting of Cash Equivalents; and
- (c) Permitted Acquisitions.

**“Permitted Liens”** are:

- (a) With respect to ISR Borrower only, Liens existing on the Effective Date which are shown on the Perfection Certificate, as follows: ~~as follows: [—————].~~ ~~[NTD — to be inserted, the liens currently registered under the ROC]~~ (i) a Lien over a deposit in the amount of USD 390,000 maintained in ISR Borrower’s account with Bank Hapoalim B.M., registered as charge number 5 of ISR Borrower with the Registrar of Companies, and a Lien over a deposit in the amount of USD 8,163,440 maintained in ISR Borrower’s account with Bank Hapoalim B.M., registered as charge number 8 of ISR Borrower with the Registrar of Companies, provided that Borrower represents that such Liens are not securing any Indebtedness and are in the process of being removed concurrently with the execution hereof, and (ii) a Lien over a deposit in the amount of NIS 3,697,136 maintained in ISR Borrower’s account with Bank Leumi, registered as charge number 11 of ISR Borrower with the Registrar of Companies.
- (b) Liens arising under this Agreement or the other Loan Documents.
- (c) Liens for taxes, fees, assessments or other government charges or levies, either (i) not due and payable or (ii) being contested in good faith by appropriate proceedings and for which Borrower maintains adequate reserves on Borrower’s Books, provided that no notice of any such Lien has been filed or recorded under the Internal Revenue Code of 1986, as amended, and the Treasury Regulations adopted thereunder and/or under any other applicable law, and (ii) such Liens have no priority over any Liens in favor of Bank except as provided by applicable law;
- (d) Liens to secure payment of workers’ compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the ordinary course of business (other than Liens imposed by ERISA);
- (e) (i) deposits or pledges (other than a pledge of all assets of the pledgor) to secure bids, tenders, contracts (other than contracts for the payment of money), leases, statutory obligations, surety and appeal bonds and other obligations of like nature arising and other like obligations incurred in the ordinary course of business, in each case, up to an aggregate amount of [—————] Six Hundred Thousand Dollars (\$600,000) as to all such deposits or pledges; ~~[TBD]~~, and (ii) that certain deposit maintained with Bank Hapoalim in the amount of \$9,745,804 securing a letter of credit issued by Bank Hapoalim securing ISR Borrower’s real estate lease at the AMOT building;
- (f) Liens arising from attachments or judgments, orders, or decrees in circumstances not constituting an Event of Default under Sections 8.4 and 8.7;
- (g) Liens to secure interest rate hedges and foreign currency hedges entered into by Borrower to hedge risks with respect to outstanding Indebtedness of Borrower and not for speculative or investment purposes, limited up to an aggregate amount of One Million Dollars (\$1,000,000);
- (h) purchase money Liens (i) on Equipment acquired or held by Borrower incurred for financing the acquisition of the Equipment securing no more than One Hundred Thousand Dollars (\$100,000) in the



aggregate amount outstanding per year, or (ii) existing on Equipment (other than Financed Equipment) when acquired, if the Lien is confined to the property and improvements and the proceeds of the Equipment;

(i) except to the extent prohibited or waived under any Control Agreement in favor of Bank, Liens in favor of other financial institutions arising in connection with Borrower's deposit and/or securities accounts held at such institutions, to the extent permitted under Section 6.8 hereof, provided that Bank has a perfected security interest in the amounts held in such deposit and/or securities accounts; ~~and~~

(j) Liens on cash collateral in an aggregate amount not to exceed One Hundred Thousand Dollars (\$100,000) in favor of Valley Bank securing business credit cards of Borrower; and

(k) ~~(j)~~ Liens incurred in the extension, renewal or refinancing of the Indebtedness secured by Liens described in (a) through (j), but any extension, renewal or replacement Lien shall be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness may not increase;

**"Person"** is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

**"Prime Rate"** is the rate of interest per annum from time to time published in the money rates section of The Wall Street Journal or any successor publication thereto as the "prime rate" then in effect; provided that, in the event such rate of interest is less than zero, such rate shall be deemed to be zero for purposes of this Agreement; and provided further that if such rate of interest, as set forth from time to time in the money rates section of The Wall Street Journal, becomes unavailable for any reason as determined by Bank, the "Prime Rate" shall mean the rate of interest per annum announced by Bank as its prime rate in effect at its principal office in the State of ~~California~~ North Carolina (such Bank announced Prime Rate not being intended to be the lowest rate of interest charged by Bank in connection with extensions of credit to debtors); provided that, in the event such rate of interest is less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

~~**"Qualified IPO"** is an IPO of the ISR Borrower in NYSE or Nasdaq, with gross proceeds to ISR Borrower of at least \$100,000,000.~~

**"Registered Organization"** is any "registered organization" as defined in the Code with such additions to such term as may hereafter be made.

**"Regulatory Change"** means, with respect to Bank, any change on or after the date of this Agreement in United States federal, state, or foreign laws or regulations, including Regulation D, or the adoption or making on or after such date of any interpretations, directives, or requests applying to a class of lenders including Bank, of or under any United States federal or state, or any foreign laws or regulations (whether or not having the force of law) by any court or governmental or monetary authority charged with the interpretation or administration thereof.

**"Requirement of Law"** is as to any Person, the organizational or governing documents of such Person, and any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

**"Reserves"** means, as of any date of determination, such amounts as Bank may from time to time establish and revise in its good faith business judgment, reducing the amount of Advances and other financial accommodations which would otherwise be available to Borrower (a) to reflect events, conditions, contingencies or risks which, as determined by Bank in its good faith business judgment, do or may adversely affect (i) the Collateral or any other property which is security for the Obligations or its value (including without limitation any increase in delinquencies of Accounts), (ii) the assets, business or prospects of Borrower or any Guarantor, or (iii) the security interests and other rights of Bank in the Collateral (including the enforceability, perfection and priority thereof); or (b) to reflect Bank's reasonable belief that any collateral report or financial information furnished by or on behalf of Borrower or any Guarantor to Bank is or may have been incomplete, inaccurate or misleading in any material



respect; or (c) in respect of any state of facts which Bank determines constitutes an Event of Default or may, with notice or passage of time or both, constitute an Event of Default.

“**Responsible Officer**” is any of the Chief Executive Officer, President, Chief Financial Officer, Vice President of Finance or Controller of Borrower.

“**Restricted License**” is any material license or other agreement with respect to which Borrower is the licensee (a) that prohibits or otherwise restricts Borrower from granting a security interest in Borrower’s interest in such license or agreement or any other property, or (b) for which a default under or termination of could interfere with Bank’s right to sell any Collateral.

“**Revolving Line**” is ~~an aggregate principal amount equal to Fifty Million Dollars (\$50,000,000), provided however, that upon the consummation of a Qualified IPO, such amount shall increase to~~ an aggregate amount of Seventy Five Million Dollars (\$75,000,000).

“**Revolving Line Commitment Fee**” is defined in Section 2.5(a).

“**Revolving Line Maturity Date**” is [REDACTED], 2022. ~~[NTD – to be inserted, a date which is 24 months following the Effective Date]~~ December 31, 2026.

“**SEC**” shall mean the Securities and Exchange Commission, any successor thereto, and any analogous Governmental Authority.

“**Second Amendment Effective Date**” is August 6, 2024.

“**Securities Account**” is any “**securities account**” as defined in the Code with such additions to such term as may hereafter be made.

“**Subordinated Debt**” is indebtedness incurred by Borrower subordinated to all of Borrower’s now or hereafter indebtedness to Bank (pursuant to a subordination, intercreditor, or other similar agreement in form and substance satisfactory to Bank entered into between Bank and the other creditor), on terms acceptable to Bank.

“**Subsidiary**” is, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless the context otherwise requires, each reference to a Subsidiary herein shall be a reference to a Subsidiary of Borrower or Guarantor.

“**Trademarks**” means any trademark and service mark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by such trademarks.

“**Transfer**” is defined in Section 7.1.

“**UK Insolvency Proceeding**” means (a) any step is taken with a view to a moratorium or a composition, assignment or similar arrangement with any of its creditors; (b) a meeting of its shareholders, directors or other officers is convened for the purpose of considering any resolution for, to petition for or to make an application to or to file documents with a court or any registrar for, its winding-up, administration or dissolution or any such resolution is passed; (c) an order is made for its winding-up, administration or dissolution, or any Person presents a petition, or makes an application to or files documents with a court or any registrar, for its winding-up, administration or dissolution, or gives notice to Bank of an intention to appoint an administrator other than, in any case, any winding up petition which is frivolous or vexatious and is discharged, stayed, or dismissed within fourteen (14) days of commencement or, if earlier, the date on which it is advertised (but no Advances shall be made until



such petition is dismissed); (d) any liquidator, receiver, administrative receiver, administrator or similar officer is appointed in respect of it or any of its assets; or (e) its shareholders, directors or other officers request the appointment of, or give notice of their intention to appoint, a liquidator, receiver, administrator or similar officer.

“**UK Borrower**” is defined in the preamble of this Agreement.

“**UK Debenture**” is defined in Section 4.2 and includes any UK Supplemental Debenture from time to time.

“**UK Supplemental Debenture**” means any supplemental debenture made between UK Borrower and Bank as may be amended, modified, supplemented, and/or restated from time to time.

“**US Borrower**” is defined in the preamble of this Agreement.

“**US Insolvency Proceeding**” is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

[Signature page follows]





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**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed as a sealed instrument under the laws of the state of California as of the Effective Date.

**BORROWER:**

**SIMILARWEB LTD**

By \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SIMILARWEB INC.**

By \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXECUTED AS A DEED BY  
SIMILARWEB UK LIMITED**

acting by a director  
in the presence of:

Signature of  
director.....

Name of  
Director.....

Signature of  
~~witness~~director.....

Name of  
~~witness~~Director.....

~~Address of~~  
~~witness~~.....

~~Occupation of~~  
~~witness~~.....

**BANK:**

**SILICON VALLEY BANK**  
**FIRST-CITIZENS BANK & TRUST COMPANY**

By \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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**EXHIBIT A**  
**COLLATERAL DESCRIPTION**

The Collateral consists of all assets of Borrower, including without limitation all of Borrower's right, title and interest in and to the following personal property:

All goods, Accounts (including health-care receivables), Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles (including payment intangibles), Intellectual Property, commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts, all certificates of deposit, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and any copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work, whether published or unpublished, now owned or later acquired; any patents, trademarks, service marks and applications therefor; trade styles, trade names, any trade secret rights, including any rights to unpatented inventions, know-how, operating manuals, license rights and agreements and confidential information, now owned or hereafter acquired; or any claims for damages by way of any past, present and future infringement of any of the foregoing.

All Borrower's Books relating to the foregoing and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.



EXECUTION VERSION  
Conformed Through 2nd Amendment

**EXHIBIT B**  
**COMPLIANCE CERTIFICATE**

Date: \_\_\_\_\_

TO: **SILICON VALLEY BANK** Date: \_\_\_\_\_, \_\_\_\_\_ A  
**DIVISION OF FIRST-CITIZENS BANK & TRUST COMPANY**  
 FROM: **SIMILARWEB LTD AND SIMILARWEB INC. AND SIMILARWEB UK LIMITED**

The undersigned authorized officer of **SIMILARWEB LTD AND SIMILARWEB INC. AND SIMILARWEB UK LIMITED** (“**Borrower**”) certifies that under the terms and conditions of the Loan and Security Agreement between Borrower and Bank (the “**Agreement**”), (1) Borrower is in complete compliance for the period ending \_\_\_\_\_ with all required covenants except as noted below, (2) there are no Events of Default, (3) all representations and warranties in the Agreement are true and correct in all material respects on this date except as noted below; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, (4) Borrower has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except as otherwise permitted pursuant to the terms of Section 5.9 of the Agreement, and (5) no Liens have been levied or claims made against Borrower relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Bank. Attached are the required documents supporting the certification. The undersigned certifies that these are prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes. The undersigned acknowledges that no borrowings may be requested at any time or date of determination that Borrower is not in compliance with any of the terms of the Agreement, and that compliance is determined not just at the date this certificate is delivered. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Agreement.

**Please indicate compliance status by circling Yes/No under “Complies” column.**

<b>Reporting Covenants</b>	<b>Required</b>	<b>Complies</b>
Monthly financial statements with Compliance Certificate	Monthly within 30 days	Yes No
Annual financial statements (CPA Audited)	FYE within 150 days	Yes No N/A
10-Q, 10-K and 8-K	Within 5 Business Days after filing with SEC	Yes No N/A
Transaction Reports	Monthly within 15 days	Yes No
Annual operating Budgets, projections, operating plans, material (10% changes to capitalization table) or other financial information reasonably requested by Bank	Within 10 Business Days of Board approval, and revised	Yes No N/A

The following Intellectual Property was registered after the Effective Date (if no registrations, state “None”)

\_\_\_\_\_ ]

<b>Financial Covenant</b> (See schedule I)	<b>Required</b>	<b>Actual</b>	<b>Complies</b>
<b>Liquidity—prior to Qualified IPO</b>	<b>\$20,000,000</b>		<b>Yes—No</b>
<b>Liquidity—following Qualified IPO</b>	<b>\$35,000,000</b>		Yes No

The following are the exceptions with respect to the certification above: (If no exceptions exist, state “No exceptions to note.”)



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<p><b>SIMILARWEB LTD</b> By: _____ Name: _____ Title: _____</p> <p><b>SIMILARWEB INC.</b> By: _____ Name: _____ Title: _____</p> <p><b>SIMILARWEB UK LIMITED</b> By: _____ Name: _____ Title: _____</p>	<p><b>BANK USE ONLY</b></p> <p>Received by: _____                                     AUTHORIZED SIGNER</p> <p>Date: _____</p> <p>Verified: _____                                     AUTHORIZED SIGNER</p> <p>Date: _____</p> <p>Compliance Status:     Yes   No</p>
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**Schedule 1 to Compliance Certificate**

**Financial Covenants of Borrower**

In the event of a conflict between this Schedule and the Loan Agreement, the terms of the Loan Agreement shall govern.

Dated: \_\_\_\_\_

Liquidity (Section 6.9)

Required: at least ~~Twenty~~Thirty-Five Million Dollars (~~\$20,000,000~~\$35,000,000)<sup>1</sup>

Actual:

A. Aggregate value of the unrestricted and unencumbered cash and cash equivalents of Borrower \$\_\_\_\_\_

B. Availability Amount \$\_\_\_\_\_

C. Liquidity (the sum of lines A and B) \$\_\_\_\_\_

Is line C equal to or greater than ~~Twenty~~Thirty-Five Million Dollars (~~\$20,000,000~~\$35,000,000)<sup>2</sup>?

\_\_\_\_\_ No, not in compliance

\_\_\_\_\_ Yes, in compliance

<sup>1</sup> Following Qualified IPO—\$35,000,000

| ~~2 Following Qualified IPO—\$35,000,000~~

*SimilarWeb – Loan and Security Agreement*

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**EXHIBIT D-1**  
**FLOATING-ISR DEBENTURE**



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**EXHIBIT D-2**  
**FIXED-ISR-DEBENTURE**



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**Exhibit D-3**  
**UK DEBENTURE**





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**Exhibit D-4**  
**CUSTOMERS LIST**



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**Exhibit D-5**  
**PLEGGED ACCOUNTS**



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**Exhibit D-6**  
**COPYRIGHTS**



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Exhibit D-7  
PATENTS





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**Exhibit D-8**  
**TRADEMARKS**



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Exhibit D-9  
MASK WORKS



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**Exhibit D-10**  
**EQUIPMENT LIST**







**LIST OF SUBSIDIARIES**

<b><u>Company Name</u></b>	<b><u>Jurisdiction of Incorporation</u></b>
Similarweb Inc.	Delaware
Similarweb UK Ltd.	United Kingdom
Similarweb Japan K.K.	Japan
Similarweb Australia Pty Ltd.	Australia
Similarweb Germany GmbH	Germany
Similarweb France SAS	France
Similarweb SG Pte Ltd.	Singapore
Embee Mobile Inc.	Delaware
Similarweb CZ s.r.o.	Czech Republic
Admetricks SpA	Chile
42matters AG	Switzerland
Signal Insights Inc.	Delaware
The Search Monitor LLC	Delaware



SIMILARWEB LTD.

**INSIDER TRADING COMPLIANCE POLICY**

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SIMILARWEB LTD.  
INSIDER TRADING COMPLIANCE POLICY

I. SUMMARY

Preventing insider trading is necessary to comply with securities laws and to preserve the reputation and integrity of Similarweb Ltd. (together with its subsidiaries, the “Company”) as well as that of all persons affiliated with the Company. “Insider trading” occurs when any person purchases or sells a security while in possession of inside information relating to the security. As explained in Section III below, “inside information” is information that is both “material” and “non-public.” Insider trading is a crime. The penalties for violating insider trading laws include imprisonment, disgorgement of profits, civil fines, and criminal fines of up to \$5 million for individuals and \$25 million for corporations. Insider trading is also prohibited by this Insider Trading Compliance Policy (this “Policy”), and violation of this Policy may result in Company-imposed sanctions, including removal or dismissal for cause.

This Policy applies to all officers, directors, advisory board members, employees (full and part-time), and consultants of the Company (collectively, “Covered Persons”). Individuals subject to this Policy are responsible for ensuring that immediate family members and members of their households also comply with this Policy. This Policy also applies to any entities controlled by Covered Persons subject to the Policy, including any corporations, partnerships or trusts, and transactions by these entities should be treated for the purposes of this Policy and applicable securities laws as if they were for the individual’s own account. This Policy extends to all activities within and outside a Covered Person’s Company duties. Each Covered Person must review this Policy. Questions regarding the Policy should be directed to the Company’s General Counsel.

II. STATEMENT OF POLICIES PROHIBITING INSIDER TRADING

No Covered Person shall purchase, sell, gift or otherwise transfer any type of security while in possession of material, non-public information relating to the security, whether the issuer of such security is the Company or any other company. **This would include** the purchase, sale, gifting or other transfer by the Covered Person of any security of any other company (for example a competitor of the Company or any other company which operates a business which is economically linked to the Company) while the Covered Person possesses material non-public information obtained in connection with his or her employment by or service to the Company.

Additionally, no officer, director or employee shall purchase or sell any security of the Company during the period beginning on the 14<sup>th</sup> calendar day before the end of any fiscal quarter of the Company and ending upon the second trading day after the public release of earnings data for such fiscal quarter or during any other trading suspension period declared by the Company. These prohibitions do not apply to certain transactions; see Section VI below.

No Covered Person shall directly or indirectly communicate (or “tip”) material, non-public information to anyone outside the Company (except in accordance with the Company’s policies regarding the protection or authorized external disclosure of Company information) or to anyone within the Company other than on a need-to-know basis.



### III. EXPLANATION OF INSIDER TRADING

“*Insider trading*” refers to the purchase or sale of a security while in possession of “material,” “non-public” information relating to the security.

“*Purchase*” and “*sale*” are defined broadly under the federal securities law.

“*Purchase*” includes not only the actual purchase of a security, but any contract to purchase or otherwise acquire a security.

“*Sale*” includes not only the actual sale of a security, but any contract to sell or otherwise dispose of a security. These definitions extend to a broad range of transactions, including conventional cash-for-stock transactions, conversions, the exercise of stock options, and acquisitions and exercises of warrants or puts, calls or other derivative securities.

“*Securities*” includes stocks, bonds, notes, debentures, options, warrants and other convertible securities, as well as derivative instruments.

It is generally understood that insider trading includes the following:

- Trading by insiders while in possession of material, non-public information;
- Trading by persons other than insiders while in possession of material, non-public information, if the information either was given in breach of an insider’s fiduciary duty to keep it confidential or was misappropriated; and
- Communicating or tipping material, non-public information to others, including recommending the purchase or sale of a security while in possession of such information.

#### A. What Facts are Material?

The materiality of a fact depends upon the circumstances. A fact is considered “material” if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold a security, or if the fact is likely to have a significant effect on the market price of the security. Material information can be positive or negative and can relate to virtually any aspect of a company’s business or to any type of security, debt or equity.

Examples of material information include (but are not limited to) information about dividends; corporate revenue or revenue forecasts; corporate earnings or earnings forecasts; possible mergers, acquisitions, tender offers or dispositions; major new features or product developments; important business developments such as major contract awards or cancellations, developments regarding strategic collaborators or the status of regulatory submissions; management or control changes; significant borrowing or financing developments including pending public sales or offerings of debt or equity securities; defaults on borrowings; bankruptcies; and significant litigation or regulatory actions. Moreover, material information does not have to be related to a company’s business. For example, the contents of a forthcoming newspaper column that is expected to affect the market price of a security can be material.

A good general rule of thumb: When in doubt, do not trade.



B. What is Non-public?

Information is “non-public” if it is not available to the general public. In order for information to be considered public, it must be widely disseminated in a manner making it generally available to investors<sup>1</sup> through various media such as Dow Jones, Business Wire, Reuters, The Wall Street Journal, Associated Press, or United Press International, a broadcast on widely available radio or television programs, publication in a widely available newspaper, magazine or news website, a Regulation FD-compliant conference call, or public disclosure documents filed with the SEC that are available on the SEC’s website.

The circulation of rumors, even if accurate and reported in the media, does not constitute effective public dissemination. In addition, even after a public announcement, a reasonable period of time must lapse in order for the market to react to the information. Generally, one should allow one full trading day following publication as a reasonable waiting period before such information is deemed to be public.

C. Who is an Insider?

“Insiders” include officers, directors, employees (full and part-time), advisors, and consultants of a company and anyone else who has material inside information about a company. Insiders have independent fiduciary duties to their company and its shareholders not to trade on material, non-public information relating to the company’s securities. All Covered Persons should consider themselves insiders with respect to material, non-public information about the Company’s business, activities and securities. Covered Persons may not trade in the Company’s securities while in possession of material, non-public information relating to the Company, nor may they tip such information to anyone outside the Company (except in accordance with the Company’s policies regarding the protection or authorized external disclosure of Company information) or to anyone within the Company other than on a need-to-know basis.

Covered Persons subject to this Policy are responsible for ensuring that members of their immediate families and households also comply with this Policy. This Policy also applies to any entity controlled by a Covered Person subject to the Policy, including any corporations, partnerships or trusts, and transactions by any such entity should be treated for the purposes of this Policy and applicable securities laws as if it was for the Covered Person’s own account.

D. Trading by Persons Other than Insiders

Insiders may be liable for communicating or tipping material, non-public information to a third party (“tippee”), and insider trading violations are not limited to trading or tipping by insiders. Persons other than insiders also can be liable for insider trading, including tippees who trade on material, non-public information tipped to them or individuals who trade on material, non-public information that has been misappropriated.

Tippees inherit an insider’s duties and are liable for trading on material, non-public information illegally tipped to them by an insider. Similarly, just as insiders are liable for the insider trading of their tippees, so are tippees who pass the information along to others who trade. In other words, a tippee’s liability for insider trading is no different from that of an insider. Tippees

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<sup>1</sup> Such as a Securities and Exchange Commission Regulation FD-compliant method, as further described in





can obtain material, non-public information by receiving overt tips from others or through, among other things, conversations at social, business, or other gatherings.

E. Penalties for Engaging in Insider Trading

Penalties for trading on or tipping material, non-public information can extend significantly beyond any profits made or losses avoided, both for individuals engaging in such unlawful conduct and their employers. The U.S. Securities and Exchange Commission (“SEC”) and U.S. Department of Justice have made the civil and criminal prosecution of insider trading violations a top priority. Enforcement remedies available to the government or private plaintiffs under the federal securities laws include:

- SEC administrative sanctions;
- Securities industry self-regulatory organization sanctions;
- Civil injunctions;
- Damage awards to private plaintiffs;
- Disgorgement of all profits;
- Civil fines for the violator of up to three times the amount of profit gained or loss avoided;
- Civil fines for the employer or other controlling person of a violator (i.e., where the violator is an employee or other controlled person) of up to the greater of \$2,479,282 or three times the amount of profit gained or loss avoided by the violator;
- Criminal fines for individual violators of up to \$5,000,000 (\$25,000,000 for an entity); and
- Jail sentences of up to 20 years.

In addition, insider trading could result in serious sanctions by the Company, including dismissal. Insider trading violations are not limited to violations of the federal securities laws. Other federal and state civil or criminal laws, such as the laws prohibiting mail and wire fraud and the Racketeer Influenced and Corrupt Organizations Act, also may be violated in connection with insider trading.

F. Size of Transaction and Reason for Transaction Do Not Matter

The size of the transaction or the amount of profit received does not have to be significant to result in prosecution. The SEC has the ability to monitor even the smallest trades, and the SEC performs routine market surveillance. Brokers and dealers are required by law to inform the SEC of any possible violations by people who may have material, non-public information. The SEC aggressively investigates even small insider trading violations.

G. Examples of Insider Trading

Examples of insider trading cases include actions brought against corporate officers, directors, and employees who traded in a company’s securities after learning of significant confidential corporate developments; friends, business associates, family members and other tippees of such officers, directors, and employees who traded in the securities after receiving such



information; government employees who learned of such information in the course of their employment; and other persons who misappropriated, and took advantage of, confidential information from their employers.

The following are illustrations of insider trading violations. These illustrations are hypothetical and, consequently, not intended to reflect on the actual activities or business of the Company or any other entity.

#### Trading by Insider

An officer of X Corporation learns that earnings to be reported by X Corporation will increase dramatically. Prior to the public announcement of such earnings, the officer purchases X Corporation's stock. The officer, an insider, is liable for all profits as well as penalties of up to three times the amount of all profits. The officer also is subject to, among other things, criminal prosecution, including up to \$5,000,000 in additional fines and 20 years in jail. Depending upon the circumstances, X Corporation and the individual to whom the officer reports also could be liable as controlling persons.

#### Trading by Tippee

An officer of X Corporation tells a friend that X Corporation is about to publicly announce that it has concluded an agreement for a major acquisition. This tip causes the friend to purchase X Corporation's stock in advance of the announcement. The officer is jointly liable with his friend for all of the friend's profits, and each is liable for all civil penalties of up to three times the amount of the friend's profits. The officer and his friend are also subject to criminal prosecution and other remedies and sanctions, as described above.

### IV. STATEMENT OF PROCEDURES PREVENTING INSIDER TRADING

The following procedures have been established, and will be maintained and enforced, by the Company to prevent insider trading. All Covered Persons are required to follow these procedures.

#### A. Pre-Clearance of All Trades by All Officers, Directors and Certain Employees

To provide assistance in preventing inadvertent violations of applicable securities laws and to avoid the appearance of impropriety in connection with the purchase and sale of the Company's securities, all transactions in the Company's securities (including without limitation, acquisitions and dispositions of Company stock, gifts of securities, the exercise of stock options and the sale of Company stock issued upon such exercise of stock options) by officers, directors and certain employees listed on Schedule I (as amended by the General Counsel from time to time) (each, a "Pre-Clearance Person") must be pre-cleared by the Company's General Counsel. Pre-clearance does not relieve anyone of his or her responsibility under SEC rules.

A request for pre-clearance shall be in writing (including by e-mail), should be made at least two business days in advance of the proposed transaction and should include the identity of the Pre-Clearance Person, the type of proposed transaction (for example, an open market purchase, a privately negotiated sale, an option exercise, a gift, etc.), the proposed date of the transaction and the number of shares or other securities to be involved. In addition, the Pre-Clearance Person must execute a certification (in the form approved by the General Counsel) that he or she is not aware of material nonpublic information about the Company. The General Counsel shall have sole

of material nonpublic information about the Company. The General Counsel shall have sole

discretion to decide whether to clear any contemplated transaction. The Chief Financial Officer shall have sole discretion to decide whether to clear transactions by the General Counsel or persons or entities subject to this policy as a result of their relationship with the General Counsel. All trades that are pre-cleared must be effected within five business days of receipt of the pre-clearance unless a specific exception has been granted by the General Counsel. A pre-cleared trade (or any portion of a pre-cleared trade) that has not been effected during the five business day period must be pre-cleared again prior to execution. Notwithstanding receipt of pre-clearance, if the Pre-Clearance Person becomes aware of material non-public information or becomes subject to a black-out period before the transaction is effected, the transaction may not be completed.

None of the Company, the General Counsel or the Company's other employees will have any liability for any delay in reviewing, or refusal of, a request for pre-clearance submitted pursuant to this Section IV.A. Notwithstanding any pre-clearance of a transaction pursuant to this Section IV.A, none of the Company, the General Counsel or the Company's other employees assumes any liability for the legality or consequences of such transaction to the person engaging in such transaction.

#### B. Black-Out Periods

Additionally, no Covered Person shall purchase, sell, gift or otherwise transfer any security of the Company during the period beginning on the 14<sup>th</sup> calendar day before the end of any fiscal quarter of the Company and ending upon completion of the first full trading day after the public release of earnings data for such fiscal quarter or during any other trading suspension period declared by the Company, except for:

- purchases of the Company's securities from the Company or sales of the Company's securities to the Company;
- exercises of stock options or other equity awards, the surrender of shares to the Company in payment of the exercise price or in satisfaction of any tax withholding obligations in a manner permitted by the applicable equity award agreement, or vesting of equity-based awards that do not involve a market sale of the Company's securities (the "cashless exercise" of a Company stock option through a broker does involve a market sale of the Company's securities, and therefore would not qualify under this exception);
- gift transactions for family or estate planning purposes, where securities are gifted to a person or entity subject to this policy;, unless the person making the gift has reason to believe that the recipient intends to sell the securities while the donor is in possession of material, non-public information about the Company and provided that Pre-Clearance Persons must clear any such gift in accordance with the clearance procedures set forth in Section IV.A; and
- purchases or sales of the Company's securities made pursuant to any binding contract, specific instruction or written plan entered into while the purchaser or seller, as applicable, was unaware of any material, non-public information and which contract, instruction or plan (i) meets all requirements of the affirmative defense provided by Rule 10b5-1 promulgated under the Exchange Act ("Rule 10b5-1"), (ii) was pre-cleared in advance pursuant to this Policy and (iii) has not been amended or modified in any respect after such initial pre-clearance without



such amendment or modification being pre-cleared in advance pursuant to this Policy.

Exceptions to the black-out period policy may be approved only by the Company's General Counsel or, in the case of exceptions for directors, the Board of Directors or Audit Committee of the Board of Directors.

From time to time, the Company, through the Board of Directors, or the Company's General Counsel, may recommend that Covered Persons or others suspend trading in the Company's securities because of developments that have not yet been disclosed to the public. Subject to the exceptions noted above, all those affected should not trade in our securities while the suspension is in effect, and should not disclose to others that we have suspended trading.

C. Post-Termination Transactions

With the exception of the pre-clearance requirement, this Policy continues to apply to transactions in the Company's securities even after termination of service to the Company. If an individual is in possession of material, non-public information when his or her service terminates, that individual may not trade in the Company's securities until that information has become public or is no longer material.

D. Information Relating to the Company

1. Access to Information

Access to material, non-public information about the Company, including the Company's business, earnings or prospects, should be limited to Covered Persons of the Company on a need-to-know basis. In addition, such information should not be communicated to anyone outside the Company under any circumstances (except in accordance with the Company's policies regarding the protection or authorized external disclosure of Company information) or to anyone within the Company on other than a need-to-know basis.

In communicating material, non-public information to employees of the Company, all Covered Persons must take care to emphasize the need for confidential treatment of such information and adherence to the Company's policies with regard to confidential information.

2. Inquiries from Third Parties

Inquiries from third parties, such as industry analysts or members of the media, about the Company should be directed to the Investor Relations at [ir@similarweb.com](mailto:ir@similarweb.com).

E. Limitations on Access to Company Information

The following procedures are designed to maintain confidentiality with respect to the Company's business operations and activities.

All Covered Persons should take all steps and precautions necessary to restrict access to, and secure, material, non-public information by, among other things:

- Maintaining the confidentiality of Company-related transactions;
- Conducting their business and social activities so as not to risk inadvertent disclosure of confidential information. Review of confidential documents in public places should be conducted so as to prevent access by unauthorized persons;





- Restricting access to documents and files (including computer files) containing material, non-public information to individuals on a need-to-know basis (including maintaining control over the distribution of documents and drafts of documents);
- Promptly removing and cleaning up all confidential documents and other materials from conference rooms following the conclusion of any meetings;
- Disposing of all confidential documents and other papers, after there is no longer any business or other legally required need, through shredders when appropriate;
- Restricting access to areas likely to contain confidential documents or material, non-public information;
- Safeguarding laptop computers, cell phones, tablets, memory sticks, CDs and other items that contain confidential information; and
- Avoiding the discussion of material, non-public information in places where the information could be overheard by others such as in elevators, restrooms, hallways, open office space, restaurants, airplanes or taxicabs.

Covered Persons involved with material, non-public information, to the extent feasible, should conduct their business and activities in areas separate from other Company activities.

## V. ADDITIONAL PROHIBITED TRANSACTIONS

The Company has determined that there is a heightened legal risk and/or the appearance of improper or inappropriate conduct if the persons subject to this Policy engage in certain types of transactions. Therefore, Covered Persons shall comply with the following policies with respect to certain transactions in the Company securities:

### A. Short Sales

Short sales of the Company's securities evidence an expectation on the part of the seller that the securities will decline in value, and therefore signal to the market that the seller has no confidence in the Company or its short-term prospects. In addition, short sales may reduce the seller's incentive to improve the Company's performance. For these reasons, short sales of the Company's securities are prohibited by this Policy.

### B. Publicly Traded Options

A transaction in options is, in effect, a bet on the short-term movement of the Company's stock and therefore creates the appearance that a Covered Person is trading based on inside information. Transactions in options also may focus a Covered Person's attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, transactions in puts, calls or other derivative securities involving the Company's equity securities, on an exchange or in any other organized market, are prohibited by this Policy.

### C. Hedging Transactions

Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow a Covered Person to lock in much of the value of his or her share holdings, often in exchange for all or part of the potential for upside appreciation in the stock. These transactions allow the Covered Person to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, the Covered Person may no longer have the same objectives

rewards of ownership. When that occurs, the Covered Person may no longer have the same objectives

as the Company's other shareholders. Therefore, such transactions involving the Company's equity securities are prohibited by this Policy.

D. Purchases of the Company's Securities on Margin; Pledging the Company's Securities to Secure Margin or Other Loans

Purchasing on margin means borrowing from a brokerage firm, bank or other entity in order to purchase the Company's securities (other than in connection with a cashless exercise of stock options under the Company's equity plans). Margin purchases of the Company's securities are prohibited by this Policy. Pledging the Company's securities as collateral to secure loans is also prohibited. This prohibition means, among other things, that you cannot hold the Company's securities in a "margin account" (which would allow you to borrow against your holdings to buy securities). Exceptions to the restrictions on purchasing the Company's securities on margin or pledging the Company's securities as collateral to secure a loan may be approved only by the Company's General Counsel or, in the case of exceptions for directors, the Board of Directors or Audit Committee of the Board of Directors and must be obtained at least two weeks prior to the proposed transaction.

E. Director and Executive Officer Cashless Exercises

The Company will not arrange with brokers to administer cashless exercises on behalf of directors and executive officers of the Company. Directors and executive officers of the Company may use the cashless exercise feature of their equity awards only if (i) the director or officer retains a broker independently of the Company, (ii) the Company's involvement is limited to confirming that it will deliver the stock promptly upon payment of the exercise price and (iii) the director or officer uses a "T+1" cashless exercise arrangement, in which the Company agrees to deliver stock against the payment of the purchase price on the same day the sale of the stock underlying the equity award settles. Under a T+1 cashless exercise, a broker, the issuer, and the issuer's transfer agent work together to make all transactions settle simultaneously. This approach is to avoid any inference that the Company has "extended credit" in the form of a personal loan to the director or executive officer. Questions about cashless exercises should be directed to the General Counsel.

F. Partnership Distributions

Nothing in this Policy is intended to limit the ability of a venture capital partnership or other similar entity with which a director is affiliated to distribute Company securities to its partners, members or other similar persons. It is the responsibility of each affected director and the affiliated entity, in consultation with their own counsel (as appropriate), to determine the timing of any distributions, based on all relevant facts and circumstances and applicable securities laws.

G. Standing Orders.

A standing order placed with a broker to sell or purchase Company securities at a specified price leaves the security-holder with no control over the timing of the transaction. A transaction pursuant to a standing order, which does not meet the standards of a Trading Plan (as defined below) approved in compliance with this Policy, executed by the broker when the individual subject to this Policy is aware of material nonpublic information about the Company, may result in unlawful insider trading. Other than in connection with a Trading Plan under this Policy, entry into or fulfillment of a standing order is prohibited whenever an individual subject to this Policy is in possession of material nonpublic information about the Company (including during a quarterly blackout period for persons subject to the blackout restrictions of this Policy or ad hoc



black-out period for those insiders subject to such procedures). All standing orders must be of limited duration, cancelable, and in the case of a person subject to the blackout restrictions of this Policy or a person subject to an ad hoc black-out period, must be immediately canceled upon commencement of quarterly black-out or ad hoc black-out period, as applicable.

## VI. RULE 10b5-1 TRADING PLANS AND RULE 144

### A. Rule 10b5-1 Trading Plans

#### 1. Overview

Rule 10b5-1 is an SEC safe harbor that protects Covered Persons from insider trading liability under Rule 10b5-1 for transactions effected under a previously established contract, plan or instruction to trade in the Company's stock (a "Trading Plan"). A compliant Trading Plan will be exempt from the trading restrictions of this Policy. Such Trading Plan must be entered into in good faith, at a time that (1) such Covered Person is not in possession of material non-public information, and (2) a blackout period is not otherwise in effect. Additionally, such Trading Plan must either (1) specify the amounts, prices, and dates of all transactions under the Trading Plan; (2) provide a written formula, algorithm, or computer program for determining the amount, price, and date of the transactions, or (3) prohibit such Covered Person from exercising any subsequent influence over how, when, or whether to effect purchases or sales under the Trading Plan. A Trading Plan must comply with the terms of Rule 10b5-1 and all applicable state and federal securities laws.

The initiation of, and any modification to, any such Trading Plan will be deemed to be a transaction in the Company's securities, and such initiation or modification is subject to all limitations and prohibitions relating to transactions in the Company's securities. Each such Trading Plan, and any modification thereof, must be submitted to and pre-approved by the Company's General Counsel, or such other person as the Board of Directors may designate from time to time (the "Authorizing Officer"), who may impose such conditions on the implementation and operation of the Trading Plan as the Authorizing Officer deems necessary or advisable. However, compliance of the Trading Plan to the terms of Rule 10b5-1 and the execution of transactions pursuant to the Trading Plan are the sole responsibility of the person initiating the Trading Plan, not the Company or the Authorizing Officer.

Rule 10b5-1 presents an opportunity for insiders to establish arrangements to sell (or purchase) Company stock without the restrictions of trading windows and black-out periods, even when there is undisclosed material information. A Trading Plan may also help reduce negative publicity that may result when key executives sell the Company's stock. Rule 10b5-1 only provides an "affirmative defense" in the event there is an insider trading lawsuit. It does not prevent someone from bringing a lawsuit.

When entering into a Trading Plan, a director and/or officer must include a representation that such person (1) is not in possession of material, non-public information about the Company or its securities; and (2) is adopting the Trading Plan in good faith and not as part of a plan or scheme to evade SEC Rule 10b-5.

The Company reserves the right from time to time to suspend, discontinue or otherwise prohibit any transaction in the Company's securities, even pursuant to a previously approved



Trading Plan, if the Authorizing Officer or the Board of Directors, in its discretion, determines that such suspension, discontinuation or other prohibition is in the best interests of the Company. Any Trading Plan submitted for approval hereunder should explicitly acknowledge the Company's right to prohibit transactions in the Company's securities. Failure to discontinue purchases and sales as directed shall constitute a violation of the terms of this Section VI and result in a loss of the exemption set forth herein.

Covered Persons may adopt Trading Plans with brokers that outline a pre-set plan for trading of the Company's stock, including the exercise of options. Trades pursuant to a Trading Plan generally may occur at any time, including without pre-clearance. However, a Trading Plan must include a cooling off period that restricts a purchase or sale (A) for directors and officers until the later of 90 days after the adoption or modification of the Trading Plan or two (2) business days after filing the Form 20-F or Form 6-K with financial results covering the fiscal quarter in which the Trading Plan was adopted, up to a maximum of 120 days; and (B) for employees and any other persons, other than the Company, for 30 days after the adoption or modification of the Trading Plan (each a "Cooling Off Period").

An individual may not have more than one Trading Plan at a time except under the limited circumstances permitted by Rule 10b5-1 and subject to pre-approval by the Authorized Officer. For example, a Covered Person may have a later-commencing Trading Plan where the trading is not authorized to begin until after all trades under the earlier-commencing Trading Plan are completed or expired without execution, subject to certain conditions. Additionally, Trading Plans providing for eligible sell-to-cover transactions shall not be considered an outstanding or additional contract, subject to certain conditions.

## 2. Modification/Termination of Trading Plans

A Covered Person may only modify a Trading Plan outside of a blackout period and, in any event, when such person does not otherwise possess material non-public information. Modifications to, and terminations of, a Trading Plan are subject to pre-approval by the Authorized Officer. A modification that changes the amount, price, or timing of the purchase or sale of the securities underlying a Trading Plan is considered a Trading Plan termination and adoption of a new Trading Plan. Therefore, it triggers a new Cooling-Off Period before the new amount, price, or timing may take effect. Similarly, the substitution or removal of the executing broker for Trading Plan executions that changes the price or date on which purchases or sales are to be executed, is considered a Trading Plan termination and the adoption of a new Trading Plan.

The modification or termination of Trading Plans should occur only in unusual circumstances. The modification or termination of a Trading Plan will be subject to the prior review and approval of the Authorizing Officer. Such termination is effected upon written notice to the broker. You should note that the termination of a Trading Plan can result in the loss of an affirmative defense for past or future transactions under a Trading Plan. You should consult with your own legal counsel before deciding to modify or terminate a Trading Plan. In any event, you should not assume that compliance with the Cooling-Off Period will protect you from possible adverse legal consequences of a Trading Plan termination.

Under certain circumstances, a Trading Plan must be terminated. This may include circumstances such as the announcement of a merger or the occurrence of an event that would cause the transaction either to violate the law or to have an adverse effect on the Company. The Authorizing Officer or administrator of the Company's stock plans is authorized to notify the





broker in such circumstances, thereby insulating the insider in the event of termination, provided that such other person is not aware of material non-public information when exercising such influence.

### 3. Discretionary Plans

Although non-discretionary Trading Plans are preferred, discretionary Trading Plans, where the discretion or control over trading is transferred to a broker, are permitted if pre-approved by the Authorizing Officer.

The Authorizing Officer must pre-approve any Trading Plan, arrangement or trading instructions, etc., involving potential sales or purchases of the Company's stock or option exercises, including but not limited to, blind trusts, discretionary accounts with banks or brokers, or limit orders. The actual transactions effected pursuant to a pre-approved Trading Plan will not be subject to further pre-clearance for transactions in the Company's stock once the Trading Plan or other arrangement has been pre-approved. Any other person who, pursuant to the Trading Plan, exercises influence must not have been aware of the material non-public information when interacting with the Trading Plan.

### 4. Reporting (if Required)

If required, an SEC Form 144 will be filled out and filed by the individual/brokerage firm in accordance with the existing rules regarding Form 144 filings. A footnote at the bottom of the Form 144 should indicate that the trades "are in accordance with a Trading Plan that complies with Rule 10b5-1 and expires \_\_\_\_."

### 5. Options

Exercises of options for cash may be executed at any time. "Cashless exercise" option exercises are subject to trading windows. However, the Company will permit same day sales under Trading Plans. If a broker is required to execute a cashless exercise in accordance with a Trading Plan, then the Company must have exercise forms attached to the Trading Plan that are signed, undated and with the number of shares to be exercised left blank. Once a broker determines that the time is right to exercise the option and dispose of the shares in accordance with the Trading Plan, the broker will notify the Company in writing and the administrator of the Company's stock plans will fill in the number of shares and the date of exercise on the previously signed exercise form. The insider should not be involved with this part of the exercise.

### 6. Trades Outside of a Trading Plan

During an open trading window, trades differing from Trading Plan instructions that are already in place are allowed as long as the Trading Plan continues to be followed.

### 7. Prohibited Transactions

The transactions prohibited under Section V of this Policy, including among others short sales and hedging transactions, may not be carried out through a Trading Plan or other arrangement or trading instruction involving potential sales or purchases of the Company's securities.



## 8. Limitation on Liability

None of the Company, the Authorizing Officer or the Company's other employees will have any liability for any delay in reviewing, or refusal of, a Trading Plan submitted pursuant to this Section VI.A. Notwithstanding any review of a Trading Plan pursuant to this Section VI.A, none of the Company, the Authorizing Officer or the Company's other employees assumes any liability for the legality or consequences relating to such Trading Plan to the person adopting such Trading Plan.

### B. Rule 144 (Applicable to Officers, Directors and 10% Stockholders)

Rule 144 provides a safe harbor exemption to the registration requirements of the Securities Act of 1933, as amended, for certain resales of "restricted securities" and "control securities." "Restricted securities" are securities acquired from an issuer, or an affiliate of an issuer, in a transaction or chain of transactions not involving a public offering. "Control securities" are any securities owned by directors, executive officers or other "affiliates" of the issuer, including stock purchased in the open market and stock received upon exercise of stock options. Sales of Company securities by affiliates (generally, directors, officers and 10% stockholders of the Company) must comply with the requirements of Rule 144, which are summarized below:

- **Current Public Information.** The Company must have filed all SEC-required reports during the last 12 months.
- **Volume Limitations.** Total sales of Company common stock by a covered individual for any three-month period may not exceed the greater of: (i) 1% of the total number of outstanding shares of Company common stock, as reflected in the most recent report or statement published by the Company, or (ii) the average weekly reported volume of such shares traded during the four calendar weeks preceding the filing of the requisite Form 144.
- **Method of Sale.** The shares must be sold either in a "broker's transaction" or in a transaction directly with a "market maker." A "broker's transaction" is one in which the broker does no more than execute the sale order and receive the usual and customary commission. Neither the broker nor the selling person can solicit or arrange for the sale order. In addition, the selling person or Board member must not pay any fee or commission other than to the broker. A "market maker" includes a specialist permitted to act as a dealer, a dealer acting in the position of a block positioner, and a dealer who holds himself out as being willing to buy and sell Company common stock for his own account on a regular and continuous basis.
- **Notice of Proposed Sale.** A notice of the sale (a Form 144) must be filed with the SEC at the time of the sale. Brokers generally have internal procedures for executing sales under Rule 144 and will assist you in completing the Form 144 and in complying with the other requirements of Rule 144.

If you are subject to Rule 144, you must instruct your broker who handles trades in Company securities to follow the brokerage firm's Rule 144 compliance procedures in connection with all trades.



VII. EXECUTION AND RETURN OF CERTIFICATION OF COMPLIANCE

After reading this Policy, all Covered Persons should execute and return to the Company's General Counsel the Certification of Compliance form attached hereto as "Attachment A."

Last Updated: November 1, 2024



## SCHEDULE I

### INDIVIDUALS SUBJECT TO PRE-CLEARANCE REQUIREMENT

[Individuals within the Finance Department]

[Individuals within the Legal Department]

[Others to be determined]





ATTACHMENT A

CERTIFICATION OF COMPLIANCE

I hereby acknowledge that I have received, reviewed and understand the Similarweb Ltd. Insider Trading Compliance Policy and undertake, as a condition to my present and continued employment (or, if I am not an employee, affiliation with) Similarweb Ltd. or one of its affiliates, to comply fully with the policies and procedures contained therein.

I hereby certify, to the best of my knowledge, that during the calendar year ending December 31, 2024, I have complied fully with all policies and procedures set forth in the above-referenced Insider Trading Compliance Policy.

Please sign here: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

This signed and completed form must be returned to the Compliance Officer or Human Resources within ten (10) business days of receiving this Policy.





**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER  
PURSUANT TO RULE 13a-14(a)  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Or Offer, certify that:

- 1 I have reviewed this annual report on Form 20-F of Similarweb Ltd. (the "Company");
  - 2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
  - 3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
  - 4 The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and have:
    - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    - c. Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    - d. Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
-

- 5 The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: February 27, 2025

/s/ Or Offer

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Or Offer  
Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER  
PURSUANT TO RULE 13a-14(a)  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jason Schwartz, certify that:

- 1 I have reviewed this annual report on Form 20-F of Similarweb Ltd. (the “Company”);
  - 2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
  - 3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
  - 4 The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and have:
    - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    - c. Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    - d. Disclosed in this report any change in the company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company’s internal control over financial reporting; and
-

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

- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
- b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: February 27, 2025

/s/ Jason Schwartz

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Jason Schwartz

Chief Financial Officer

(Principal Financial Officer)



**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. § 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Or Offer, Chief Executive Officer of Similarweb Ltd. (the “Company”), certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1 The Annual Report of the Company on Form 20-F for the fiscal year ended December 31, 2024 (the “Annual Report”) fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

2 The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 27, 2025

/s/ Or Offer

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Or Offer

Chief Executive Officer

(Principal Executive Officer)

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the U.S. Securities and Exchange Commission or its staff upon request.

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER  
PURSUANT TO 18 U.S.C. § 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jason Schwartz, Chief Financial Officer of Similarweb Ltd. (the “Company”), certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1 The Annual Report of the Company on Form 20-F for the fiscal year ended December 31, 2024 (the “Annual Report”) fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

2 The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 27, 2025

/s/ Jason Schwartz

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Jason Schwartz  
Chief Financial Officer

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the U.S. Securities and Exchange Commission or its staff upon request.

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in the following Registration Statements:

1. Registration Statement (Form F-3 No. 333-279295) of Similarweb Ltd., and
2. Registration Statements (Form S-8 Nos. 333-256324, 333-264307, 333-270793 and 333-277449) pertaining to the 2012 Incentive Option Plan, 2021 Share Incentive Plan and 2021 Employee Share Purchase Plan of Similarweb Ltd.;

of our report dated February 27, 2025, with respect to the consolidated financial statements of Similarweb Ltd., included in this Annual Report (Form 20-F) of Similarweb Ltd. for the year ended December 31, 2024.

/s/ Kost Forer Gabbay & Kasierer  
A Member of EY Global

Tel-Aviv, Israel  
February 27, 2025