

**FORM 6-K**

---

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

---

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

For the month of May 2025

Commission File Number: 001-40394

---

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

---

33 Yitzhak Rabin Rd.,  
Givatayim 5348303, Israel  
(Address of principal executive offices)

---

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

Form 20-F ☒ Form 40-F ☐

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

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

---

## EXHIBIT INDEX

On May 14, 2025, Similarweb Ltd. will hold a conference call regarding its financial results for the first quarter ended March 31, 2025. A copy of the related press release is furnished as Exhibit 99.1 hereto.

Exhibit 99.1, other than the portions of Exhibit 99.1 under the caption "Financial Outlook", is hereby expressly incorporated by reference into the registrant's registration statements on Form S-8 filed with the Securities and Exchange Commission on February 27, 2025 (File no. 333-285314), February 28, 2024 (File no. 333-277449), on March 23, 2023 (File no. 333-270793), on April 15, 2022 (File no. 333-264307) and on May 20, 2021 (File No. 333-256324) and registration statement on Form F-3 filed with the Securities and Exchange Commission on May 10, 2024 (File no. 333-279295).

Exhibit No.	Description
99.1	<a href="#">Press Release of Similarweb Ltd., dated May 13, 2025</a>
99.2	<a href="#">Shareholder letter, dated May 13, 2025</a>

## SIGNATURES

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

**Similarweb Ltd.**

Date: May 13, 2025

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

**SIMILARWEB ANNOUNCES FIRST QUARTER 2025 RESULTS**

*Revenue growth of 14% in the first quarter compared to 12% in Q1 2024*

*Sixth consecutive quarter of positive free cash flow*

*Customer base increased by 19%*

**TEL AVIV, ISRAEL** -- May 13, 2025 -- Similarweb Ltd. (NYSE: SMWB) ("Similarweb" or the "Company"), a leading digital data and analytics company powering critical business decisions, today announced financial results for its first quarter ended March 31, 2025. The Company published a letter to shareholders from management discussing these results, which can be accessed at the link: <https://ir.similarweb.com/financials/quarterly-results>, located on the Company's investor relations website.

"Revenue growth and cash generation were strong in the first quarter and reflect the value of our comprehensive and proprietary Digital Data that is trusted by thousands of customers," stated Or Offer, Co-Founder and CEO of Similarweb. "During the first quarter we launched a series of new products including App Intelligence, AI Chatbot data and three new AI Agents to help our customers win their markets by providing a comprehensive view of the digital world." Offer concluded, "We believe we are just beginning to tap into the vast potential of our data and the addressable markets we serve."

**First Quarter 2025 Financial Highlights**

- Total revenue was \$67.1 million, an increase of 14% compared to \$59.0 million for the first quarter of 2024.
- GAAP operating loss was \$(9.3) million or (14)% of revenue, compared to \$(2.7) million or (5)% of revenue for the first quarter of 2024.
- GAAP net loss per share was \$(0.11), compared to \$(0.03) for the first quarter of 2024.
- Non-GAAP operating loss was \$(1.3) million or (2)% of revenue, compared to non-GAAP operating profit of \$2.8 million or 5% of revenue for the first quarter of 2024.
- Non-GAAP basic and diluted operating loss per share was \$(0.02), compared to non-GAAP basic and diluted operating profit per share of \$0.04 and \$0.03 respectively, for the first quarter of 2024.

- Cash and cash equivalents totalled \$59.6 million as of March 31, 2025, compared to \$63.9 million as of December 31, 2024.
- Net cash provided by operating activities was \$4.9 million, compared to \$10.1 million for the first quarter of 2024.
- Free cash flow was \$4.4 million, compared to \$9.7 million for the first quarter of 2024.
- Normalized free cash flow was \$4.9 million, compared to \$9.7 million for the first quarter of 2024.

### **Recent Business Highlights**

- Grew number of customers to 5,767 as of March 31, 2025, an increase of 19% compared to March 31, 2024.
- Grew number of customers with ARR of \$100,000 or more to 411, an increase of 9% compared to March 31, 2024.
- Customers with ARR of \$100,000 or more contributed 61% of the total ARR as of March 31, 2025, increased from 58% as of March 31, 2024.
- Dollar-based net retention rate, or NRR, for customers with ARR of \$100,000 or more was 111% in the first quarter of 2025, increased from 107% in the first quarter of 2024.
- Overall NRR was 101% in the first quarter of 2025, increased from 98% in the first quarter of 2024.
- 52% of our overall ARR is contracted under multi-year subscriptions as of March 31, 2025, increased from 42% as of March 31, 2024.
- Remaining performance obligations, or RPO, increased 18% year-over-year, to \$252.7 million as of March 31, 2025, as compared to \$213.6 million as of March 31, 2024.

**Financial Outlook**

"Revenue growth was driven by 19% growth in total customers and expansions," stated Jason Schwartz, Chief Financial Officer of Similarweb. "We delivered a sixth consecutive quarter of positive free cash flow and continue to progress towards our long-term profit and free cash flow targets."

- FY 2025 Guidance
  - Total revenue estimated between \$285.0 million and \$288.0 million, representing approximately 15% growth year over year at the mid-point of the range.
  - Non-GAAP operating profit estimated between \$1.0 million and \$4.0 million.
- Q2 2025 Guidance
  - Total revenue estimated between \$68.6 million and \$69.0 million.
  - Non-GAAP operating loss estimated between \$(1.0) million and \$(0.5) million.

The Company's second quarter and full year 2025 financial outlook is based upon a number of assumptions that are subject to change and many of which are outside the Company's control. Actual results may vary from these assumptions, and the Company's expectations may change. There can be no assurance that the Company will achieve these results.

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

**Conference Call Information**

The financial results and business highlights will be discussed on a conference call and webcast scheduled at 8:30 a.m. Eastern Time on Wednesday, May 14, 2025. A live webcast of the call can be accessed from Similarweb's Investor Relations website at <https://ir.similarweb.com>. An archived webcast of the conference call will also be made available on the Similarweb website following the call. The live call may also be accessed via telephone at (877) 407-0726 toll-free and at +1 (201) 689-7806 internationally.

**About Similarweb:** Similarweb powers businesses to win their markets with Digital Data. By providing essential web and app data, analytics, and insights, we empower our users to discover business opportunities, identify competitive threats, optimize strategy, acquire the right customers, and increase monetization. Similarweb products are integrated into users' workflow, powered by advanced technology, and based on leading comprehensive Digital Data.

**Forward-Looking Statements**

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements relating to our guidance for the second quarter and full year of 2025 described under "Financial Outlook" and the expected performance of our business, future financial results, strategy, long-term growth and overall future prospects. Forward-looking statements include all statements that are not historical facts. Such statements may be preceded by the words "intends," "may," "will," "plans," "expects," "anticipates," "projects," "predicts," "estimates," "aims," "believes," "hopes," "potential" or similar words. These forward-looking statements reflect our current views regarding our intentions, products, services, plans, expectations, strategies and prospects, which are based on information currently available to us and assumptions we have made. Actual results may differ materially from those described in such forward-looking statements and are subject to a number of known and unknown risks, uncertainties, other factors and assumptions that are beyond our control. Such risks and uncertainties include, without limitation, risks and uncertainties associated with: (i) our expectations regarding our revenue, expenses and other operating results; (ii) our ability to acquire new customers and successfully retain existing customers; (iii) our ability to increase usage of our solutions and upsell and cross-sell additional solutions; (iv) our ability to sustain profitability; (v) 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; (vi)

future investments in our business, our anticipated capital expenditures and our estimates regarding our capital requirements; (vii) the costs and success of our sales and marketing efforts and our ability to promote our brand; (viii) our reliance on key personnel and our ability to identify, recruit and retain skilled personnel; (ix) our ability to effectively manage our growth, including continued international expansion; (x) our reliance on certain third party platforms and sources for the collection of data necessary for our solutions; (xi) our ability to protect our intellectual property rights and any costs associated therewith; (xii) our ability to identify and complete acquisitions that complement and expand our reach and platform; (xiii) 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; (xiv) our ability to compete effectively with existing competitors and new market entrants; and (xv) the growth rates of the markets in which we compete.

These risks and uncertainties are more fully described in our filings with the Securities and Exchange Commission, including in the section entitled “Risk Factors” in our Form 20-F filed with the Securities and Exchange Commission on February 27, 2025, and subsequent reports that we file with the Securities and Exchange Commission. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, we cannot guarantee future results, levels of activity, performance, achievements, or events and circumstances reflected in the forward-looking statements will occur.

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

**Non-GAAP Financial Measures**

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

**Other Metrics**

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



**Press Contact:**

David Carr  
Similarweb  
press@similarweb.com

**Investor Contact:**

Rami Myerson  
Similarweb  
rami.myerson@similarweb.com

**Similarweb Ltd.**  
**Consolidated Balance Sheets**

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

	December 31,	March 31,
	2024	2025
		(Unaudited)
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 63,869	\$ 59,567
Restricted deposits	10,572	10,707
Accounts receivable, net	50,975	40,004
Deferred contract costs	11,373	11,070
Prepaid expenses and other current assets	4,567	5,570
<b>Total current assets</b>	<b>141,356</b>	<b>126,918</b>
Property and equipment, net	25,921	24,869
Deferred contract costs, non-current	9,895	8,913
Operating lease right-of-use assets	34,393	35,443
Goodwill and intangible assets, net	30,846	40,807
Other non-current assets	500	737
<b>Total assets</b>	<b>\$ 242,911</b>	<b>\$ 237,687</b>
<b>Liabilities and shareholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 12,403	\$ 9,564
Payroll and benefit related liabilities	20,304	19,146
Deferred revenue	108,232	109,170
Other payables and accrued expenses	29,330	28,905
Operating lease liabilities	6,923	8,036
<b>Total current liabilities</b>	<b>177,192</b>	<b>174,821</b>
Deferred revenue, non-current	1,172	1,189
Operating lease liabilities, non-current	32,809	31,933
Other long-term liabilities	4,230	5,762
<b>Total liabilities</b>	<b>215,403</b>	<b>213,705</b>
Shareholders' equity		
Ordinary Shares, NIS 0.01 par value 500,000,000 shares authorized as of December 31, 2024 and March 31, 2025 (Unaudited), 82,620,679 and 83,540,238 shares issued as of December 31, 2024 and March 31, 2025 (Unaudited), 82,618,511 and 83,538,070 outstanding as of December 31, 2024 and March 31, 2025 (Unaudited), respectively;	227	229
Additional paid-in capital	391,449	397,922
Accumulated other comprehensive income	388	(354)
Accumulated deficit	(364,556)	(373,815)
<b>Total shareholders' equity</b>	<b>27,508</b>	<b>23,982</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 242,911</b>	<b>\$ 237,687</b>

**Similarweb Ltd.****Consolidated Statements of Comprehensive Income (Loss)**

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

	Three Months Ended March 31,	
	2024	2025
	(Unaudited)	
Revenue	\$ 58,982	\$ 67,087
Cost of revenue	12,696	13,970
Gross profit	46,286	53,117
Operating expenses:		
Research and development	13,539	18,004
Sales and marketing	25,240	32,156
General and administrative	10,191	12,248
Total operating expenses	48,970	62,408
<b>Loss from operations</b>	(2,684)	(9,291)
Finance income, net	455	1,007
<b>Loss before income taxes</b>	(2,229)	(8,284)
Provision for income taxes	504	975
<b>Net loss</b>	\$ (2,733)	\$ (9,259)
Net loss per share attributable to ordinary shareholders, basic and diluted	\$ (0.03)	\$ (0.11)
Weighted-average shares used in computing net loss per share attributable to ordinary shareholders, basic and diluted	79,361,522	83,135,281
<b>Net loss</b>	\$ (2,733)	\$ (9,259)
<b>Other comprehensive income (loss), net of tax</b>		
Change in unrealized loss on cashflow hedges	(517)	(742)
Total other comprehensive loss, net of tax	(517)	(742)
<b>Total comprehensive loss</b>	\$ (3,250)	\$ (10,001)

**Share-based compensation costs included above:**

U.S. dollars in thousands

	Three Months Ended March 31,	
	2024	2025
	(Unaudited)	
Cost of revenue	\$ 167	\$ 249
Research and development	1,444	1,794
Sales and marketing	1,185	1,336
General and administrative	1,331	2,430
<b>Total</b>	<b>\$ 4,127</b>	<b>\$ 5,809</b>

**Similarweb Ltd.**  
**Consolidated Statements of Cash Flows**

U.S. dollars in thousands

	Three Months Ended March 31,	
	2024	2025
	(Unaudited)	
Cash flows from operating activities:		
Net loss	\$ (2,733)	\$ (9,259)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	2,520	2,098
Finance expense (income)	236	(160)
Unrealized loss (gain) from hedging future transactions	31	(30)
Share-based compensation	4,127	5,809
Gain from sale of equipment	(4)	—
Changes in operating assets and liabilities:		
Change in operating lease right-of-use assets and liabilities, net	(2,271)	(813)
Decrease in accounts receivable, net	6,993	11,759
Decrease in deferred contract costs	413	1,285
Increase in other current assets	(1,324)	(1,225)
Decrease (increase) in other non-current assets	33	(237)
Decrease in accounts payable	(2,463)	(2,810)
Increase in deferred revenue	6,988	54
Increase in other non-current liabilities	194	67
Decrease in other liabilities and accrued expenses	(2,676)	(1,652)
Net cash provided by operating activities	10,064	4,886
Cash flows from investing activities:		
Purchase of property and equipment, net	(364)	(501)
Increase in restricted deposits	(168)	(135)
Payment for business combinations, net of cash acquired	(3,809)	(9,274)
Net cash used in investing activities	(4,341)	(9,910)
Cash flows from financing activities:		
Proceeds from exercise of stock options	2,671	562
Repayment of Credit Facility	(25,000)	—
Net cash (used in) provided by financing activities	(22,329)	562
Effect of exchange rates on cash and cash equivalents	(236)	160
Net decrease in cash and cash equivalents	(16,842)	(4,302)
Cash and cash equivalents, beginning of period	71,732	63,869
Cash and cash equivalents, end of period	\$ 54,890	\$ 59,567
Supplemental disclosure of cash flow information:		
Interest received, net	\$ (235)	\$ (355)
Taxes paid	\$ 831	\$ 133

**Supplemental disclosure of non-cash financing activities:**

Additions to operating lease right-of-use assets and liabilities	\$	2,398	\$	2,728
Deferred proceeds from exercise of share options included in other current assets	\$	20	\$	134
Deferred costs of property and equipment incurred during the period included in accounts payable	\$	142	\$	112

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

## Reconciliation of GAAP gross profit to non-GAAP gross profit

	Three Months Ended March 31,	
	2024	2025
	(In thousands)	
GAAP gross profit	\$ 46,286	\$ 53,117
Add:		
Share-based compensation expenses	167	249
Retention payments related to business combinations	—	19
Amortization of intangible assets related to business combinations	1,087	325
<b>Non-GAAP gross profit</b>	<b>\$ 47,540</b>	<b>\$ 53,710</b>
<b>Non-GAAP gross margin</b>	<b>81 %</b>	<b>80 %</b>

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

	Three Months Ended March 31,	
	2024	2025
	(In thousands)	
Loss from operations	\$ (2,684)	\$ (9,291)
Add:		
Share-based compensation expenses	4,127	5,809
Retention payments related to business combinations	228	1,559
Amortization of intangible assets related to business combinations	1,121	660
<b>Non-GAAP operating profit (loss)</b>	<b>\$ 2,792</b>	<b>\$ (1,263)</b>
<b>Non-GAAP operating margin</b>	<b>5 %</b>	<b>(2)%</b>

**Reconciliation of GAAP operating expenses to non-GAAP operating expenses**

	Three Months Ended March 31,	
	2024	2025
	(In thousands)	
GAAP research and development	\$ 13,539	\$ 18,004
Less:		
Share-based compensation expenses	1,444	1,794
Retention payments related to business combinations	—	271
<b>Non-GAAP research and development</b>	<b>\$ 12,095</b>	<b>\$ 15,939</b>
<b>Non-GAAP research and development margin</b>	<b>21 %</b>	<b>24 %</b>
GAAP sales and marketing	\$ 25,240	\$ 32,156
Less:		
Share-based compensation expenses	1,185	1,336
Retention payments related to business combinations	228	844
Amortization of intangible assets related to business combinations	34	335
<b>Non-GAAP sales and marketing</b>	<b>\$ 23,793</b>	<b>\$ 29,641</b>
<b>Non-GAAP sales and marketing margin</b>	<b>40 %</b>	<b>44 %</b>
GAAP general and administrative	\$ 10,191	\$ 12,248
Less:		
Share-based compensation expenses	1,331	2,430
Retention payments related to business combinations	—	425
<b>Non-GAAP general and administrative</b>	<b>\$ 8,860</b>	<b>\$ 9,393</b>
<b>Non-GAAP general and administrative margin</b>	<b>15 %</b>	<b>14 %</b>



**Reconciliation of Net cash provided by operating activities (GAAP) to Free cash flow and Normalized free cash flow**

	Three Months Ended March 31,	
	2024	2025
	(In thousands)	
Net cash provided by operating activities	\$ 10,064	\$ 4,886
Purchases of property and equipment, net	(364)	(501)
<b>Free cash flow</b>	<b>\$ 9,700</b>	<b>\$ 4,385</b>
Deferred payments related to business combinations	—	485
<b>Normalized free cash flow</b>	<b>\$ 9,700</b>	<b>\$ 4,870</b>

## Dear Shareholders,

We delivered solid results in the first quarter of 2025, and are excited about the opportunities the AI revolution presents to Similarweb. Revenue growth and cash generation were better than expected in the first quarter and reflect the value of our comprehensive and proprietary Digital Data that is trusted by thousands of customers to generate actionable insights that empower them to make critical decisions and win their markets. Our results also reflect the investments we are making in driving business growth combined with continued disciplined execution.

Total revenue in the first quarter of 2025 (Q1-25) increased by 14% (YoY) accelerating compared to 12% in the first quarter of 2024, reflecting the strong demand for our Digital Data. Our customer base increased by 19% YoY to 5,767 ARR customers and our remaining performance obligations (RPO) increased by 18% YoY, faster than revenue growth.

The investments we initiated in the fourth quarter in sales and R&D are starting to generate positive returns. We completed the accelerated recruitment of the new salespeople by the end of the first quarter and we are seeing encouraging indications of improved productivity as they ramp.

We have launched a series of new products in 2025 that empower our customers with the tools to maximize the value they can extract from our data and reduce time to value. App Intelligence enhances our app data offering following the acquisition of 42matters last year. We have integrated AI Chatbot traffic data onto our platform providing our customers with visibility of queries and referral data. We are also rolling out a series of AI agents to assist our customers in maximizing the commercial opportunities provided by our data.

Our business model and its robust unit economics enable us to be flexible in facing any challenges that may lie ahead and we expect to remain a cash flow positive company on a quarterly basis. Our conviction that we are still only starting to realize the significant potential of our data and the markets that we serve, is stronger than ever.



## Business highlights

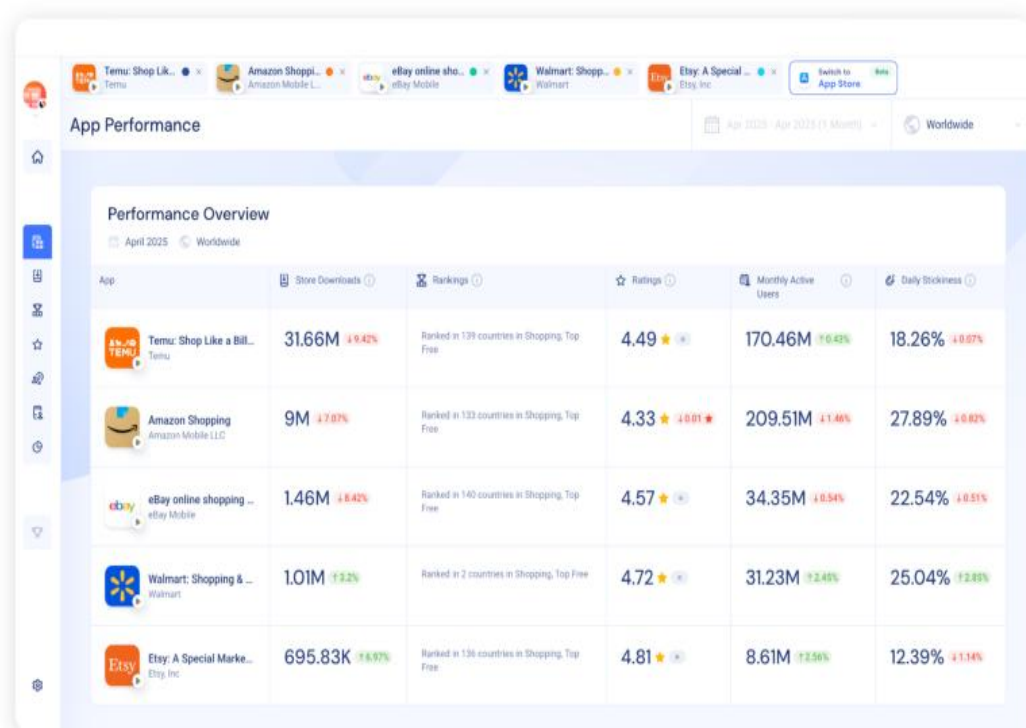
### Launching Similarweb App Intelligence

In March, we were very excited to launch [Similarweb App Intelligence](#) bringing rich insights to the mobile ecosystem and expanding further our suite of data-driven products that provide a holistic view of the digital world across web, mobile web and apps.

Similarweb Digital Data today covers over 4 million iOS and Android apps across 58 countries, providing our clients with comprehensive data on downloads, usage, engagement, retention, and audience demographics. By seamlessly integrating web and app analytics, we can now deliver a complete view of the digital landscape through our intuitive platform.

The unique capabilities of 42matters, acquired in 2024, was an important enabler of App Intelligence, enhancing our ability to deliver insights into app performance and technology stacks that power today's leading apps. At the end of Q1-25, 484 of our customers have already purchased subscriptions for App Intelligence and we believe there is significant potential for upsells by customers looking to better understand the digital world.

### Similarweb App Intelligence - App Performance Overview



App Performance						
Performance Overview						
April 2025 Worldwide						
App	Store Downloads	Rankings	Ratings	Monthly Active Users	Daily Stickiness	
Temu: Shop Like a Bill... Temu	31.66M <span>+6.42%</span>	Ranked in 139 countries in Shopping, Top Free	4.49 <span>★</span>	170.46M <span>+6.42%</span>	18.26% <span>+0.07%</span>	
Amazon Shopping Amazon Mobile LLC	9M <span>+7.07%</span>	Ranked in 133 countries in Shopping, Top Free	4.33 <span>★</span> <span>+0.01</span>	209.51M <span>+1.46%</span>	27.89% <span>+0.02%</span>	
eBay online shopping ... eBay Mobile	1.46M <span>+8.42%</span>	Ranked in 140 countries in Shopping, Top Free	4.57 <span>★</span>	34.35M <span>+0.54%</span>	22.54% <span>+0.51%</span>	
Walmart: Shopping & ... Walmart	1.01M <span>+3.2%</span>	Ranked in 2 countries in Shopping, Top Free	4.72 <span>★</span>	31.23M <span>+2.45%</span>	25.04% <span>+2.03%</span>	
Etsy: A Special Marke... Etsy, Inc.	695.83K <span>+8.97%</span>	Ranked in 136 countries in Shopping, Top Free	4.81 <span>★</span>	8.61M <span>+3.56%</span>	12.39% <span>+1.34%</span>	





### **Similarweb and the AI revolution**

The AI revolution continues to gain pace and we are only starting to appreciate the potential benefits that it could provide. As a leading supplier of digital data, the AI revolution presents significant opportunities for Similarweb. High quality, comprehensive, actionable and trusted data, like Similarweb's, is a critical and foundational component for every AI and LLM tech stack. As the demand for new applications and use cases such as Agentic AI rises, we believe that the demand for unique, proprietary data like ours will increase as well.

### **Expanding digital visibility to AI chatbots**

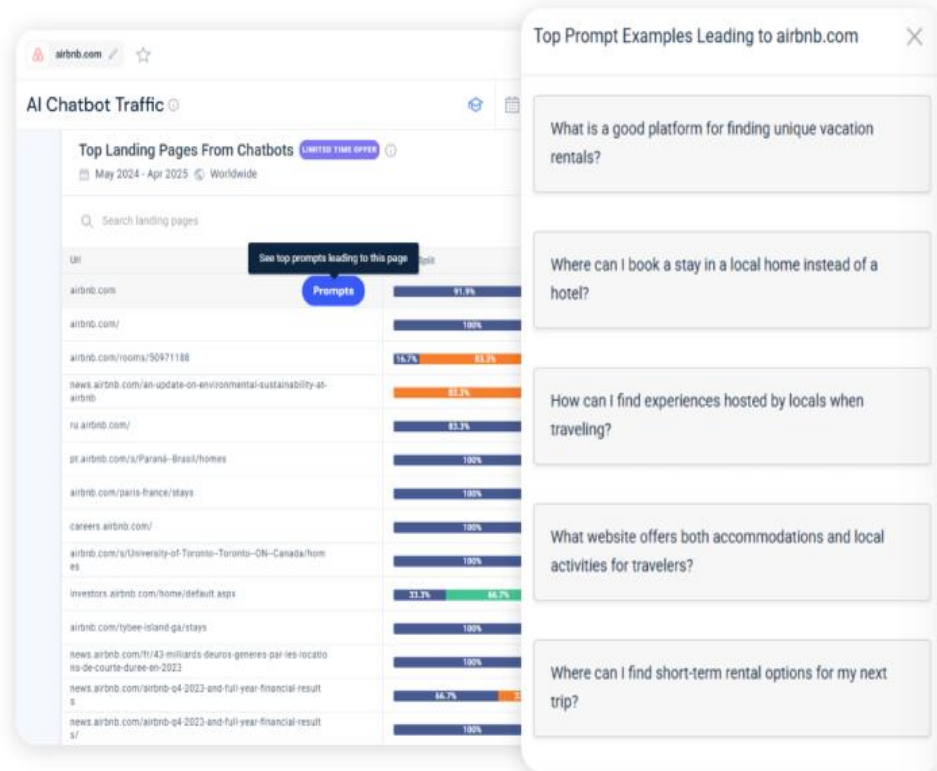
At the beginning of April we were thrilled to announce that we had expanded our digital visibility to AI Chatbot Traffic as well as top chatbot prompts. We now have a product offering that can provide our customers with the visibility they need to optimize their digital presence and adapt to the rapidly evolving patterns of consumer behavior, that include insights to the transition from traditional search engines to LLMs.

This new feature allows marketers to identify and analyze web traffic from popular AI tools like ChatGPT, Perplexity, and Claude, which is rapidly becoming a significant "blind spot" in the digital world. As AI chatbots increasingly influence how people discover and engage with content, they are becoming powerful sources of referral traffic. Our customers can now see which AI platforms are driving traffic to their sites, which pages are receiving the most AI chatbot referrals, and a range of prompts that are directing users to their content.

Just as understanding search keywords has been crucial for digital strategy, these AI insights enable our customers to optimize their content for the next generation of digital marketing.



## Similarweb Web Intelligence - AI Chatbot Traffic



Lily Ray, an SEO expert with thousands of followers on various social media platforms described our AI ChatBot Traffic Tool, as a “game changer”. We appreciate this valuable vote of confidence from a highly regarded SEO professional.

 **Lily Ray** 🧐👍  
@lilyraynyc

The AI Chatbot Traffic tool from @Similarweb is a game-changer, and shows really cool trends in terms of YOY increases in traffic from LLMs.

Below is projected LLM traffic for the New York Times - that's an 800% increase YOY. 🤖📈



Source	Percentage
Google.com	54.6%
Search engines	42.9%
airbnb.com	1.2%
Reddit.com	0.7%
reddit.com/news	0.3%
gizmodo	0.1%

**Total Chatbot Traffic Over Time**

1.7M  
% of all website traffic







We are also encouraged by the confidence the leaders of the AI revolution place in the quality and accuracy of our Digital Data. Last week, Sam Altman cited Similarweb data to demonstrate the growth and leadership of ChatGPT in his testimony to the United States Senate Commerce committee, during a committee hearing on "Winning the AI Race". Similarweb digital data was also referenced recently on the [All-In podcast](#) as part of a discussion on AI chatbots.



Source: Youtube

### Rolling out AI Agents to empower our customers and reduce time to value

We have started to roll out AI agents to help our customers maximize the utility of our data in the most efficient manner. Our AI agents can help identify patterns in our data, assist with SEO or help prepare a sales rep for a meeting. By deploying our AI agents across various use cases we can dramatically reduce the time these tasks require and the time-to-value for customers.

To date, we have introduced 3 AI agents that are available for our customers subscribed to our premium service tiers:

- AI SEO Strategy Agent:** Rapidly turns real-user search behavior into a data-backed SEO roadmap to help prepare a winning digital strategy and drive revenue. This AI agent demonstrates to digital marketing professionals "what" they should do to promote their content strategy and "how" best to do it.
- AI Trend Analyzer Agent:** Automatically detects unusual spikes in search demand and identifies their causes, thereby helping companies act before the competition. Previously, analyzing and formulating an understanding of the reasons for changes was a time consuming and resource heavy endeavor.



- **AI Meeting Prep Agent:** Builds a strategic 1-page meeting brief using digital signals and market intelligence to reduce meeting preparation time and help improve outcomes. We have been using this AI agent internally to ramp our new sales hires faster than previously.

We plan on developing and rolling out additional AI agents over the coming months.

We believe Similarweb is well-positioned to expand its role in the digital intelligence landscape, creating growth opportunities as AI continues to evolve.

### **Search Monitor acquisition**

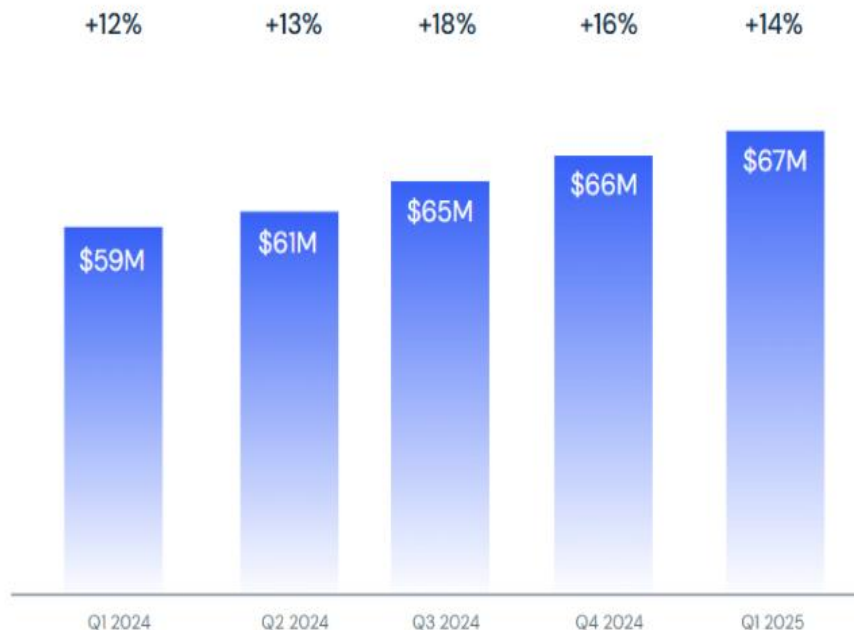
During the first quarter we acquired the Search Monitor to enhance our paid search and benchmarking capabilities. This acquisition is part of our strategy to complement our organic growth with bolt on acquisitions that either strengthen our data asset or expand our routes to market. These investments help enhance our value proposition and accelerate our ability to capture growth opportunities in the evolving digital landscape.

We would like to take this opportunity to welcome the Search Monitor founders, Lori Weiman and Shaun Martinec, and the team to Similarweb. We do not expect this acquisition to have a material impact on our 2025 financial results.

### **Our Business Performance**

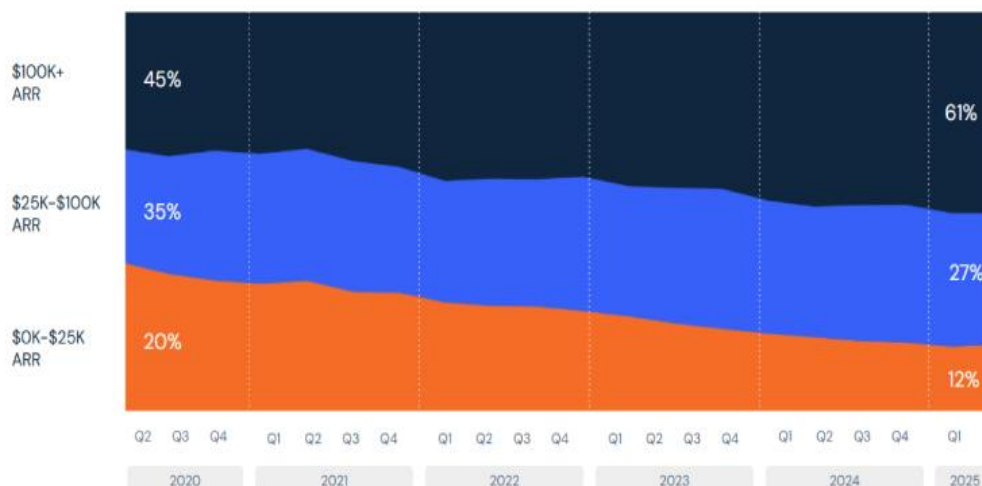
Total revenue for Q1-25 was \$67.1 million, an increase of 14% compared to \$59.0 million for the first quarter of 2024 (Q1-24), exceeding the top end of our estimate range.





We continue to see strong demand at the top-of-funnel from companies of all sizes who appreciate the criticality of Similarweb Digital Data for their business. The graph above illustrates the revenue growth that reflects both the solid demand for our data and solutions and the successful implementation of our GTM strategy.

Our customer base is composed of customers of all sizes, including many of the largest global brands. We analyze our growth metrics for the overall business as well as for those customers who generate more than \$100,000 in ARR. The ARR from this important customer segment represents 61% of our total ARR as of March 31, 2025.







The number of customers who generate more than \$100,000 in ARR grew from 378 as of March 31, 2024, to 411 as of March 31, 2025, representing an increase of 9% YoY. As this customer cohort grew, the average annual revenue per customer increased as well to approximately \$368.3 million, representing a 5% increase as compared to Q1-24.



While our largest customers continue to grow, we are encouraged by the velocity of the growth in overall new customers as well. Our overall ARR customer base increased to 5,767 accounts, as of March 31, 2025, representing a 19% increase year-over-year and continues to grow faster than revenues, which we believe is a good indication of the demand and the potential of our data and solutions.

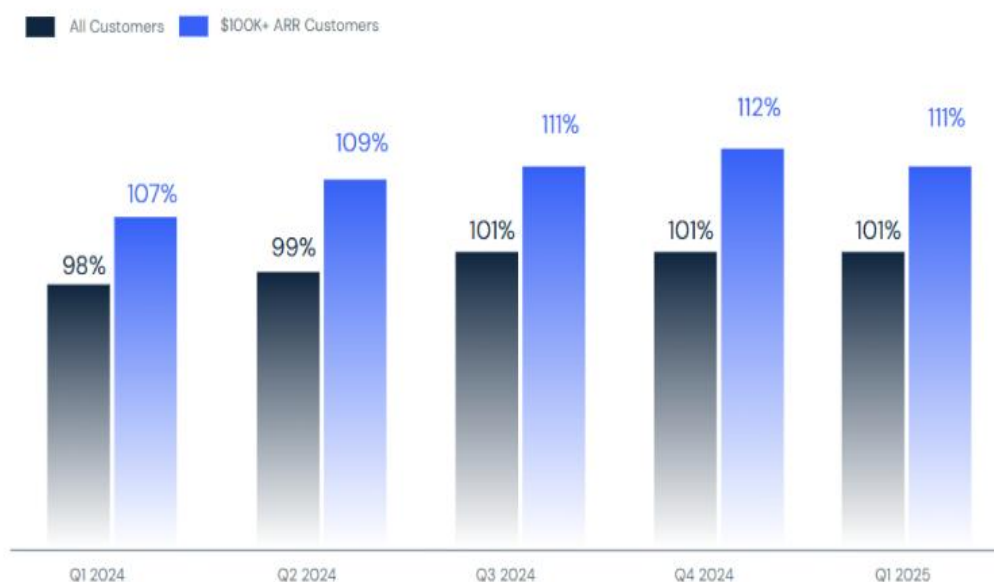
The average annual revenue per customer, for the overall customer base, was approximately \$47,500, a 4% decline relative to Q1-24. This metric reflects the strong growth in customer additions. We plan to work with these customers to demonstrate the value we can generate for them and expect annual revenue of this customer cohort to increase over time, as we have experienced previously.





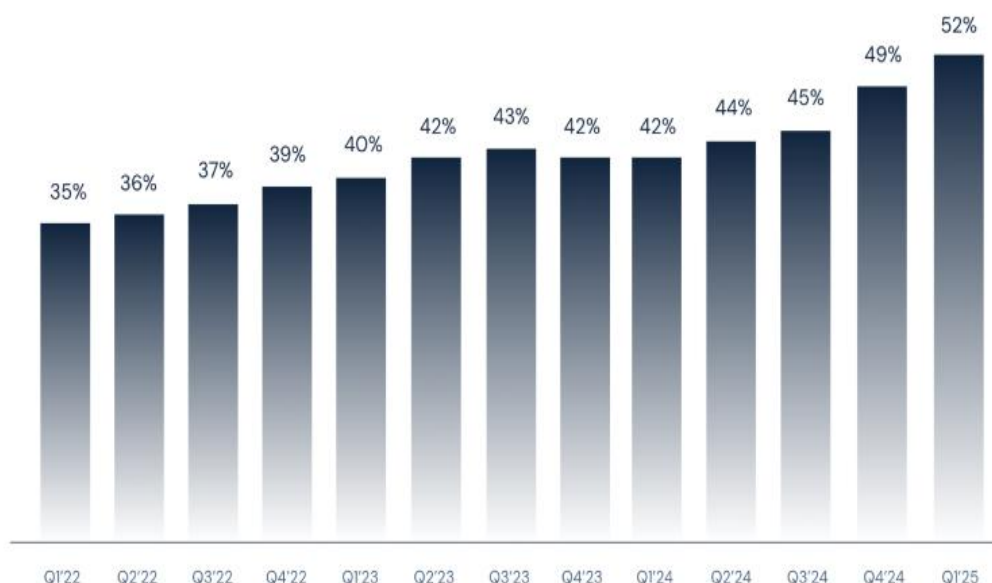


In Q1-25, we achieved an overall NRR of 101% and an NRR of 111% for our \$100,000+ ARR customers. The YoY improvement in NRR reflects our efforts in retaining and growing our business across our diverse customer base.



Similarweb Digital Data has become more important to our customers' decision processes at all levels of their organizations and this has been an important driver of the growth in multi-year contracts that today account for approximately 52% of our ARR up from 35% three years ago.

from 35% three years ago.



## Our Financial Results

When examining our financial results, please note that references to expenses and operating results (other than revenue) are presented both on a GAAP and on a non-GAAP basis below, and that all non-GAAP results are reconciled to the most directly comparable GAAP results in the financial statements exhibits presented at the end of this letter.

Revisiting our top line results, in Q1-25 we delivered revenue of \$67.1 million, reflecting 14% growth as compared to Q1-24, driven primarily by an increase in the number of customers.

The vast majority of our revenue is annual recurring revenue with minimum subscription terms of one year. We continue to increase the number of customers with multi-year subscription terms. As of the end of Q1-25, 52% of our ARR was generated from customers who contracted under multi-year subscription commitments, compared to 42% at the same time last year. We continue to believe this is a strong indicator of the long-term durability of our customer relationships and demand for our solutions. We expect the growth in revenue from multi-year customers to contribute to improving NRR rates in the future.

Our GAAP gross profit totaled \$53.1 million and our non-GAAP gross profit totaled \$53.7 million in Q1-25, compared to \$46.3 million and \$47.5 million in Q1-24, respectively.

million in Q1-25, compared to \$40.5 million and \$47.5 million in Q1-24, respectively.

Non-GAAP gross margin decreased to 80% in Q1-25, versus 81% in Q1-24, mainly attributable to our investment in GenAI as well as new solutions, in line with our strategy.

Our GAAP operating expenses increased to \$62.4 million and our non-GAAP operating expenses increased to \$55.0 million in Q1-25 from \$49.0 million and \$44.7 million in Q1-24, respectively. On a marginal basis, non-GAAP operating expenses increased and represented 82% of revenue in Q1-25 as compared to 76% of revenue in Q1-24.

Specific components of our first quarter 2025 operating expenses:

Our GAAP research and development investment increased to \$18.0 million and our non-GAAP research and development investment increased to \$15.9 million in Q1-25, from \$13.5 million and \$12.1 million in Q1-24, respectively. As a percentage of revenue, non-GAAP research and development expenses increased to 24% in Q1-25, as compared to 21% in Q1-24. We expect non-GAAP 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.

GAAP sales and marketing expenses increased to \$32.2 million and non-GAAP sales and marketing expenses increased to \$29.6 million in Q1-25, from \$25.2 million and \$23.8 million in Q1-24, respectively, driven primarily by the increased investment in our sales force, as discussed above. As a percentage of revenue, non-GAAP sales and marketing expenses increased to 44% in Q1-25, as compared to 40% in Q1-24, in-line with expectations. As we noted above, we are encouraged to see the improving yield and strong pipeline from the new talent that we recruited since Q4-24. We continue to expect to see revenue contribution from this team later this year.

An operating tenet in our model is that our sales and marketing costs are divided with approximately 45% to 50% attributable to new customer acquisition (land), and the remaining 50% to 55% attributable to retention, upselling and cross-selling (expand) of our existing customer base. When analyzing our investment in customer acquisition costs (CAC) for growth efficiency, we track an estimated payback period. As of Q1-25, the average payback is ranging between 21 and 22 months, primarily due to long sales cycles over the last year. Payback from expansion and customer retention costs (CRC) is faster than payback on new customer CAC such that we are generating a 58%-62% contribution margin on our recurring customer base which contributes meaningfully to our growth efficiency. We intend to continue to invest in customer acquisition to support future





growth, as well as in customer retention to drive NRR and to increase the lifetime value of our customers.

GAAP general and administrative costs increased to \$12.2 million from \$10.2 million in Q1-24, and our non-GAAP general and administrative costs increased slightly to \$9.4 million in Q1-25 from \$8.9 million in Q1-24. As a percentage of revenue, non-GAAP general and administrative expenses decreased to 14% in Q1-25, an improvement of 1 percentage point compared to Q1-24.

Looking at our bottom line, the Q1-25 GAAP operating loss was (\$9.3) million or (14%) of revenue, compared to (\$2.7) million or (5%) of revenue for the first quarter of 2024. Q1-25 non-GAAP operating loss was (\$1.3) million or (2%) of revenue, compared to a non-GAAP operating profit of \$2.8 million or 5% of revenue for the first quarter of 2024, inline with guidance range.



\* non-GAAP

As illustrated in the chart above, over the last three years we have improved non GAAP operating margins by more than 4,000 basis points from minus 45% in the first quarter of 2022 to minus 2% in Q1-25. This performance and our unit economics provides confidence in our ability to improve profitability.

Our Remaining Performance Obligations (RPO) totaled \$253 million at the end of Q1-25, up 18% YoY from \$214 million at the end of Q1-24. We expect to recognize approximately 69% of total Q1-25 RPO as revenue over the next 12 months.





We ended the first quarter with \$60 million in cash and cash equivalents and no outstanding debt. Net cash generated from operating activities was \$5 million in Q1-25, compared to \$10 million in Q1-24. Non-GAAP normalized free cash flow was \$5 million in Q1-25, compared to \$10 million in Q1-24. Importantly, Q1-25 is the sixth consecutive quarter of positive free cash flow, which we aim to sustain going forward.

### Our Business Outlook

Following the results of the first quarter and the progress we have discussed above, we are maintaining the guidance for the full year that we provided in February and expect total revenue in the range of \$285.0 million to \$288.0 million, representing 15% year over year growth at the midpoint of the range, and expect our non-GAAP operating profit to be between \$1.0 million and \$4.0 million.

For the second quarter of 2025 (Q2-25), we expect total revenue in the range of \$68.6 million to \$69.0 million and non-GAAP operating loss for Q2-25 to be in the range of (\$1.0) million to (\$0.5) million.

Our guidance reflects the investments in sales and R&D that we initiated during the fourth quarter to capitalize on the large market opportunity that we believe is before us.

### Our Focus on Profitable Growth

At the beginning of 2025, we shared with you our three strategic objectives for the year and are pleased with the progress that we made during the first quarter of 2025:

- (1) To expand our investment to enhance our Digital Data to provide our customers with the tools and capabilities to compete and win in the rapidly evolving digital world. During the first quarter we launched a series of new products, as discussed above, including App Intelligence, Chatbot data and AI agents, as part of our efforts to provide the most comprehensive view of the digital world.
- (2) Expand our GTM teams and land additional enterprise customers as we continue to expand the existing enterprise customer base. We completed the expansion of our Sales Team at the end of the first quarter. We are encouraged by the improving productivity as the new hires ramp and that more than 80% of the new hires are expected to be fully ramped by the Third Quarter. We are encouraged by the 19%



increase in total customer accounts and 9% growth in \$100,000 customers that account for 61% of revenues.

- (3) To operate efficiently. Q1-25 was our sixth consecutive quarter of positive free cash flow. While we expect some variability in our quarterly margins over 2025, We plan to remain cash generative on a quarterly basis. We believe that our culture of disciplined execution will continue to create opportunities for us to perform well in the future. We remain focused on working to become a "[Rule of 40](#)" company on an annual basis over time.

As we shared with you in the past, global macroeconomic conditions may continue to present some challenges for our business and for our customers, but we believe that much of our strategic objectives to capture positive trends and improve our execution are within our control.

We continue to make significant progress towards our long term profit and free cash flow margin targets and look forward to sharing our progress with you. As we like to say, we are still "just getting started".

Thank you for your continued support as a shareholder.

Sincerely,

A handwritten signature in black ink, appearing to read "Or Offer".

Or Offer  
Founder and Chief Executive Officer

A handwritten signature in black ink, appearing to read "Jason Schwartz".

Jason Schwartz  
Chief Financial Officer



### Consolidated Balance Sheets

	December 31, 2024	March 31, 2025 (Unaudited)
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 63,869	\$ 59,567
Restricted deposits	10,572	10,707
Accounts receivable, net	50,975	40,004
Deferred contract costs	11,373	11,070
Prepaid expenses and other current assets	4,567	5,570
Total current assets	141,356	126,918
Property and equipment, net	25,921	24,869
Deferred contract costs, non-current	9,895	8,913
Operating lease right-of-use assets	34,393	35,443
Goodwill and Intangible assets, net	30,846	40,807
Other non-current assets	500	737
<b>Total assets</b>	<b>\$ 242,911</b>	<b>\$ 237,687</b>
<b>Liabilities and shareholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 12,403	\$ 9,564
Payroll and benefit related liabilities	20,304	19,146
Deferred revenue	108,232	109,170
Other payables and accrued expenses	29,330	28,905
Operating lease liabilities	6,923	8,036
Total current liabilities	177,192	174,821
Deferred revenue, non-current	1,172	1,189
Operating lease liabilities, non-current	32,809	31,933
Other long-term liabilities	4,230	5,762
<b>Total liabilities</b>	<b>215,403</b>	<b>213,705</b>
Shareholders' equity		
Ordinary Shares, NIS 0.01 par value 500,000,000 shares authorized as of December 31, 2024 and March 31, 2025 (Unaudited), 82,620,679 and 83,540,238 shares issued as of December 31, 2024 and March 31, 2025 (Unaudited), 82,618,511 and 83,538,070 outstanding as of December 31, 2024 and March 31, 2025 (Unaudited), respectively;	227	229
Additional paid-in capital	391,449	397,922
Accumulated other comprehensive income	388	(354)
Accumulated deficit	(364,556)	(373,815)
Total shareholders' equity	27,508	23,982
<b>Total liabilities and shareholders' equity</b>	<b>\$ 242,911</b>	<b>\$ 237,687</b>





## Consolidated Statements of Comprehensive Income (Loss)

	Three Months Ended March 31,	
	2024	2025
	(Unaudited)	
Revenue .....	\$ 58,982	\$ 67,087
Cost of revenue .....	12,696	13,970
Gross profit .....	46,286	53,117
Operating expenses:		
Research and development .....	13,539	18,004
Sales and marketing .....	25,240	32,156
General and administrative .....	10,191	12,248
Total operating expenses .....	48,970	62,408
<b>Loss from operations</b> .....	(2,684)	(9,291)
Finance income, net .....	455	1,007
<b>Loss before income taxes</b> .....	(2,229)	(8,284)
Provision for income taxes .....	504	975
<b>Net loss</b> .....	\$ (2,733)	\$ (9,259)
Net loss per share attributable to ordinary shareholders, basic and diluted	\$ (0.03)	\$ (0.11)
Weighted-average shares used in computing net loss per share attributable to ordinary shareholders, basic and diluted .....	79,361,522	83,135,281
<b>Net loss</b> .....	\$ (2,733)	\$ (9,259)
<b>Other comprehensive income (loss), net of tax</b> .....		
Change in unrealized loss on cashflow hedges .....	(517)	(742)
Total other comprehensive loss, net of tax .....	(517)	(742)
<b>Total comprehensive loss</b> .....	\$ (3,250)	\$ (10,001)





Share-based compensation costs included above:

	Three Months Ended March 31,	
	2024	2025
	(Unaudited)	
Cost of revenue	\$ 167	\$ 249
Research and development	1,444	1,794
Sales and marketing	1,185	1,336
General and administrative	1,331	2,430
<b>Total</b>	<b>\$ 4,127</b>	<b>\$ 5,809</b>



## Consolidated Statements of Cash Flows

	Three Months Ended March 31,	
	2024	2025
	(Unaudited)	
Cash flows from operating activities:		
Net loss	\$ (2,733)	\$ (9,259)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	2,520	2,098
Finance expense (income)	236	(160)
Unrealized loss (gain) from hedging future transactions	31	(30)
Share-based compensation	4,127	5,809
Gain from sale of equipment	(4)	—
Changes in operating assets and liabilities:		
Change in operating lease right-of-use assets and liabilities, net	(2,271)	(813)
Decrease in accounts receivable, net	6,993	11,759
Decrease in deferred contract costs	413	1,285
Increase in other current assets	(1,324)	(1,225)
Decrease (Increase) in other non-current assets	33	(237)
Decrease in accounts payable	(2,463)	(2,810)
Increase in deferred revenue	6,988	54
Increase in other non-current liabilities	194	67
Decrease in other liabilities and accrued expenses	(2,676)	(1,652)
Net cash provided by operating activities	10,064	4,886
Cash flows from investing activities:		
Purchase of property and equipment, net	(364)	(501)
Increase in restricted deposits	(168)	(135)
Payment for business combinations, net of cash acquired	(3,809)	(9,274)
Net cash used in investing activities	(4,341)	(9,910)
Cash flows from financing activities:		
Proceeds from exercise of stock options	2,671	562
Repayment of Credit Facility	(25,000)	—
Net cash (used in) provided by financing activities	(22,329)	562
Effect of exchange rates on cash and cash equivalents	(236)	160
Net decrease in cash and cash equivalents	(16,842)	(4,302)
Cash and cash equivalents, beginning of period	71,732	63,869
Cash and cash equivalents, end of period	\$ 54,890	\$ 59,567
Supplemental disclosure of cash flow information:		
Interest received, net	\$ (235)	\$ (355)
Taxes paid	\$ 831	\$ 133



**Supplemental disclosure of non-cash financing activities:**

Additions to operating lease right-of-use assets and liabilities	\$	2,398	\$	2,728
Deferred proceeds from exercise of share options included in other current assets	\$	20	\$	134
Deferred costs of property and equipment incurred during the period included in accounts payable	\$	142	\$	112



Reconciliation of GAAP gross profit  
to Non-GAAP gross profit

	Three Months Ended March 31,	
	2024	2025
	(In thousands)	
GAAP gross profit	\$ 46,286	\$ 53,117
Add:		
Share-based compensation expenses	167	249
Retention payments related to business combinations	—	19
Amortization of intangible assets related to business combinations	1,087	325
<b>Non-GAAP gross profit</b>	<b>\$ 47,540</b>	<b>\$ 53,710</b>
<b>Non-GAAP gross margin</b>	<b>81 %</b>	<b>80 %</b>





Reconciliation of GAAP operating loss  
to Non-GAAP operating profit (loss)

	Three Months Ended March 31,	
	2024	2025
	(In thousands)	
Loss from operations	\$ (2,684)	\$ (9,291)
Add:		
Share-based compensation expenses	4,127	5,809
Retention payments related to business combinations	228	1,559
Amortization of intangible assets related to business combinations	1,121	660
<b>Non-GAAP operating profit (loss)</b>	<b>\$ 2,792</b>	<b>\$ (1,263)</b>
<b>Non-GAAP operating margin</b>	<b>5 %</b>	<b>(2)%</b>



Reconciliation of GAAP operating expenses  
to non-GAAP operating expenses

	Three Months Ended March 31,	
	2024	2025
	(In thousands)	
GAAP research and development	\$ 13,539	\$ 18,004
Less:		
Share-based compensation expenses	1,444	1,794
Retention payments related to business combinations	—	271
<b>Non-GAAP research and development</b>	<b>\$ 12,095</b>	<b>\$ 15,939</b>
<b>Non-GAAP research and development margin</b>	<b>21 %</b>	<b>24 %</b>
GAAP sales and marketing	\$ 25,240	\$ 32,156
Less:		
Share-based compensation expenses	1,185	1,336
Retention payments related to business combinations	228	844
Amortization of intangible assets related to business combinations	34	335
<b>Non-GAAP sales and marketing</b>	<b>\$ 23,793</b>	<b>\$ 29,641</b>
<b>Non-GAAP sales and marketing margin</b>	<b>40 %</b>	<b>44 %</b>
GAAP general and administrative	\$ 10,191	\$ 12,248
Less:		
Share-based compensation expenses	1,331	2,430
Retention payments related to business combinations	—	425
<b>Non-GAAP general and administrative</b>	<b>\$ 8,860</b>	<b>\$ 9,393</b>
<b>Non-GAAP general and administrative margin</b>	<b>15 %</b>	<b>14 %</b>



Reconciliation of net cash provided by operating activities (GAAP)  
to Free cash flow and Normalized free cash flow

	Three Months Ended March 31,	
	2024	2025
	(In thousands)	
Net cash provided by operating activities	\$ 10,064	\$ 4,886
Purchases of property and equipment, net	(364)	(501)
<b>Free cash flow</b>	<b>\$ 9,700</b>	<b>\$ 4,385</b>
Deferred payments related to business combinations	—	485
<b>Normalized free cash flow</b>	<b>\$ 9,700</b>	<b>\$ 4,870</b>

### Forward-Looking Statements

This letter to shareholders contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements relating to our guidance for the fourth quarter and full year of 2024 described under “Business Outlook,” the expected performance of our business, future financial results, strategy, long-term growth and overall future prospects, and our acquisitions and our offerings, our customers’ continued investment in digital transformation and reliance on digital intelligence and the size of, and our ability to capitalize on, our market opportunity and our plans to invest in sales and R&D. Forward-looking statements include all statements that are not historical facts. Such statements may be preceded by the words “intends,” “may,” “will,” “plans,” “expects,” “anticipates,” “projects,” “predicts,” “estimates,” “aims,” “believes,” “hopes,” “potential,” or similar words. These forward-looking statements reflect our current views regarding our intentions, products, services, plans, expectations, strategies and prospects, which are based on information currently available to us and assumptions we have made. Actual results may differ materially from those described in such forward-looking statements and are subject to a number of known and unknown risks, uncertainties, other factors and assumptions that are beyond our control. Such risks and uncertainties include, without limitation, risks and uncertainties associated with: (i) our expectations regarding our revenue, expenses and other operating results; (ii) our ability to acquire new customers and successfully retain existing customers; (iii) our ability to increase usage of our solutions and upsell and cross-sell additional solutions; (iv) our ability to sustain profitability; (v) anticipated trends,





growth rates, rising interest rates, rising global inflation and current macroeconomic conditions, and 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; (vi) future investments in our business, our anticipated capital expenditures and our estimates regarding our capital requirements; (vii) the costs and success of our sales and marketing efforts and our ability to promote our brand; (viii) our reliance on key personnel and our ability to identify, recruit and retain skilled personnel; (ix) our ability to effectively manage our growth, including continued international expansion; (x) our reliance on certain third party platforms and sources for the collection of data necessary for our solutions; (xi) our ability to protect our intellectual property rights and any costs associated therewith; (xii) our ability to identify and complete acquisitions that complement and expand our reach and platform; (xiii) 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; (xiv) our ability to compete effectively with existing competitors and new market entrants; and (xv) the growth rates of the markets in which we compete.

These risks and uncertainties are more fully described in our filings with the Securities and Exchange Commission, including in the section entitled "Risk Factors" in our Form 20-F filed with the Securities and Exchange Commission on February 27, 2025, and subsequent reports that we file with the Securities and Exchange Commission. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties, and assumptions, we cannot guarantee future results, levels of activity, performance, achievements, or events and circumstances reflected in the forward-looking statements will occur. Forward-looking statements represent our beliefs and assumptions only as of the date of this letter, May 13, 2025. Except as required by law, we undertake no duty to update any forward-looking statements contained in this letter as a result of new information, future events, changes in expectations, or otherwise.

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





## Non-GAAP Financial Measures

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

## Other Metrics

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



