
**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 001-38929

Fiverr International 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)

Fiverr International Ltd.

8 Eliezer Kaplan St ,

Tel Aviv 6473409 , Israel

(Address of principal executive offices)

Micha Kaufman

Chief Executive Officer

Telephone: + 972 - 72-2280910

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Fiverr International Ltd.

8 Eliezer Kaplan St ,

Tel Aviv 6473409 , Israel

(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

Title of each class
Ordinary shares, no par value

Trading Symbol(s)
FVRR

Name of each exchange on which registered
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. 35,844,114 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 ☒

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ABOUT THIS ANNUAL REPORT

Except where the context otherwise requires or where otherwise indicated in this Annual Report, the terms "Fiverr," the "Company," "we," "us," "our," "our Company" and "our business" refer to Fiverr International Ltd., together with its consolidated subsidiaries as a consolidated entity.

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.

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, and 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."* We define certain terms used in this Annual Report as follows:

- "Annual active buyers" as of any given date means buyers who have ordered a Gig on our marketplace within the last 12-month period, irrespective of cancellations.
- "Buyers" means users who purchase digital services.
- "Gig" or "Gigs" means the services offered on the Fiverr marketplace.
- "Marketplace Gross Merchandise Value" or "GMV" means the total value of transactions ordered through our marketplace, excluding value added tax, goods and services tax, service chargebacks and refunds.
- "Sellers" or "freelancers" means users who offer Gigs or digital services.
- "Annual spend per buyer" as of any given date is calculated by dividing our GMV within the last 12-month period by the number of annual active buyers as of such date.
- "Marketplace take rate" for a given period means marketplace revenue for such period divided by GMV for such period.

When we refer in this Annual Report to the marketplace we refer to transactions conducted between buyers and freelancers on Fiverr.com. When we refer to the platform we refer to the marketplace and our additional services. The Company is updating the definitions of annual active buyers, GMV, annual spend per buyer and marketplace take rate to align with our supplemental revenue presentation, which disaggregates revenue into two components, marketplace revenue and services revenue. These metrics will now exclusively reflect the marketplace, as amounts related to services previously included in these metrics are deemed immaterial. For further information see Item 5. *"Operating and Financial Review and Prospects."*

Market and Industry Data

Unless otherwise indicated, information in this Annual Report concerning economic conditions, our industry, our markets and our competitive position is based on a variety of sources, including information from other independent industry analysts and publications, as well as our own estimates and research.

Our estimates are derived from publicly available information released by third-party sources, as well as data from our internal research, which we believe to be reasonable. None of the independent industry publications used in this Annual Report were prepared on our behalf.

Trademarks

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. We do not intend our use or display of other companies' trademarks, trade names or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies. Each trademark, trade name or service mark of any other company appearing in this Annual Report is the property of its respective holder.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report also contains estimates and forward-looking statements, principally in the sections entitled Item 3.D. *"Key Information—Risk Factors,"* Item 4. *"Information on the Company,"* and Item 5. *"Operating and Financial Review and Prospects."* 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, industry outlook, buyer cohort behavior, expected trends and financial performance indicators, macroeconomic conditions, 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, including without limitation those described under the sections in this Annual Report entitled Item 3.D. *"Key Information—Risk Factors,"* Item 4. *"Information on the Company,"* and Item 5. *"Operating and Financial Review and Prospects"* and elsewhere in this Annual Report.

Our estimates and forward-looking statements may be influenced by factors including:

- adverse macroeconomic conditions can materially adversely affect the Company's business, results of operations and financial condition, due to impacts on consumer and business spending and demand for our services;
- our growth mainly depends on our ability to attract and retain a large community of buyers and freelancers, and the loss of our buyers and freelancers, or failure to attract new buyers and freelancers, could materially and adversely affect our business;
- we have incurred net losses in the past, and we may not be able to generate sufficient revenue to maintain profitability or positive net cash flow generated by operating activities;
- if we fail to maintain and enhance our brand, our business, results of operations and prospects may be materially and adversely affected;
- if the market for freelancers and the services they offer is not sustained or develops more slowly than we expect, our growth may slow or stall;
- if traffic to our websites declines for any reason, our growth may slow or stall;
- if we fail to maintain and improve the quality of our platform, we may not be able to attract and retain buyers and freelancers;
- we face significant competition, which may cause us to suffer from a weakened market position that could materially and adversely affect our results of operations;
- we or our third-party partners may experience a security breach, including unauthorized parties obtaining access to our users' personal or other data, or any other data privacy or data protection compliance issue;
- changes in laws or regulations relating to data privacy, data protection, or cybersecurity or any actual or perceived failure by us to comply with such laws and regulations or our privacy policies, could materially and adversely affect our business;

- evolving privacy laws and regulations related to cross-border data transfer restrictions and data localization requirements may limit the use and adoption of our services, expose us to liability or otherwise adversely affect our business;
- our business may suffer if we do not successfully manage our current and potential future growth;
- our user growth and engagement on mobile devices are dependent on decisions and developments in the mobile device industry over which the Company has no control;
- we have a limited operating history under our current platform and pricing model, which makes it difficult to evaluate our business and prospects and increases the risks associated with your investment, and any future changes to our pricing model could materially and adversely affect our business;
- errors, defects or disruptions in our platform could diminish our brand, subject us to liability, and materially and adversely affect our business, prospects, financial condition and results of operations;
- our platform contains open source software components, and failure to comply with the terms of the underlying licenses could restrict our ability to market or operate our platform;
- expansion into markets outside the United States is important to the growth of our business, and if we do not manage the business and economic risks of international expansion effectively, it could materially and adversely affect our business and results of operations;
- if we are unable to maintain and expand our scale of operations and generate a sufficient amount of revenue to offset the associated fixed and variable costs, our results of operations may be materially and adversely affected;
- our operating results may fluctuate from quarter to quarter, which makes our future results difficult to predict;
- our business is subject to a variety of laws and regulations, both in the United States and internationally, many of which are evolving;
- any actual or perceived failure to comply with evolving regulatory frameworks around the development and use of AI could adversely affect our business, results of operations, and financial condition; and
- competition for highly skilled technical and other personnel 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.

Many important factors, in addition to the factors described above and in other sections of this Annual Report, could adversely impact our business and financial performance. Moreover, we operate in an evolving environment. New risks and uncertainties emerge from time to time, and it is not possible for our management to predict all risks and uncertainties, 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 estimates or forward-looking statements. We qualify all of our estimates and forward-looking statements by these cautionary statements.

The estimates and forward-looking statements contained in this Annual Report speak only as of the date of this Annual Report. Except as required by applicable law, we undertake no obligation to publicly update or revise any estimates or forward-looking statements whether as a result of new information, future events or otherwise, or to reflect the occurrence of unanticipated events.

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

You should carefully consider the risks described below before making an investment decision. 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. 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

Adverse macroeconomic conditions can materially adversely affect the Company's business, results of operations and financial condition, due to impacts on consumer and business spending and demand for our services.

Adverse macroeconomic conditions, including inflation, slower growth or recession, changes to fiscal and monetary policy, tighter credit, higher interest rates, high unemployment, currency fluctuations, increased geopolitical risks such as the wars between Israel and its neighboring countries and regions and between Russia and Ukraine, have affected the U.S. and global economy during 2024 and can adversely impact consumer and businesses confidence and spending and materially adversely affect demand for the digital services offered on the Company's platform.

The present conditions and state of the U.S and global economies make it difficult to predict whether, when and to what extent a recession has occurred or will occur in the near future. In the event of an occurring or worsening recession, as the case may be, in which the U.S. economy contracts, our business may be negatively impacted, accordingly due to less spending and reduced demand for our services. The Company has taken significant actions to shore up its resources and means in order to weather a potential downturn in the economy; however, should a recession occur, or worsen in the future, one may expect either scenario to have an adverse effect on the business of the Company.

In addition, there is current uncertainty about the future relationship between the United States and other countries with respect to trade policies, taxes, government regulations, and tariffs and we cannot predict whether, and to what extent, U.S. trade policies will change in the future, including as a result of changes by the new U.S. presidential administration.

Our growth mainly depends on our ability to attract and retain a large community of buyers and freelancers, and the loss of our buyers and freelancers, or failure to attract new buyers and freelancers, could materially and adversely affect our business.

The size of our community of users, including both buyers and freelancers, is critical to our success. While we have experienced strong growth in the number of annual active buyers on our platform since inception, recently the number of annual active buyers has been declining and future growth could be volatile and differ significantly from one year to another. Many factors impact the buyer growth, and we cannot accurately predict or guarantee annual active buyer growth rates in the future. Freelancers have many different ways of marketing their services and securing buyers, including meeting and contacting prospective buyers through other platforms, advertising to prospective buyers online or offline through other methods, signing up for online or offline third-party agencies or staffing firms or finding employment full-time or part-time through an agency or directly with a business. Buyers have similarly diverse options to find freelancers, such as engaging freelancers directly, finding freelancers through other online or offline platforms or through staffing firms and agencies or hiring temporary, full-time, or part-time employees. Any decrease in the attractiveness of our platform relative to these other options available to buyers and freelancers could lead to decreased engagement on our platform, which could result in a drop in revenue on our platform. In addition, a drop in engagement from buyers, including due to a general decrease in spending or otherwise as a result of a global recession, could lead to diminished network effects and decrease the attractiveness of our platform to freelancers. If we fail to attract new freelancers or our existing freelancers decrease their use of or cease using our platform, the quality or types of services provided by freelancers that use our platform are not satisfactory to buyers, or freelancers increase their fees for services beyond the level that buyers are willing to pay, buyers may decrease their use of, or cease using, our platform.

Key factors in attracting and retaining buyers include our ability to grow our brand awareness, attract and retain high-quality freelancers and increase the quantity and quality of services posted on our marketplace. A key factor in attracting and retaining freelancers, in turn, is maintaining and increasing the number of buyers using our platform. Thus, achieving growth in our community of buyers and freelancers may require us to increasingly engage in sophisticated and costly sales and marketing efforts that may not result in additional users. We may also need to modify our pricing model to attract and retain such users.

Users can generally decide to cease using our platform at any time. Users may stop using our platform and related services if the quality of the user experience on our platform, including our support capabilities in the event of a problem, does not meet their expectations or keep pace with the quality of the user experience generally offered by competitive products and services. Users may also choose to cease using our platform if they perceive that our pricing model is not in line with the value they derive from our platform or for other reasons. In addition, expenditures by buyers may be cyclical and be affected by adverse changes in overall economic conditions or budgeting patterns. If we fail to attract new users or fail to maintain existing users, our revenue may grow more slowly than expected and our business could be materially and adversely affected.

We have incurred net losses in the past, and may not be able to generate sufficient revenue to maintain profitability or positive net cash flow generated by operating activities.

During 2024, we incurred a \$15.8 million operating loss, however, we achieved net income of \$18.2 million and operating net cash flow of \$83.1 million. We may not be able to generate sufficient revenue to sustain profitability, or positive net cash flow generated by operating activities. We expect to continue the development and expansion of our business, and we expect our operating expenses to increase over the next several years as we hire additional personnel, retain existing personnel in a competitive market and continue to enhance the functionality of our platform and introduce new solutions. If our revenue declines or fails to grow at a rate sufficient to offset increases in our operating expenses, or interest rates decrease, we may not be able to maintain profitability or to maintain or increase net cash flow from operating activities on a consistent basis.

If we fail to maintain and enhance our brand, our business, results of operations and prospects may be materially and adversely affected.

We believe that maintaining and enhancing our brand are of significant importance to the success of our business. A well-recognized brand is critical to increasing the number and the level of engagement of freelancers and, in turn, enhancing our attractiveness to buyers. Successful promotion of our brand and our platform depends on, among other things, the effectiveness of our marketing efforts, our ability to provide a reliable, trustworthy and useful platform, the perceived value of our platform and our ability to provide quality support. In order to maintain and enhance our brand, we will need to continuously invest in marketing programs that may not be successful in achieving meaningful awareness levels. However, brand promotion activities may not yield increased revenue, and even if they do, the increased revenue may not offset the expenses we incur in building and maintaining our brand. We have conducted and may continue to conduct various marketing and brand promotion activities. We cannot assure you, however, that these activities will be successful or that we will be able to achieve the brand awareness we expect. In addition, our competitors may increase the intensity of their marketing campaigns, which may force us to increase our advertising spend to maintain our brand awareness.

In addition, any negative publicity relating to our platform, regardless of its veracity, could harm our brand. In particular, in recent years, increasing attention has been given to corporate activities related to environmental, social and governance (ESG) matters including increasing attention on climate change and diversity, equity and inclusion matters, from stakeholders with varied views on these topics. Companies and brands that do not adapt to or comply with expectations, standards, and regulations on ESG matters as they continue to evolve, are perceived to have not responded appropriately in relation to ESG issues, or are alleged not to achieve the ESG standards, targets or commitments that they publicly state (often referred to as "greenwashing"), may suffer from reputational damage. Regulation (including emerging regulation) may require additional ESG public disclosures and this may increase the risk of such damage. In addition, any unfavourable media coverage or negative publicity about our industry or Company and any errors, defects, disruptions, security vulnerabilities, abuse of our system, or other performance problems with our products and platforms may also cause us reputational damage. If our brand is harmed due to negative publicity we may not be able to grow or maintain our freelancer base, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

Further, activities of users, customers or suppliers or the content of our freelancers' shops could damage our brand, subject us to liability, and harm our business and financial results. Activities of users that are deemed to be hostile, offensive or inappropriate to other users, including users acting under false or inauthentic identities, could damage our brand or harm our ability to expand our user base. We do not monitor or review the appropriateness of the content generated by users or have control over the activities in which our users engage. While we have adopted policies regarding illegal or offensive use of our platform by our users and retain authority to remove user generated content that violates our policies, users could nonetheless engage in these activities. Users and suppliers using the platform may also operate businesses in regulated industries, which are subject to additional scrutiny, increasing the potential liability we could incur. The safeguards we have in place may not be sufficient to avoid harm to our brand, especially if such hostile, offensive or inappropriate use was high profile.

If the market for freelancers and the services they offer is not sustained or develops more slowly than we expect, our growth may slow or stall.

The market for freelancers and the services they offer is relatively new, rapidly evolving and unproven. Our future success will depend in large part on the continued growth and expansion of this market and the willingness of businesses and individuals to engage freelancers to provide services. It is difficult to predict the size or rate of expansion of this market, or the extent to which technological or other developments will impact the overall demand for freelancers. Further, many businesses and individuals may be unwilling to engage freelancers for a variety of reasons, including perceived negative connotations with outsourcing work, or security or quality concerns. If the market for freelancers and the services they offer does not achieve widespread adoption, or there is a reduction in demand for freelancer services, particularly demand for information technology services, including as a result of macroeconomic conditions related to a global recession or otherwise, our business, prospects, financial condition and results of operations could be materially and adversely affected.

If traffic to our websites declines for any reason, our growth may slow or stall.

Our ability to maintain the number of visitors directed to our websites is not entirely within our control. We depend in part on various internet search engines and other channels to direct a significant number of users to our website. Search engine companies change their natural search engine algorithms periodically, and our ranking in natural searches may be adversely affected by those changes, as has occurred from time to time. Search engine companies may also determine that we are not in compliance with their guidelines and may consequently penalize us in their algorithms as a result. If search engines change or penalize us with their algorithms, terms of service, display or featuring of search results, we may be unable to cost-effectively drive users to our platform. Additionally, our competitors' search engine optimization efforts may result in their websites receiving a higher search result page ranking than ours. This could decrease user engagement on our website and adversely affect the growth in our user base, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

If we fail to maintain and improve the quality of our platform, we may not be able to attract and retain buyers and freelancers.

The markets in which we operate are characterized by constant change and innovation. In order to continue and evolve rapidly and in order to satisfy both buyers and freelancers, we need to continue to improve their user experience as well as innovate and introduce features and services that users find useful and that cause them to use our platform more frequently. This includes improving our technology to optimize search results, tailoring our database to additional geographic and market segments and improving the user-friendliness of our platform and our ability to provide high-quality support. Our users depend on our support organization to resolve issues relating to our platform. Our ability to provide effective support is largely dependent on our ability to attract and retain employees who are well versed in our platform. As we continue to grow our international user base, our support organization will face additional challenges, including those associated with continuing to deliver support in languages other than English. Any failure to maintain high-quality support, or a market perception that we do not maintain high-quality support, could harm our reputation or adversely affect our ability to market the benefits of our platform to existing and prospective users.

In addition, we need to adapt, expand and improve our platform and user interfaces to keep up with changing user preferences. We invest substantial resources in researching and developing new features and enhancing our platform by incorporating these new features, improving functionality and adding other improvements to meet our users' evolving demands. The success of any enhancements or improvements to our platform or any new features depends on several factors, including timely completion, adequate quality testing, integration with technologies on our platform and third-party partners' technologies and overall market acceptance. Because further development of our platform is complex, challenging and dependent upon an array of factors, the timetable for the release of new features and enhancements to our platform is difficult to predict, and we may not offer new features as rapidly as users of our platform require or expect. For example, with the growing propensity of our users to use mobile devices as their main devices, we will need to continue modifying and updating our mobile apps to successfully manage the transition of our users to mobile devices. Additionally, the time, money, energy and other resources we dedicate to developing new features or enhancements to our platform may be greater than the short-term, and potentially the total, returns from these new offerings.

It is difficult to predict the problems we may encounter in introducing new features to our platform, and we may need to devote significant resources to the creation, support and maintenance of these features. We provide no assurances that our initiatives to improve our user experience will be successful. We also cannot predict whether any new features will be well received by users, or whether improving our platform will be successful or sufficient to offset the costs incurred to offer these new features. If we are unable to improve or maintain the quality of our platform, our business, prospects, financial condition and results of operations could be materially and adversely affected.

We face significant competition, which may cause us to suffer from a weakened market position that could materially and adversely affect our results of operations.

Successful execution of our strategy depends on our ability to attract and retain users, expand the market for our platform, maintain a technological edge and provide value to our users. We face competition from a number of online and offline platforms and competitors that offer freelance services as part of their broader services portfolio. Our main competitors fall into the following categories:

- traditional contingent workforce and staffing service providers and other outsourcing providers;
- online freelancer platforms that serve a diverse range of skill categories;
- other online and offline providers of products and services that allow freelancers to find work or to advertise their services, including personal and professional social networks, employment marketplaces, recruiting websites, job boards, classified ads and other traditional means of finding work;
- software and business services companies focused on talent acquisition, management or staffing management products and services;
- businesses that provide specialized, professional services, including consulting, accounting, marketing and information technology services; and
- software companies focused on providing technological solutions driven by AI.

Internationally, we compete in most countries against online and offline channels and products and services with a local presence. These local competitors might have greater brand recognition than we have in their local country and a stronger understanding of the local culture and commerce. They may also offer their products and services in local languages that we do not currently offer. As our business grows internationally, we may increasingly compete with these local and regional companies.

In addition, well-established internet companies, social networking websites and career-related internet portals have entered or may decide to target the market for freelance services, and some of these companies have launched products and services that directly compete with our platform. These or other powerful companies that have extensive and loyal user bases in the geographic markets where we operate may decide to directly target our users, thereby intensifying competition in the freelance services market. Although professional social networking businesses with online recruitment functions historically have not had significant market positions in the market for freelance services, these businesses may dedicate resources to expand their operations and as a result, become a significant competitive threat in the future. Social networks may benefit from access to large pools of potential purchasers of freelance services and a broad range of user information that freelancers could leverage to tailor their services.

Current competitors may also consolidate or be acquired by an existing or prospective competitor, which could result in the emergence of a stronger competitor, leading to a potential loss of our market share. There can be no assurances that we will maintain our strong position among freelance services marketplaces, particularly if our key competitors consolidate or if large search engines, social media companies or other online platforms successfully leverage their large user bases to penetrate our markets. In addition, competitors that have not typically participated online may establish an online presence on their own or with our existing competitors, which may create new competitors or strengthen our existing competitors.

Many of our current and potential competitors, both online and offline, enjoy substantial competitive advantages, such as greater name recognition, longer operating histories, greater financial, technical and other resources, and, in some cases, the ability to rapidly combine online platforms with traditional staffing and contingent worker solutions. These companies may use these advantages to offer solutions similar to our platform at a lower price, develop different products and services to compete with our platform, spend more on advertising and brand marketing, invest more in research and development, or respond more quickly and effectively than we do to new or changing opportunities, technologies, standards, regulatory conditions or user preferences or requirements. As a result, our users may decide to shift from utilizing our platform to utilizing our competitors' products, services and solutions.

Furthermore, the rapid advancements in AI may present challenges for our industry. There is a risk that the evolving AI landscape could reduce the demand for some of our simple service offerings within the writing, translation, and graphic and design verticals. As we continue to invest in and expand our AI related services, we are fully aware of the complexities and the competitive nature of this area. We are also attentive to the evolving regulatory environment surrounding AI. Our ability to successfully adapt and incorporate AI technologies and related services into our product offerings in a timely, effective, and compliant manner is critical. Failure to do so may result in a competitive disadvantage, potentially reducing the demand for our services and adversely affecting our business performance.

We or our third-party partners may experience a security breach, including unauthorized parties obtaining access to our users' personal or other data, or any other data privacy or data protection compliance issue.

Our business involves the storage, processing and transmission of users' proprietary, confidential and personal data as well as the use of third-party partners who store, process and transmit users' proprietary, confidential and personal data. We also maintain certain other proprietary and confidential data relating to our business and personal data of our personnel and job applicants. Any security breach or incident that we experience could result in unauthorized access to, misuse of, or unauthorized acquisition of our or our users' data, the loss, corruption, or alteration of this data, interruptions in our operations, or damage to our computers or systems or those of our users. We have experienced such cybersecurity incidents in the past and may experience incidents in the future. Furthermore, cyberattacks and security incidents are expected to accelerate in both frequency and impact as the use of AI increases and attackers become increasingly sophisticated and utilize tools and techniques that are designed to circumvent controls, avoid detection, and remove or obfuscate forensic evidence.

Any such incidents could expose us to claims, litigation, regulatory or other governmental investigations, enforcement actions, administrative fines and potential liability. An increasing number of online services have disclosed breaches of their security, some of which have involved sophisticated and highly targeted attacks on portions of their services. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and often are not foreseeable or recognized until launched against a target, we and our third-party partners may be unable to anticipate these techniques or implement adequate preventative measures. If an actual or perceived breach of our or our third-party partners' security occurs, public perception of the effectiveness of our security measures and brand could be harmed, and we could lose users. Data security breaches and other cybersecurity incidents may also result from non-technical means, for example, actions by employees or contractors. Any compromise of our or our third-party partners' security could result in a violation of applicable security, privacy or data protection, consumer and other laws, regulatory or other governmental investigations, enforcement actions and legal and financial exposure, including potential contractual liability, in all cases that may not always be limited to the amounts covered by our insurance. Any such compromise could also result in damage to our brand and a loss of confidence in our security and privacy or data protection measures.

Our and our third-party partners' systems may be vulnerable to computer viruses and other malicious software, physical or electronic break-ins, or weakness resulting from intentional or unintentional actions by us, our third-party partners or our service providers, as well as similar disruptions that could make all or portions of our website or apps unavailable for periods of time. While we currently employ various antivirus and computer protection software in our operations, we cannot assure that such protections will in all cases successfully prevent hacking or the transmission of any computer virus or malware, which could result in significant damage to our hardware and software systems and databases, disruptions to our business activities, including to our e-mail and other communications systems, breaches of security and the inadvertent disclosure of personal, confidential or sensitive data, interruptions in access to our website through the use of "denial of service" or similar attacks and other material adverse effects on our operations.

Further, we may need to expend significant resources to protect against, and to address issues created by, security breaches and other incidents. Security breaches and other security incidents, including any breaches of our security measures or those of parties with which we have commercial relationships (e.g., third-party service providers who provide development or other services to us) that result in the unauthorized access of users' confidential, proprietary or personal data, or the belief that any of these have occurred, could damage our reputation and expose us to a risk of loss or litigation and possible liability. Significant unavailability of our platform due to attacks could cause users to cease using our platform and materially and adversely affect our business, prospects, financial condition and results of operations. Although we maintain cybersecurity liability insurance, we cannot be certain that our coverage will be adequate for liabilities actually incurred or will continue to be available to us on reasonable terms, or at all.

Many jurisdictions have or are considering enacting privacy or data protection laws or regulations relating to the collection, use, storage, transfer, disclosure and/or other processing of personal data. Such laws and regulations may include data residency or data localization requirements (which generally require that certain types of data collected within a certain country be stored and processed within that country), data export restrictions or international transfer laws (which prohibit or impose conditions upon the transfer of such data from one country to another), requirements that companies implement privacy or data protection and security policies, or requirements that companies grant individuals certain rights, such as the right to access, correct and delete personal data stored or maintained by such companies, be informed of security breaches that affect their personal data or provide consent to use their personal data for other purposes. While we have implemented various measures intended to enable us to comply with applicable privacy or data protection laws, regulations and contractual obligations, these measures may not always be effective and do not guarantee compliance. In addition, privacy or data protection laws and regulations may be modified, interpreted and applied in an inconsistent manner from one jurisdiction to another, and may conflict with one another, other requirements or legal obligations, or our practices. Further, the existence and need to comply in certain markets could impact our ability to offer our platform in those markets (without taking additional compliance steps). Cultural norms around privacy or data protection also vary from country to country and can drive a need to localize or customize certain features of our platform in order to address varied privacy or data protection concerns, which can add cost and time to our development of new features and platform enhancements.

Changes in laws or regulations relating to data privacy, data protection, or cybersecurity or any actual or perceived failure by us to comply with such laws and regulations or our privacy policies, could materially and adversely affect our business.

We receive, collect, store, process, transfer and use personal data and other user data. The effectiveness of our technology, including our AI and platforms, and our ability to offer our platform to users rely on the collection, storage and use of this data concerning freelancers and other users, including personally identifying or other sensitive data. We have legal and contractual obligations regarding the protection of confidentiality and appropriate use and protection of certain data, including personal information. We are subject to numerous federal, state, local and international laws, directives and regulations regarding privacy, data protection and data security and the collection, storing, sharing, use, processing, transfer, disclosure and protection of personal information and other data, the scope of which are changing, are subject to differing interpretations, and may be inconsistent among jurisdictions or conflict with other legal and regulatory requirements. We are also subject to the terms of our privacy policies and certain contractual obligations to third parties related to privacy, data protection and data security. We are committed to complying with our policies and applicable laws, regulations, contractual obligations and other legal obligations relating to privacy, data protection and data security to the extent possible. However, the regulatory framework for privacy, data protection and data security worldwide is changing constantly and is likely to remain uncertain and complex for the foreseeable future, and therefore it is possible that these or other actual or alleged obligations may be interpreted and applied in a manner that we do not anticipate or that is inconsistent from one jurisdiction to another, including across the various jurisdictions in which we operate remotely, and may conflict with other legal obligations or our practices.

For example, in the European Economic Area, or the EEA, and the UK, we are subject to the EU General Data Protection Regulation, or EU GDPR, and to the United Kingdom General Data Protection Regulation and Data Protection Act 2018, together the UK GDPR (the EU GDPR and UK GDPR together referred to as the "GDPR"). The GDPR imposes stringent data protection compliance requirements and provides for significant penalties for noncompliance in the EEA and UK. The GDPR created new compliance obligations applicable to our business and users, which could cause us to change our business practices, and increases penalties for noncompliance. Since we are subject to the supervision of relevant data protection authorities under both the EU GDPR and the UK GDPR, we could be fined under each of those regimes independently in respect of the same breach (including possible fines of up to the greater of €20 million / £17.5 million and 4% of our global annual turnover for the preceding financial year for the most serious violations, as well as the right to compensation for financial or non-financial damages claimed by any individuals under Article 82 of the GDPR and requirements to change our processing operations). In addition to fines, a breach of the GDPR may result in regulatory investigations, reputational damage, orders to cease/change our data processing activities, enforcement actions, assessment notices (for a compulsory audit) and/or civil claims (including class actions). We are taking steps to comply with the GDPR, but this is an ongoing compliance process. We are also subject to evolving EU and United Kingdom (UK) privacy laws on cookies, tracking technologies and e-marketing. Recent European court and regulator decisions are driving increased attention to cookies and tracking technologies. If the trend of increasing enforcement by regulators of the strict approach to opt-in consent for all but essential use cases, as seen in recent guidance and decisions continues, this could lead to substantial costs, require significant systems changes, limit the effectiveness of our marketing activities, divert the attention of our technology personnel, adversely affect our margins, and subject us to additional liabilities. In light of the complex and evolving nature of EU, EU Member State and UK privacy laws on cookies and tracking technologies, there can be no assurances that we will be successful in our efforts to comply with such laws; violations of such laws could result in regulatory investigations, fines, orders to cease/change our use of such technologies, as well as civil claims including class actions, and reputational damage.

Additionally, over a dozen states have adopted or are considering new or modified privacy and security laws. These laws create a patchwork of legislation and regulation that impose heightened transparency obligations about data collection, use, and sharing practices, add restrictions on the "sale" or transfer of personal information to third parties for purposes such as advertising or analytics, create new data privacy rights for consumers including the ability to limit the use of personal information for advertising, and carry significant enforcement penalties for non-compliance, including monetary and injunctive relief. This patchwork may also give rise to conflicts or differing views of personal privacy rights. For example, certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to personal data than federal, international or other state laws, and such laws may differ from each other, all of which may complicate compliance efforts.

Moreover, U.S. and other state laws, as well as other legal and regulatory developments across jurisdictions are making it easier for individuals protected by those laws to opt-out of having their personal data processed and disclosed to third parties through various opt-out mechanisms, and more generally, provide them more control of their data, which could result in an increase to our operational costs to ensure compliance with such legal and regulatory changes. In recent years, there has also been an increase in attention to and regulation of data protection and data privacy across the globe, including in the United States with the increasingly active approach of the Federal Trade Commission, or the FTC, to enforcing data privacy under the FTC Act Section 5 of the Unfair and Deceptive Acts framework.

In addition, failure to comply with the Israeli Privacy Protection Law, 1981, or the Israeli Privacy Law, and its regulations as well as the guidelines of the Israeli Privacy Protection Authority, may expose us to enforcement actions, civil claims (including class actions), fines and penalties. Amendment 13 of the Israeli Privacy Law, which will enter into effect in August 2025, will increase monetary sanctions significantly, that in certain cases may reach millions of NIS, for breaching the Israeli Privacy Law and will expand the Israeli Privacy Protection Authority investigation and enforcement authority.

Further, failure or perceived failure by us to comply with our posted privacy policies, our privacy-related obligations to users or other third parties, or any other legal obligations or regulatory requirements relating to privacy, data protection or information security may result in governmental investigations or enforcement actions, litigation, claims or public statements against us by consumer advocacy groups or others and could result in significant liability, cause our users to lose trust in us, and otherwise materially and adversely affect our reputation and business. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations and policies that are applicable to the businesses of our users may limit the adoption and use of, and reduce the overall demand for, our platform. Additionally, if third parties we work with violate applicable laws, regulations or agreements, such violations may put our users' data at risk, could result in governmental investigations or enforcement actions, fines, litigation, claims, or public statements against us by consumer advocacy groups or others and could result in significant liability, cause our users to lose trust in us and otherwise materially and adversely affect our reputation and business. Further, public scrutiny of, or complaints about, technology companies or their data handling or data protection practices, even if unrelated to our business, industry or operations, may lead to increased scrutiny of technology companies, including us, and may cause government agencies to enact additional regulatory requirements, or to modify their enforcement or investigation activities, which may increase our costs and risks.

Additionally, certain actions of our users that are deemed to be a misuse or unauthorized disclosure of another user's personal data could negatively affect our reputation and brand and impose liability on us. While we have adopted policies regarding the misuse or unauthorized disclosure of personal data obtained through our services by our users and retain authority to put a hold on or permanently disable user accounts, users could nonetheless misuse or disclose another user's personal data. The safeguards we have in place may not be sufficient to avoid liability on our part or avoid harm to our reputation and brand, especially if such misuse or unauthorized disclosure of personal data was high profile, which could adversely affect our ability to expand our user base, and our business and financial results.

If we were found in violation of any applicable privacy or data protection laws or regulations, our business may be materially and adversely affected and we would likely have to change our personal data processing activities, internal procedures or even our business practices and potentially the services and features available through our platform. In addition, these laws and regulations could impose significant costs on us and could make it more difficult for us to use our current technology to promote certain Gigs and connect freelancers with buyers. In addition, if a breach of data security were to occur, or other violation of privacy or data protection laws and regulations were to be alleged, solutions may be perceived as less desirable and our business, prospects, financial condition and results of operations could be materially and adversely affected. Finally, any court ruling or other governmental action that imposes liability on providers of online services for the activities of their users and other third parties could harm our business. In such circumstances, we may also be subject to liability under applicable law in a way which may not be fully mitigated by the user terms of service we require our users to agree to. Any liability attributed to us could adversely affect our brand, reputation, our ability to expand our user base and our financial position.

Evolving privacy laws and regulations related to cross-border data transfer restrictions and data localization requirements may limit the use and adoption of our services, expose us to liability or otherwise adversely affect our business.

Certain data privacy legislation restricts the cross-border transfer of personal data and some countries introduced data localization into their laws. Specifically, the GDPR and other European and UK data protection laws generally prohibit the transfer of personal data from Europe, including the EEA, UK and Switzerland, to third party countries, unless the transfer is to a country deemed to provide adequate protection (such as Israel, which was re-affirmed by the EU Commission on January 15, 2024, confirming the adequacy of the level of protection of personal data in Israel as an "adequate" country) or the parties to the transfer have implemented specific safeguards to protect the transferred personal data. Where we transfer personal data outside the EEA to a country that is not deemed to be "adequate," we rely on transfer mechanisms available under applicable privacy law.

We are also subject to EU and UK rules with respect to cross-border transfers of personal data out of the EEA and UK (respectively), and recent legal developments and guidance have created complexity and uncertainty regarding transfers of personal data from the EEA and UK to other countries, including the United States. These recent developments require us to review and amend the legal mechanisms by which we make and/or receive personal data transfers to/in the U.S. and other countries outside of the EEA and UK, and create uncertainty and increase the risk around our international data transfers and operations. As the enforcement supervisory authorities issue further guidance on personal data export mechanisms, including circumstances where certain data transfer mechanism cannot be used, and/or start taking enforcement action, we could suffer additional costs, complaints and/or regulatory investigations or fines, and/or if we are otherwise unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we provide our services, the geographical location or segregation of our relevant systems and operations, and could adversely affect our financial results.

Our business may suffer if we do not successfully manage our current and potential future growth.

We have grown significantly in scale since inception, and we intend to continue to expand the scope and geographic reach of our platform. Our anticipated future growth will likely place significant demands on our management and operations. Our success in managing our growth will depend, to a significant degree, on the ability of our executive officers and other members of senior management to operate effectively, and on our ability to improve and develop our financial and management information systems, controls and procedures. In addition, we will likely have to successfully adapt our existing systems and introduce new systems, expand, train and manage our employees and improve and expand our marketing capabilities.

If we are unable to properly and prudently manage our operations as they grow or if the quality of our platform or support deteriorates due to mismanagement, our brand name and reputation could be severely harmed, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

Our user growth and engagement on mobile devices are dependent on decisions and developments in the mobile device industry over which the Company has no control.

A growing portion of our users access our platform through mobile devices. The Company's ability to maintain and grow its business will be impaired if mobile connected devices, mobile operating systems, networks, standards and content distribution channels, which run by operating system providers and app stores, develop in ways that prevent the Company's products and services from being delivered to their users.

Parties that control operating systems, such as Apple or Google frequently introduce new technology, and from time to time, they may introduce new operating systems or modify existing ones. Further, the Company and its customers are also subject to the policies, practices, guidelines, certifications and terms of service of such parties' platforms on which we and our customers create, run and monetize applications and content. These policies, guidelines and terms of service govern the promotion, distribution, content and operation generally of applications and content available through such parties. The parties that control the operating systems have broad discretion to change and interpret their terms of service, guidelines and policies, and those changes may have an adverse effect on us or our customers' ability to use our services. A party that controls the operating system may also change its fee structure, add fees associated with access to and use of its platform or app store, alter how customers are able to advertise and monetize on their platform, change how the personal or other information of its users is made available to application developers on their platform, limit the use of personal information and other data for advertising purposes or restrict how users can share information on their platform or across other platforms. If any parties that control operating systems, including either Android or iOS, stop providing us with access to their platform or infrastructure, fail to provide reliable access, cease operations, modify or introduce new systems or otherwise terminate services, the delay caused by qualifying and switching to other operating systems could be time consuming and costly and could materially and adversely affect our business, financial condition and results of operations. Any limitation on or discontinuation of us or our customers' access to any mobile operating system platform or app store could materially and adversely affect our business, financial condition, results of operations or otherwise require us to change the way we conduct business.

Network carriers, such as Verizon, AT&T, Sprint, as well as other domestic and global operators, may also affect the ability of users to download apps or access specified content on mobile devices.

Additionally, there is no guarantee that popular mobile devices will continue to support our platform or that mobile device users will use our platform rather than competing products. In order to deliver a high-quality mobile user experience, it is important that our platform is designed effectively and works well with a range of mobile technologies, systems, networks and standards that we do not control. We may not be successful in developing relationships with key participants in the mobile industry or in developing features that operate effectively with these technologies, systems, networks or standards. In the event that it is more difficult for our users to access and use our platform on their mobile devices, our users find our mobile offering does not effectively meet their needs, our competitors develop products and services that are perceived to operate more effectively on mobile devices, our users choose not to access or use our platform on their mobile devices or our users use mobile products that do not offer access to our platform, our user growth and user engagement could be adversely impacted.

We have a limited operating history under our current platform and pricing model, which makes it difficult to evaluate our business and prospects and increases the risks associated with your investment, and any future changes to our pricing model could materially and adversely affect our business.

We currently primarily derive our revenue from marketplace commission and other services. If we are unable to maintain a large community of users or we are unable to respond successfully to technological or industry developments, or if for any other reason the perceived value of our platform to freelancers or buyers is adversely affected, we may be forced to lower our marketplace take rate. Our marketplace take rate may also fluctuate from period to period.

In recent years, we implemented changes to our pricing model, including our marketplace take rate. As a result, we have only limited experience with our current pricing model, which makes it difficult to evaluate our business and future prospects and to plan for and model future growth. Our historical revenue growth should not be considered indicative of our future performance. We have encountered, and will continue to encounter, risks and difficulties frequently experienced by growing companies in rapidly changing industries, including difficulties in our ability to achieve market acceptance of our platform and attract and retain users, as well as increasing competition and increasing expenses as we continue to grow our business. As a result, we may from time to time decide to make further changes to our pricing model due to a variety of factors, including changes in the market for our platform and competitors introducing new products and services. We may not be successful in addressing these and other challenges we may face in the future and changes to our pricing model may, among other things, result in user dissatisfaction and could lead to a loss of users on our platform.

Errors, defects or disruptions in our platform could diminish our brand, subject us to liability, and materially and adversely affect our business, prospects, financial condition and results of operations.

Any errors, defects, or disruptions in our platform, or other performance problems with our platform could harm our brand and may damage the businesses of our users. Our online systems, including our website and mobile apps, could contain undetected errors, or "bugs," that could adversely affect their performance. Additionally, we regularly update and enhance our website, platform and our other online systems and introduce new versions of our software products and apps. These updates may contain undetected errors when first introduced or released, which may cause disruptions in our services and may, as a result, cause us to lose market share, and our brand, business, prospects, financial condition and results of operations could be materially and adversely affected.

Our platform contains open source software components, and failure to comply with the terms of the underlying licenses could restrict our ability to market or operate our platform.

We use open source software in connection with our technology and services. Some open source software licenses require those who distribute open source software as part of their software to publicly disclose all or part of the source code (including proprietary code) to such software and/or make available any derivative works of the open source code on unfavorable terms or at no cost. The use of such open source code may ultimately require us to replace certain code used on our platform or discontinue certain aspects of our platform. From time to time, we may face claims from third parties claiming infringement of their intellectual property rights, or demanding the release or license of the open source software or derivative works that we developed using such software (which could include our proprietary source code) or otherwise seeking to enforce the terms of the applicable open source license. These claims could result in litigation and could require us to pay substantial damages, publicly release the affected portions of our source code, be limited in or cease using the implicated software unless and until we can re-engineer such software to avoid infringement or change the use of, or remove, the implicated open source software.

In addition to risks related to license requirements, use of certain open source software can lead to greater risks than use of third-party commercial software, as the original developers of open source code generally do not provide warranties (with respect to, for example, non-infringement or functionality) or indemnities or other contractual protections. Our use of open source software may also present additional security risks because the source code for open source software is publicly available, which may make it easier for hackers and other third parties to determine how to breach our website and systems that rely on open source software. Any of these risks could be difficult to eliminate or manage.

Expansion into markets outside the United States is important to the growth of our business, and if we do not manage the business and economic risks of international expansion effectively, it could materially and adversely affect our business and results of operations.

We may continue to expand our international operations, which may include opening offices in new jurisdictions and providing our platform in additional languages. Any new markets or countries into which we attempt to advertise our platform may not be receptive. For example, we may not be able to expand further in some markets if we are not able to satisfy certain government requirements. In addition, our ability to manage our business and conduct our operations internationally requires considerable management attention and resources and is subject to the particular challenges of supporting a rapidly growing business in an environment of multiple languages, cultures, customs, legal and regulatory systems, alternative dispute systems and commercial markets. International expansion has required, and will continue to require, investment of significant funds and other resources. Operating internationally subjects us to new risks and may increase risks that we currently face, including risks associated with:

- recruiting and retaining talented and capable employees and contractors outside of Israel and the United States, and maintaining our company culture across all of our offices;

- recruiting and retaining contractors in Ukraine, which is currently affected by the war with Russia;
- providing our platform and operating our business across a significant distance, in different languages and among different cultures, including the potential need to modify our platform and features to ensure that they are culturally appropriate and relevant in different countries;
- compliance with applicable international laws and regulations, including laws and regulations with respect to privacy, data protection, consumer protection and unsolicited email, and the risk of penalties to our users and individual members of management or employees if our practices are deemed to be out of compliance;
- operating in jurisdictions that do not protect intellectual property rights to the same extent as does the United States;
- compliance by us and our business partners with anti-corruption laws, import and export control laws, tariffs, trade barriers, economic sanctions and other regulatory limitations on our ability to provide our platform in certain international markets;
- political and economic instability;
- fluctuations in currency exchange rates;
- double taxation of our international earnings and potentially adverse tax consequences due to changes in the income and other tax laws of Israel, the United States or the international jurisdictions in which we operate; and
- higher costs of doing business internationally, including increased accounting, travel, infrastructure and legal compliance costs.

Compliance with laws and regulations applicable to our global operations could substantially increase our cost of doing business in international jurisdictions. We may be unable to keep current with changes in laws and regulations as they change. Although we are in the process of implementing policies and procedures designed to support compliance with these laws and regulations, there can be no assurance that we will always be in compliance or that all of our employees, contractors, partners and agents will comply at all times. Any violations could result in enforcement actions, fines, civil and criminal penalties, damages, injunctions, or reputational harm. If we are unable to comply with these laws and regulations or manage the complexity of our global operations successfully, our business, results of operations and financial condition could be materially and adversely affected.

If we are unable to maintain and expand our scale of operations and generate a sufficient amount of revenue to offset the associated fixed and variable costs, our results of operations may be materially and adversely affected.

Online businesses like ours tend to involve certain fixed costs, and our ability to achieve desired operating margins depends largely on our success in maintaining a scale of operations and generating a sufficient amount of revenue to offset these fixed costs and other variable costs. Our fixed costs typically include compensation of employees, data storage and related expenses and office rental expenses. Our variable costs typically include sales and marketing expenses and payment processing fees. As we have established the technology and network infrastructure to support our platform, the incremental cost associated with sellers adding new services is relatively insignificant. However, if we are unable to maintain economies of scale our operating margin may decrease and our business, prospects, financial condition and results of operations could be materially and adversely affected.

Our operating results may fluctuate from quarter to quarter, which makes our future results difficult to predict.

Our quarterly operating results have fluctuated in the past and may fluctuate in the future. You should take into account the risks and uncertainties frequently encountered by companies in rapidly evolving markets. Our operating results in any given quarter can be influenced by numerous factors, many of which are unpredictable or are outside of our control, including:

- our ability to maintain and grow our community of users;
- the demand for and types of skills and services that are offered on our platform by freelancers;

- spending patterns of buyers, including whether those buyers who use our platform frequently, or for larger services, reduce their spend or stop using our platform;
- seasonal spending patterns by buyers or work patterns by freelancers and seasonality in the labor market;
- fluctuations in the prices that freelancers charge buyers on our platform;
- changes to our pricing model;
- our ability to introduce new features and services and enhance our existing platform and our ability to generate significant revenue from new features and services;
- our ability to respond to competitive developments, including pricing changes and the introduction of new products and services by our competitors;
- the impact of outages of our platform and associated reputational harm;
- changes to financial accounting standards and the interpretation of those standards that may affect the way we recognize and report our financial results;
- increases in, and timing of, operating expenses that we may incur to grow and expand our business and to remain competitive;
- costs related to the acquisition of businesses, talent, technologies, or intellectual property, including potentially significant amortization costs and possible impairments;
- security or data privacy breaches and associated remediation costs;
- litigation, adverse judgments, settlements, or other litigation-related costs;
- changes in the common law, statutory, legislative, or regulatory environment, such as with respect to privacy and data protection, wage and hour regulations, worker classification (including classification of independent contractors or similar service providers and classification of employees as exempt or non-exempt), internet regulation, payment processing, global trade, or tax requirements;
- fluctuations in currency exchange rates, inflation and interest rates;
- general economic and political conditions and government regulations in the countries where we currently have significant numbers of users, or where we currently operate or may expand in the future;
- catastrophic or geopolitical events in countries where we currently have significant numbers of users, or where we currently operate, which could lead to power and Internet shortages, that could prevent users from the ability to use our platform;
- geopolitical risks such as the wars between Israel and its neighboring countries and regions and between Russia and Ukraine; and
- pandemics, epidemics or global health emergencies.

The impact of one or more of the foregoing and other factors may cause our operating results to vary significantly. As such, we believe that quarter-to-quarter comparisons of our operating results may not be meaningful and should not be relied upon as an indication of future performance. If we fail to meet or exceed the expectations of investors or securities analysts, the trading price of our ordinary shares could fall substantially, and we could face costly lawsuits, including securities class action suits.

Our business is subject to a variety of laws and regulations, both in the United States and internationally, many of which are evolving.

We are subject to a wide variety of laws and regulations. Laws, regulations and standards governing issues such as worker classification, employment, payments, worker confidentiality obligations, intellectual property, consumer protection, ESG issues, taxation, privacy, data security, and user safety are often complex and subject to varying interpretations, in many cases due to their lack of specificity and, as a result, their application in practice may change or develop over time through judicial decisions or as new guidance or interpretations are provided by regulatory and governing bodies, such as federal and state administrative agencies. Many of these laws and regulations were adopted prior to the advent of the internet and mobile and related technologies and, as a result, do not contemplate or address the unique issues of the internet and related technologies. Other laws and regulations may be adopted in response to internet, mobile and related technologies. New and existing laws and regulations (or changes in interpretation of existing laws and regulations) may also be adopted, implemented, or interpreted to apply to us and other online services marketplaces. As our platform's geographical scope expands, regulatory agencies or courts may claim that we, or our users, are subject to additional requirements or that we are prohibited from conducting our business in or with certain jurisdictions. It is also possible that certain provisions in agreements with our service providers or between buyers and freelancers may be found to be unenforceable or not compliant with applicable law.

The adoption or modification of laws or regulations relating to the internet or other areas of our business could limit or otherwise adversely affect the manner in which we currently conduct our business. On November 16, 2022, the Digital Services Act, or the DSA, came into force in the EU. The majority of the substantive provisions of the DSA have taken effect on February 17, 2024, and govern, among other things, our potential liability for illegal services or content on our platform, obligations around traceability of business users, and require enhanced transparency measures, including in relation to any recommendation systems (including the main parameters used by such systems and any available options for recipients to modify or influence them). In particular, if we present information about services in a way that would lead an average consumer to understand the service is provided by us directly, rather than by a third-party merchant, we may be liable directly under consumer protection law. Further, the DSA contains general requirements that user interfaces may not deceive or manipulate users which are yet to be clarified further by guidance. The DSA may increase our compliance costs, require changes to our user interfaces, processes, operations, and business practices which may adversely affect our ability to attract, retain and provide our services to users, and may otherwise adversely affect our business, operations and financial condition. In particular our obligations to diligence the services offered on our platform could require significant additional resources. Failure to comply with the DSA can result in fines of up to 6% of total annual worldwide turnover and recipients of services have the right to seek compensation from providers in respect of damage or loss suffered due to infringement by the platform to comply with the DSA. Similarly, in the UK, the Online Safety Act 2023, or the OSA, establishes an extensive regulatory framework for user-to-user services and imposes obligations to protect users from illegal content which, if applicable, may increase compliance costs and may otherwise adversely affect our business, operations and financial condition. Failure to comply with the OSA can result in fines of up to 10% of total annual worldwide turnover or £18 million (whichever is greater).

The Network and Information Systems Directive II, or NIS2, came into force in January 2023, and building on the original Network and Information Systems Directive, or NIS1, aims to improve the cyber security and resilience capability of organisations that contribute towards critical national infrastructure by imposing obligations including cybersecurity risk management, incident reporting, management responsibilities and registration requirements on in-scope entities. EU Member States were required to adopt NIS2 into national law by October 17, 2024. Once fully in force, national laws implementing NIS2 may require us to modify our cybersecurity practices and policies and we could incur substantial costs as a result.

Recent financial, political and other events may increase the level of regulatory scrutiny on larger companies, technology companies in general and, in particular, companies engaged in dealings with independent contractors or payments. Regulatory agencies may enact new laws or promulgate new regulations that are adverse to our business, or they may view matters or interpret laws and regulations differently than they have in the past or in a manner adverse to our business. Such regulatory scrutiny or action may create different or conflicting obligations on us from one jurisdiction to another. In particular, we have received letters from certain jurisdictions indicating that we may be required to register and pay taxes based on having certain minimum contacts in such jurisdictions. We may become subject to taxation in additional jurisdictions in the future.

Any actual or perceived failure to comply with evolving regulatory frameworks around the development and use of AI could adversely affect our business, results of operations, and financial condition.

We leverage new technologies and platforms to improve business effectiveness, including use of AI technologies. The AI regulatory landscape is rapidly evolving, and we are or may become subject to numerous state, federal and foreign laws, requirements and regulations governing the use of AI. Implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future, and we cannot yet determine the impact future laws, regulations, standards, or perception of their requirements may have on our business.

In the United States and internationally, AI is the subject of evolving review by various governmental and regulatory agencies, and changes in laws, rules, directives and regulations governing the use of AI may adversely affect the ability of our business to use or rely on AI. For example, California and other states have implemented, or are in the process of implementing, laws, rules, and regulations that impose obligations on the use of automated decision making.

In Europe, on August 1, 2024, the EU Artificial Intelligence Act, or the EU AI Act, entered into force and established a comprehensive, risk-based governance framework for AI in the EU market. The majority of the substantive requirements under the EU AI Act will apply from August 2, 2026. The EU AI Act applies to companies that develop, use and/or provide AI in the EU and – depending on the AI use case – includes requirements around transparency, conformity assessments and monitoring, risk assessments, human oversight, security, accuracy, general purpose AI and foundation models, and proposes fines for breach of up to 7% of worldwide annual turnover. In addition, the revised EU Product Liability Directive came into force in December 2024, to be implemented into EU Member State national law by December 2026. This Directive extends the EU's existing strict product liability regime to AI technologies and AI-enabled products and facilitates civil claims in respect of harm caused by AI. Once fully applicable, the EU AI Act and the EU Product Liability Directive will have a material impact on the way AI is regulated in the EU, and together with developing guidance and/or decisions in this area, likely to 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.

Competition for highly skilled technical and other personnel 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 marketing and general and administrative activities are conducted at our headquarters in Israel, where we face significant competition. We also engage a talented team in the United States and Ukraine to benefit from the significant pool of talent that is available in such markets, where we have also witnessed increased competition in those markets. Many of the companies with which we compete for qualified personnel have significant resources, 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. In addition, our employees may be increasingly targeted for recruitment by competitors and other companies in the technology industry, which may make it more difficult for us to retain employees and may increase retention costs. Training of new employees with no prior relevant experience could be time-consuming and require a significant amount of resources.

In addition, as a result of the intense competition for qualified human resources, the 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 decreased in value.

Moreover, we believe our success has depended, and our future success depends, on the efforts of our senior management, including Micha Kaufman, our Founder and Chief Executive Officer. There can be no assurance that the services of any of these individuals will continue to be available to us in the future. We do not carry any key man life insurance policies on any of our executive officers.

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 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.

If we fail to protect our intellectual property rights, our business, prospects, financial condition and results of operations could be materially and adversely affected.

We rely on a combination of confidentiality clauses, contractual commitments, trade secret protection, copyrights, trademarks and other legal rights to protect our intellectual property and know-how. To date, we have not sought patent protection for our platform or any portion of it. Third parties may obtain, copy, reverse engineer or use without our authorization our intellectual property, which includes trademarks related to our brand, platform, registered domain names, trade secrets and other intellectual property rights and licenses. If we cannot adequately protect and defend our intellectual property, we may not remain competitive, and our business, operating results and financial condition may be adversely affected.

We enter into confidentiality and proprietary rights agreements with our employees, consultants and business partners, and we control access to and distribution of our proprietary information. No assurance can be given that these agreements will be effective in controlling access to our proprietary information or in effectively securing ownership of intellectual property developed by our current or former employees and contractors. Further, our competitors could also independently develop technologies like ours, and our intellectual property rights may not be broad enough for us to prevent competitors from selling products and services incorporating those technologies.

In order to protect our brand, we register and defend our trademarks and expend resources to prevent others from using the same or substantially similar marks. Despite these efforts, we may not always be successful in registering and preventing misappropriation of our own marks or preventing registration of confusingly similar marks, and we may suffer dilution of or other harm to our brand.

From time to time, we may discover that third parties are infringing, misappropriating or otherwise violating our intellectual property rights. However, policing unauthorized use of our intellectual property and misappropriation of our technology is difficult, and we may therefore not always be aware of such unauthorized use or misappropriation. Despite our efforts to protect our intellectual property rights, unauthorized third parties may attempt to use, copy or otherwise obtain and market or distribute our intellectual property rights or technology or otherwise develop solutions with the same or similar functionality as our platform. If competitors infringe, misappropriate or otherwise misuse our intellectual property rights and we are not adequately protected, or if such competitors are able to develop solutions with the same or similar functionality as our platform without infringing our intellectual property, our competitive position could be harmed and our legal costs could increase, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

We may not be able to successfully halt the operations of copycat websites or misappropriation of our data.

From time to time, third parties may misappropriate our data, through website scraping, robots, web crawlers or other tools or means and aggregate this data on their websites with data from other companies. In addition, "copycat" websites may attempt to imitate the functionality of our website.

If we become aware of such activities, we would employ technological and/or legal measures, including initiating lawsuits, in an attempt to halt their operations. However, we may not be able to detect all such activities in a timely manner and, even if we could, technological and legal measures may be insufficient. Regardless of whether we can successfully enforce our rights against these websites or third parties, any measures that we may take could require us to expend significant financial or other 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 adversely affect our business.

A significant portion of our intellectual property has been developed by our employees in the course of their employment for us. Under the Israeli Patent Law, 5727-1967, or the Patent 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 Patent Law also provides that if there is no such agreement between an employer and an employee, the Israeli Compensation and Royalties Committee, or the Committee, a body constituted under the Patent 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 Committee will examine, on a case-by-case basis, the general contractual framework between the parties, using interpretation rules of the general Israeli contract laws. Further, the Committee has not yet determined one specific formula for calculating this remuneration, but rather uses the criteria specified in the Patent 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/or former employees, or be forced to litigate such claims, which could negatively affect our business.

We may be vulnerable to intellectual property infringement claims brought against us by others.

We may be subject to legal proceedings and claims from time to time relating to the intellectual property of others in the ordinary course of our business. We rely to some extent on third-party intellectual property, such as licenses to use software to operate our business and certain other copyrighted works. A successful infringement claim against us could result in monetary liability or a material disruption in our business. Although we require our employees not to infringe others' intellectual property, we cannot be certain that our platform and brand names do not or will not infringe on valid patents, trademarks, copyrights or other intellectual property rights held by third parties. Additionally, third parties may assert that we are directly or secondarily liable because a user of ours offered or sold products or services, or engaged in other conduct that infringes, misappropriates, or otherwise violates their intellectual property or other proprietary rights.

We may incur substantial expenses in defending against third party infringement claims, regardless of their merit. Additionally, due to diversion of management time, expenses required to defend against any claim and the potential liability associated with any lawsuit, any significant litigation could significantly harm our business, financial condition and results of operations. If we were found to have infringed on the intellectual property rights of a third party, we could be liable to that party for license fees, royalty payments, lost profits or other damages, and the owner of the intellectual property may be able to obtain injunctive relief to prevent us from using the technology, software or brand name in the future. If the amount of these payments were significant, if we were prevented from incorporating certain technology or software into our platform or if we were prevented from using our brand names, our business, prospects, financial condition and results of operations could be materially and adversely affected.

Buyers and freelancers may circumvent our platform.

Our business depends on buyers and freelancers transacting through our platform. Despite our efforts to prevent them from doing so, users may circumvent our platform and engage with or pay each other through other means to avoid the marketplace fees that we charge on our platform. In addition, our efforts to reduce circumvention by buyers and freelancers may be costly or disruptive to implement and may fail to have the intended effect or have an adverse effect on our brand or user experience. Additionally, such efforts may reduce the attractiveness of our platform, divert the attention of management or otherwise harm our business.

Additionally, freelancers, after utilizing our platform to build their reputation and brand and grow their clientele base, could choose to market their services and skills and transact with buyers outside of our platform.

We rely on Amazon Web Services to operate our platform, and any disruption of service from Amazon Web Services or material change to our arrangement with Amazon Web Services could adversely affect our business.

The operation of our platform depends on certain third-party service providers. In particular, we currently host our platform, serve our users and support our operations using Amazon Web Services, or AWS, a provider of cloud infrastructure services. We do not have control over the operations of the facilities of AWS that we use. AWS' facilities are vulnerable to damage or interruption from earthquakes, hurricanes, floods, fires, cyber security attacks, terrorist attacks, power losses, telecommunications failures and similar events. In the event that AWS' or any other third-party provider's systems or service abilities are hindered by any of the events discussed above, our ability to operate our platform may be impaired, resulting in missing financial targets for a particular period. A decision to close the facilities without adequate notice, or other unanticipated problems, could result in lengthy interruptions to our platform. All of the aforementioned risks may be augmented if our or our partners' business continuity and disaster recovery plans prove to be inadequate. The facilities also could be subject to break-ins, computer viruses, sabotage, intentional acts of vandalism and other misconduct. Our platform's continuing and uninterrupted performance is critical to our success. Users may become dissatisfied by any system failure that interrupts our ability to provide our platform to them. We may not be able to easily switch our AWS operations to another cloud or other data center provider if there are disruptions or interference with our use of AWS, and, even if we do switch our operations, other cloud and data center providers are subject to the same risks. Sustained or repeated system failures would reduce the attractiveness of our platform to users, thereby reducing revenue. Moreover, negative publicity arising from these types of disruptions could damage our reputation and may adversely impact the use of our platform. We may not carry sufficient business interruption insurance to compensate us for losses that may occur as a result of any events that cause interruptions in our service.

AWS does not have an obligation to renew its agreements with us on commercially reasonable terms, or at all. If we are unable to renew our agreements on commercially reasonable terms, our agreements are prematurely terminated, or we add additional infrastructure providers, we may experience costs or downtime in connection with the transfer to, or the addition of, new data center providers. If AWS or other infrastructure providers increase the cost of their services, we may have to increase the fees to use our platform, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

Our reliance on third parties in connection with our dropshipping platform exposes us to significant risks that could adversely affect our business operations.

The fulfillment of orders on our dropshipping platform is heavily dependent on third-party suppliers and logistics providers. These partners are responsible for sourcing products and ensuring their timely delivery to the buyers of our users. Any disruption in their operations can directly impact our ability to fulfill orders, leading to delays, cancellations, and customer dissatisfaction. Several factors could contribute to fulfillment issues, including supply chain disruptions, inventory shortages, shipping delays, and logistical challenges. If our suppliers face production or distribution problems, or if logistics providers encounter transportation or delivery obstacles, our service quality could be compromised.

Additionally, if any of our partners decide to cease working with us or prioritize other clients, we may struggle to find alternative solutions quickly.

Moreover, we rely on these partners to adhere to legal and regulatory standards related to product quality and safety. Any failure on their part to comply with these standards could result in legal liabilities for us and damage our reputation.

If we are unable to effectively manage our relationships with third-parties, or if these partners fail to perform as expected, it could significantly affect our business operations.

We face payment and fraud risks that could materially and adversely affect our business.

Requirements on our platform relating to user authentication and fraud detection are complex. If our security measures do not succeed, our business may be adversely affected. In addition, bad actors around the world use increasingly sophisticated methods to engage in illegal activities involving personal data, such as unauthorized use of another's identity or payment information, unauthorized acquisition or use of credit or debit card details and other fraudulent use of another's identity or information. This could result in any of the following, each of which could adversely affect our business:

- we may be held liable for the unauthorized use of an account holder's credit card or bank account number and required by card issuers or banks to pay a chargeback or return fee, and if our chargeback or return rate becomes excessive, credit card networks may also require us to pay fines or other fees;
- we may be subject to additional risk and liability exposure, including negligence, fraud or other claims, if employees or third-party service providers misappropriate user information for their own gain or facilitate the fraudulent use of such information;
- bad actors may use our platform, including our payment processing and disbursement methods, to engage in unlawful or fraudulent conduct, such as money laundering, terrorist financing, fraudulent sale of services, breaches of security, leakage of data, piracy or misuse of software and other copyrighted or trademarked content, and other misconduct;
- users of our platform who are subjected or exposed to the unlawful or improper conduct of other users or other third parties, including law enforcement, may seek to hold us responsible for the conduct of other users and may lose confidence in our platform, decrease or cease to use our platform, seek to obtain damages and costs, or impose fines and penalties;

- if, for example, freelancers misstate their qualifications or location, provide misinformation, perform services they are not qualified or authorized to provide, or produce insufficient or defective work product or work product with a viral or other harmful effect, users or other third parties may seek to hold us responsible for the freelancers' acts or omissions and may lose confidence in our platform, decrease or cease use of our platform, or seek to obtain damages and costs; and
- we may suffer reputational damage as a result of the occurrence of any of the above.

Despite measures we have taken to detect and reduce the risk of this kind of conduct, we do not have control over users of our platform and cannot ensure that any of our measures will stop illegal or improper uses of our platform. We have received in the past, and may receive in the future, complaints from users and other third parties concerning misuse of our platform. We also may be required to bring claims against users and other third parties for their misuse of our platform. Even if these 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 materially and adversely affect our business, prospects, financial condition and results of operations.

We may be subject to escrow, payment services and money transmitter regulations that may materially and adversely affect our business.

We rely on third parties to collect funds from buyers, remit payments to sellers and hold funds in connection with user balances. Although we believe that by working with a third party, our operations comply with existing U.S. federal and state and applicable international laws and regulatory requirements related to escrow, money transmission and the handling or moving of money, existing laws or regulations may change, and interpretations of existing laws and regulations may also change.

As a result, we could be required to be licensed as an escrow agent or a money transmitter (or other similar licensee) in certain states in the U.S. or other jurisdictions or may choose to obtain such a license even if not required. Such a decision could also require us to register as a money services business under applicable laws and regulations. It is also possible that we could become subject to regulatory enforcement or other proceedings in those states or other jurisdictions with escrow, money transmission or other similar statutes or regulatory requirements related to the handling or moving of money, which could in turn have a significant impact on our business, even if we were to ultimately prevail in such proceedings. We may also be required to become licensed as a payment institution (or other similar license) under the European Payment Services Directive or other international laws and regulations. Any developments in the laws or regulations related to escrow, money transmission or the handling or moving of money or increased scrutiny of our business may lead to additional compliance costs and administrative overhead.

The application of laws and regulations related to escrow, money transmission and the handling or moving of money is complex and uncertain, particularly as they relate to new and evolving business models. If we are or have at any point in time been in violation of one or more escrow or money transmitter or other similar statutes or regulatory requirements related to the handling or moving of money in any jurisdiction, we may be subject to the imposition of fines, users in the relevant jurisdiction may be unable to use our platform, we may be subject to civil liability or criminal liability and our business, prospects, financial condition and results of operations could be materially and adversely affected.

If we are unable to maintain our payment partners and bank relationships, or if our disbursement partners encounter business difficulties, our business could be materially and adversely affected.

Our payment partners consist of payment processors and disbursement partners. We rely on banks and card processors to provide clearing, processing and settlement functions for the secure and timely funding of all transactions on our platform. We also rely on a network of disbursement partners to hold and disburse funds to users.

Our payment partners are critical to our business. In order to maintain these relationships, we have in the past been, and may in the future be, forced to agree to terms that are unfavorable to us. If we are unable to maintain our agreements with current payment partners on favorable terms, or we are unable to enter into new agreements with new payment partners on favorable terms, our ability to collect, hold and disburse funds and our revenue and business may be materially and adversely affected. This could occur for a number of reasons, including the following:

- our payment partners may be unable to effectively accommodate changing service needs, such as those which could result from rapid growth or higher volume and the fact that some of our payment partners have a limited operating history;
- our payment partners could choose to terminate or not renew their agreements with us or only be willing to renew on different or less advantageous terms;

- our payment partners could reduce the services provided to us, cease doing business with us, or cease doing business altogether;
- our payment partners could be subject to delays, limitations or closures of their own businesses, networks or systems, causing them to be unable to process payments or disburse funds for certain periods of time; or
- we may be forced to cease doing business with payment processors if card association operating rules, certification requirements and laws, regulations or rules governing electronic funds transfers to which we are subject to change or are interpreted to make it difficult or impossible for us to comply.

Having an international community of users exposes us to risks that may materially and adversely affect our business, prospects, financial condition and results of operations.

Our users have a global footprint that subjects us to the risks of being found to do business internationally. We have users located in over 160 countries, including some emerging markets where we have limited experience, where challenges can be significantly different from those we have faced in more developed markets and where business practices may create greater internal control risks. Because our platform is generally accessible by users worldwide, one or more jurisdictions may claim that we or our users are required to comply with their laws. Laws outside of the United States and Israel regulating internet, digital services, payments, escrow, privacy and data protection, AI, taxation, terms of service, website accessibility, consumer protection, intellectual property ownership, services intermediaries, labor and employment, worker classification, background checks and recruiting and staffing companies, among others, which could be interpreted to apply to us, are often less favorable to us than those in the United States and Israel, giving greater rights to competitors, users and other third parties.

Compliance with international laws and regulations may be more costly than expected, may require us to change our business practices or may restrict our service offerings, and the imposition of any such laws or regulations on us, our users or third parties that we or our users utilize to provide services may adversely affect our business, prospects, financial condition and results of operations. In addition, we may be subject to multiple overlapping legal or regulatory regimes that impose conflicting requirements and enhanced legal risks.

Analysis of, and compliance with, global laws and regulations may substantially increase our cost of doing business. We may be unable to keep current with changes in laws and regulations as they develop.

Although we are in the process of implementing policies and procedures designed to analyze whether these laws apply and, if applicable, ensure compliance with these laws and regulations, there can be no assurance that we will always be in compliance or that all of our employees, contractors, partners, users and agents will comply at all times. Any violations could result in enforcement actions, fines, civil and criminal penalties, interest, costs and fees (including but not limited to legal fees), injunctions, loss of intellectual property rights or reputational harm. If we are unable to comply with these laws and regulations or manage the complexity of global operations and supporting an international user base successfully, our business, prospects, financial condition and results of operations could be materially and adversely affected.

In addition, since we operate on a global basis, political, economic and security conditions in countries in which we operate or have users may limit our ability to provide our services. Specifically, the war between Russia and Ukraine and the war between Israel and its neighboring countries and regions may affect our business and operations in those regions.

Our business model may subject us to disputes between users of our platform.

Our business model involves connecting buyers and freelancers that contract directly through our platform. Buyers and freelancers are free to negotiate any specific terms they choose through custom offers sent from the conversation page. It is possible that disputes may arise between buyers and freelancers with regard to the terms of their order, service standards, payment, confidentiality, work product and intellectual property ownership and infringement. If either party believes the terms of their agreement were not met, our terms of service provide a mechanism for the parties to request assistance from us in resolving the dispute through our resolution center and customer support team. Whether or not buyers and freelancers decide to seek assistance from us, if these disputes are not resolved amicably, the parties might escalate to formal proceedings, such as by filing claims with a court.

Given our role in facilitating and supporting these arrangements, it is possible that claims will be brought against us directly as a result of these disputes, or that freelancers or buyers may bring us into any claims filed against each other. We include language in our terms of service disclaiming responsibility or liability for any disputes between users; however, we cannot guarantee that these terms will, in all circumstances, be effective in preventing or limiting our involvement in user disputes.

Additionally, from time to time, we are the subject of user complaints filed on forums such as the Better Business Bureau. We attempt to respond to all such complaints, although their mere presence may result in damage to our reputation. Even if these 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.

We may not be able to successfully execute future acquisitions or efficiently manage any acquired business.

We have acquired and may in the future acquire certain complementary businesses or technologies. For example, during 2024 we acquired AutoDS Ltd. and Praetolia Ltd. The success of any acquisition will depend upon several factors, including our ability to: identify and cost-effectively acquire businesses; integrate acquired user data, operations, products and technologies into our organization effectively; retain and motivate key personnel; and effectively retain acquired users.

Any such acquisition may require a significant commitment of management time, capital investment and other resources. We may not be successful in identifying and negotiating acquisitions on terms favorable to us. Any such acquisition could involve us taking on debt or give rise to new liabilities. In addition, we cannot be certain that any acquisition, if completed, will be successfully integrated into our existing operations. If we are unable to effectively integrate an acquired business, our business, financial condition and results of operations may be materially and adversely affected. In addition, if we use our equity securities as consideration for acquisitions, we may dilute the value of the ordinary shares.

There may be adverse tax, legal and other consequences if the employment status of freelancers that use our platform is challenged.

There is often uncertainty in the application of worker classification laws and, consequently, there is risk that freelancers could be deemed to be misclassified under applicable law. The tests governing whether a service provider is an independent contractor, or an employee are typically highly fact sensitive and vary by governing law. Laws and regulations that govern the status and misclassification of independent contractors are also subject to change and to divergent interpretations by various authorities, which can create uncertainty and unpredictability. A misclassification determination or allegation creates potential exposure with respect to users of our platform, including but not limited to: monetary exposure arising from or relating to failure to withhold and remit taxes, unpaid wages and wage and hour laws and requirements (such as those pertaining to minimum wage and overtime); liquidated damages; civil penalties and fines; claims for employee benefits, social security, workers' compensation and unemployment; claims of discrimination, harassment and retaliation under civil rights laws; claims under laws pertaining to unionizing, collective bargaining and other concerted activity; and other claims, charges, or other proceedings under laws and regulations applicable to employers and employees, including risks relating to allegations of joint employer liability. Such claims could result in monetary damages or other liability, and any adverse determination, including potentially the requirement for us to indemnify a user, could also harm our brand, which could materially and adversely affect our business, prospects, financial condition and results of operations.

The application of indirect taxes, other tax laws or regulation could adversely affect our business and results of operations.

The application of indirect taxes, such as sales tax, use tax, value-added tax, gross receipts tax, and digital services tax, to our business is an evolving issue that requires ongoing judgment to evaluate our applicable tax obligations. As a result, amounts recorded may be subject to adjustments by the relevant tax authorities. In many cases, the ultimate tax determination is uncertain because it is not clear how new and existing statutes might apply to our business. One or more states, the U.S. federal government or other countries may seek to impose additional reporting, record-keeping or indirect tax collection obligations on businesses like ours that facilitate e-commerce. For example, state and local taxing authorities in the United States and taxing authorities in other countries have identified e-commerce platforms as a means to calculate, collect and remit indirect taxes for transactions taking place over the internet. Multiple U.S. states have enacted related legislation and other states are now considering such legislation. Tax collection responsibility and the additional costs associated with indirect tax collection, remittance and audit requirements, in addition to reporting requirements, could create additional tax exposure for us and additional burdens for users on our websites and mobile platforms.

We may face lawsuits or incur liability as a result of content published or made available through our platform.

The nature of our business exposes us to claims related to defamation, infringement, misappropriation or other violations of third-party intellectual property rights, rights of publicity and privacy and personal injury torts. The law relating to the liability of providers of online products or services for activities of their users remains somewhat unsettled, both within the United States and internationally. This risk is enhanced in certain jurisdictions outside the United States where our protection from liability for third-party actions may be unclear and where we may be less protected under local laws than we are in the United States. If a claim is brought against us due to the actions of our users, we could incur significant costs investigating and defending such claims and, if we are found liable, significant damages.

Our business activities subject us to litigation risk that could materially and adversely affect us by subjecting us to significant money damages and other remedies, causing unfavorable publicity or increasing our litigation expense.

We are, from time to time, the subject of complaints or litigation, including user claims, contract claims, employee allegations of improper termination and discrimination and claims related to violations of applicable government laws regarding religious freedom, advertising and intellectual property. Any such claim could be expensive to defend and may divert time, money and other valuable resources away from our operations and management, and, thereby, hurt our business. Additionally, a substantial judgment against us could materially and adversely affect our business, prospects, financial condition and results of operations.

Our insurance may not provide adequate levels of coverage against claims.

We believe that we maintain insurance customary for businesses of our size and type. However, there are types of losses we may incur that cannot be insured against or that we believe are not economically reasonable to insure. Moreover, any loss incurred could exceed policy limits and policy payments made to us may not be made on a timely basis.

We may be materially and adversely affected by natural disasters and other catastrophic events that could disrupt our business operations and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.

A significant natural disaster, such as an earthquake, blizzard, hurricane, fire or flood, the outbreak of a pandemic, such as COVID-19, or other catastrophic events, such as a power loss or telecommunications failure, could have a material adverse impact on our business, financial condition and operating results. In the event of a natural disaster or other catastrophic event, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in development of our platform, lengthy interruptions in service, breaches of data security and loss of critical data, all of which could have an adverse effect on our future operating results. Broadly accepted scientific projections predict that the frequency and/or intensity of certain natural disasters are likely to increase in the future due to climate change, which may increase the magnitude of this risk. In addition, natural disasters and other catastrophic events could affect the ability of sellers on our platform to perform Gigs on a timely basis. If a natural disaster or other catastrophic event occurs in a region from which we derive a significant portion of our revenue, users in that region may delay or forego the use of our platform, which may adversely impact our operating results. All of the aforementioned risks may be augmented if our or our partners' business continuity and disaster recovery plans prove to be inadequate.

Currency exchange rate fluctuations affect our results of operations, as reported in our financial statements.

We report our financial results in U.S. dollars. We collect our revenue primarily in U.S. dollars. A portion of the cost of revenue, research and development, sales and marketing and general and administrative expenses of our Israeli operations are incurred in NIS. As a result, we are exposed to exchange rate risks that may materially and adversely affect our financial results. If the NIS appreciates against the U.S. dollar or if the value of the NIS declines against the U.S. dollar at a time when the rate of inflation in the cost of Israeli goods and services exceeds the rate of decline in the relative value of the NIS, then the U.S. dollar cost of our operations in Israel would increase and our results of operations could be materially and adversely affected. Although we enter into hedging transactions from time to time, our Israeli operations also could be materially and adversely affected if we are unable to effectively hedge against currency fluctuations in the future. We cannot predict any future trends in the rate of inflation in Israel or the rate of appreciation (if any) of the NIS against the U.S. dollar. The Israeli annual rate of inflation amounted to 3.2%, 3.0%, and 5.3% for the years ended December 31, 2024, 2023 and 2022, respectively. During the years ended December 31, 2024, 2023 and 2022, the NIS depreciated in relation to the U.S. dollar by 0.6%, 3.1% and 13.2%, respectively.

Our investment portfolio and other funds may be adversely affected by market conditions and interest rates.

We maintain substantial balances of liquid investments, for purposes of financing our operations and acquisitions. Our marketable securities totaled \$411.0 million as of December 31, 2024. The performance of the capital markets affects the values of funds that are held in marketable securities. These assets are subject to market fluctuations and various developments, including, without limitation, rating agency downgrades that may impair their value. We generally buy and hold our portfolio positions, while minimizing credit risk by setting limits for minimum credit rating and maximum concentration per issuer. Our investments consist primarily of government and corporate debentures, which are primarily fixed-income securities.

Although we believe that we generally adhere to conservative investment guidelines, the continuing turmoil in the financial markets, record high inflation rates and geopolitical instability, may result in impairments of the carrying value of our investment assets. In addition, as our investment portfolio is invested primarily in fixed-income securities it is affected by changes in interest rates. Interest rates are highly sensitive to many factors, including governmental monetary policies and domestic and international economic and political conditions. Any significant decline in our financial income or the value of our investments as a result of the changes in interest rates and interest rate expectations of the financial markets, deterioration in the credit rating of the securities in which we have invested, or general market conditions, could have an adverse effect on our results of operations and financial condition. We classify our investments as available-for-sale. Changes in the fair value of investments classified as available-for-sale are not recognized as income during the period, but rather are recognized as other comprehensive income (loss), or OCI, which is a separate component of equity until realized. Realized losses in our investments portfolio may adversely affect our financial position and results.

In addition, we regularly maintain cash, cash equivalents and bank deposits at financial institutions in the United States, Israel and other multinational institutions. Our funds at these institutions exceed insured limits and some are not insured at all. Although we spread our cash, cash equivalents and bank deposits among several financial institutions in order to reduce the risks associated with maintaining all of our balances at one financial institution, in the event of failure of any financial institution where we maintain our cash and cash equivalents or bank deposits, there can be no assurance that we would be able to access uninsured funds in such financial institution in a timely manner or at all. Any inability to access or delay in accessing these funds could adversely affect our business and financial position.

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.

For example, there is growing pressure in many jurisdictions and from multinational organizations such as the Organization for Economic Cooperation and Development, or the OECD, and the EU to amend existing international taxation rules in order to align the tax regimes with current global business practices. Specifically, in October 2015, the OECD published its final package of measures for reform of the international tax rules as a product of its Base Erosion and Profit Shifting, or BEPS initiative, which was endorsed by the G20 finance ministers. Many of the initiatives in the BEPS package required and resulted in specific amendments to the domestic tax legislation of various jurisdictions and to existing tax treaties. We continuously monitor these developments. Although many of the BEPS measures have already been implemented or are currently being implemented globally (including, in certain cases, through adoption of the OECD's "multilateral convention" (to which Israel is also a party) to effect changes to tax treaties which entered into force on July 1, 2018 and through the EU's "Anti Tax Avoidance" Directives), it is still difficult in some cases to assess to what extent these changes our tax liabilities in the jurisdictions in which we conduct our business or to what extent they may impact the way in which we conduct our business or our effective tax rate due to the unpredictability and interdependency of these potential changes. In January 2019 the OECD announced further work in continuation of the BEPS project, focusing on two "pillars". On October 8, 2021, 136 countries approved a statement known as the OECD BEPS Inclusive Framework, which builds upon the OECD's continuation of the BEPS project. The first pillar is focused on the allocation of taxing rights between countries for in-scope large multinational enterprises (with revenue in excess of Euro 20 billion and profitability of at least 10%) that sell goods and services into countries with little or no local physical presence. We do not expect to be within the scope of the first Pillar. The second pillar, which includes two interlocking rules: (1) the Income Inclusion Rule, and (2) the Undertaxed Payment Rule, that together comprise the Global Anti-Base Erosion, or the GloBE rules, is focused on developing a global minimum tax rate of at least 15% applicable to in-scope multinational enterprises (with revenue in excess of Euro 750 million). Israel is one of the 136 jurisdictions that has agreed in principle to the adoption of the global minimum tax rate. Given these developments, it is generally expected that tax authorities in various jurisdictions in which we operate may increase their audit activity and may seek to challenge some of the tax positions we have adopted. It is difficult to assess if and to what extent such challenges, if raised, might impact our effective tax rate.

As progress on BEPS 2.0 advanced from 2019 into 2020, the world has been impacted by the COVID-19 pandemic and countries have begun to seek new sources of revenue. As a result, there is a proliferation of new Digital Services Taxes, or DSTs, and similar taxes on the digital economy as the interest in these sources of revenue has overtaken progress toward development of fundamental reforms to the international tax architecture under BEPS 2.0 on a consensus basis. These new taxes include DSTs of the type originally proposed plus, in certain jurisdictions, greatly expanded DSTs that apply to virtually all digital transactions, including on multi-sided interfaces allowing users to connect. These taxes defer between jurisdictions in terms of thresholds, applicable tax rate and scope.

Further, there have been changes to tax laws in the United States (such as the United States Inflation Reduction Act of 2022, which, among other changes, introduced a 15% corporate minimum tax on certain United States corporations and a 1% excise tax on certain stock redemptions by United States corporations, which the U.S. Treasury indicated may also apply to certain stock redemptions by a foreign corporation funded by certain United States affiliates) and there are proposals in the United States to introduce further amendments to the federal tax regime applicable to corporations. The new Trump administration has indicated that it plans to propose changes to the U.S. tax system. The precise nature of these proposals is unclear and we are unable to predict which, if any, U.S. tax reform proposals will be enacted into law, and what effects any enacted legislation might have on our tax liabilities. Interpretations of existing legislation or the promulgation of new legislation could create the potential for added volatility in our provision for income taxes and might have an adverse impact on our future income tax provision and tax rate.

Risks relating to our indebtedness and capital structure

The conditional conversion feature of our Convertible Notes, if triggered, may adversely affect our financial condition and operating results.

In the event the conditional conversion feature of the 0% Convertible Senior Notes due 2025, or the Convertible Notes, is triggered, holders of Convertible Notes will be entitled to convert the Convertible Notes at any time during specified periods at their option. If one or more holders elect to convert their Convertible Notes, unless we elect to satisfy our conversion obligation by delivering solely ordinary shares (other than paying cash in lieu of delivering any fractional ordinary share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity.

The fundamental change repurchase right of the Convertible Notes, if triggered, may adversely affect our financial condition and operating results.

Holders of the Convertible Notes have the right, subject to limited exceptions contained in the indenture governing the Convertible Notes, to require us to repurchase all or a portion of their Convertible Notes upon the occurrence of a fundamental change before the maturity date at a repurchase price equal to 100% of the principal amount of such Convertible Notes to be repurchased, plus accrued and unpaid special interest, if any, to, but excluding, the applicable fundamental change repurchase date. Such fundamental change repurchase right, if triggered, may adversely affect our financial condition and operating results.

Provisions in the indenture for the Convertible Notes may deter or prevent a business combination that may be favorable to you.

If a fundamental change occurs prior to the maturity date, holders of the Convertible Notes will have the right, at their option, to require us to repurchase all or a portion of their Convertible Notes, subject to a limited exception described in the offering memorandum for the Convertible Notes. In addition, if a make-whole fundamental change occurs prior to the maturity date, we will in some cases be required to increase the conversion rate for a holder that elects to convert its Convertible Notes in connection with such make-whole fundamental change. Furthermore, the indenture for the Convertible Notes will prohibit us from engaging in certain mergers or acquisitions unless, among other things, the surviving entity assumes our obligations under the Convertible Notes. These and other provisions in the indenture could deter or prevent a third party from acquiring us even when the acquisition may be favorable to you.

The Capped Call Transactions may affect the value of our ordinary shares, and we may be subject to counterparty risk with respect to the Capped Call Transactions.

In connection with the issuance of the Convertible Notes, we entered into privately negotiated capped call transactions, or the Capped Call Transactions, with certain of the initial purchasers of the Convertible Notes or their affiliates and other financial institutions, or the option counterparties. The Capped Call Transactions cover, collectively, the number of our ordinary shares underlying the Convertible Notes, subject to anti-dilution adjustments substantially similar to those applicable to the Convertible Notes. The Capped Call Transactions are expected generally to reduce the potential dilution to the ordinary shares upon any conversion of the Convertible Notes and/or offset any cash payments we are required to make in excess of the principal amount upon conversion of the Convertible Notes, subject to a cap, under certain events.

The option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our ordinary shares and/or purchasing or selling our ordinary shares or other securities of ours in secondary market transactions prior to the maturity of the Convertible Notes (and are likely to do so following any conversion of the Convertible Notes or repurchase of the Convertible Notes by us on any fundamental change repurchase date, any redemption date or otherwise, in each case, if we exercise the relevant election under the Capped Call Transactions). This activity could also cause or avoid an increase or a decrease in the market price of our ordinary shares.

In addition, we are subject to the risk that any of the counterparties to the Capped Call Transactions may default under the Capped Call Transactions. Our exposure to the credit risk of the option counterparties under the Capped Call Transactions will not be secured by any collateral. In the past, economic conditions have resulted in the actual or perceived failure or financial difficulties of a number of financial institutions, including the bankruptcy filing by Lehman Brothers Holdings Inc. and various of its affiliates. If an option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under our transactions with them. Our exposure will depend on many factors. Generally, the increase in our exposure will be correlated to the increase in the market price and in the volatility of our ordinary shares. In addition, as a result of a default by any counterparty to the Capped Call Transactions, we may suffer more dilution than we currently anticipate with respect to our ordinary shares. We can provide no assurances as to the financial stability or viability of any counterparty under the Capped Call Transactions.

Risks relating to our ordinary shares

We may need to raise additional funds to finance our future capital needs, which may dilute the value of our outstanding ordinary shares or prevent us from growing our business.

We may need to raise additional funds to finance our existing and future capital needs, including developing new services and technologies, and to fund ongoing operating expenses or repayment of our Convertible Notes. If we raise additional funds through the sale of equity securities, these transactions may dilute the value of our outstanding ordinary shares. We may also decide to issue securities, including protected securities, that have rights, preferences and privileges senior to our ordinary shares. Any debt financing would increase our level of indebtedness and could negatively affect our liquidity and restrict our operations. We also can provide no assurances that the funds we raise will be sufficient to finance any future capital requirements. We may be unable to raise additional funds on terms favorable to us or at all. In addition, declines in the global economy, difficulties in the financial services sector and credit market, continuing geopolitical uncertainties and other macroeconomic factors all may affect the spending behavior of potential investors. If financing is not available or is not available on acceptable terms, we may be unable to fund our future needs. This may prevent us from increasing our market share, capitalizing on new business opportunities or remaining competitive in our industry, which could materially and adversely affect our business, prospects, financial condition and results of operations.

We are a foreign private issuer and, as a result, we are not 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 Securities Exchange Act of 1934, or 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, our shareholders 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. We may lose our foreign private issuer status in the future, 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 New York Stock Exchange, or 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 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. 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.

The market price of our ordinary shares has been and could in the future be negatively affected by future sales of our ordinary shares.

As of December 31, 2024, there were 35,844,114 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 of 1933, or the Securities Act.

As of December 31, 2024, we had 2,489,312 ordinary shares available for future grant under our share option plans and 5,284,820 ordinary shares were subject to share options and restricted share units that were granted by us. Of this amount, 1,166,183 options were vested and exercisable as of December 31, 2024. In addition, as of December 31, 2024, we had 1,303,663 shares available for sale under our 2020 Employee Share Purchase Plan.

There can be no assurance that we will not 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 the Code), or the income test; 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, or the asset test. For these purposes, cash and other assets readily convertible into cash or that do or could generate passive income are categorized as passive assets, and the value of goodwill and other unbooked intangible assets is generally taken into account. Passive income generally includes, among other things, rents, dividends, interest, royalties, gains from the disposition of passive assets and gains from commodities and securities transactions. In making this determination, we will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation of which we own, directly or indirectly, at least 25% (by value) of the stock. The legislative history of the relevant Code provisions indicates that the total value of a publicly-traded foreign corporation's assets generally will be treated as equal to the sum of the aggregate value of its outstanding stock plus its liabilities for purposes of the asset test, and publicly-traded foreign corporations often employ such market capitalization method to value their assets. However, the Internal Revenue Service, or the IRS, has not issued guidance conclusively addressing how to value a publicly-traded foreign corporation's assets for PFIC purposes. The trading value of our ordinary shares has in the past, and is likely to continue to fluctuate. Considering the volatile market conditions, we believe it may be appropriate to employ alternative methods to determine the value of our assets other than the market capitalization method. After considering the total value of our assets determined under an alternative valuation method that takes into account, in addition to the trading value of our ordinary shares, a control premium, we believe that we were not a PFIC for the taxable year ended December 31, 2024. However, if the market capitalization method were determined to be the only appropriate method of valuing our assets, there is a significant risk that we would be treated as a PFIC for the taxable year ended December 31, 2024. There can be no certainty that the IRS will not challenge our position and determine that based on the IRS's interpretation of the asset test, we were a PFIC for the taxable year ended December 31, 2024. In addition, PFIC status is a factual determination that must be made annually after the close of each taxable year. The trading value of our ordinary shares is likely to continue to fluctuate, which may affect the determination of whether we will be considered a PFIC. In addition, we have a substantial balance of cash and other liquid investments, which are passive assets for purposes of the PFIC determination. Whether we are treated as a PFIC in the current taxable year or in future taxable years will depend in part on how, and how quickly, we spend or otherwise utilize these passive assets. Accordingly, as our market capitalization and the composition of our income, assets, and operations are subject to change, we cannot assure you that we will not be considered a PFIC for any taxable year. In addition, it is possible that the IRS may take a contrary position with respect to our determination in any particular year. Certain adverse U.S. federal income tax consequences could apply to a U.S. Holder (as defined in Item 10.E. "Taxation—Taxation and government programs—United States federal income taxation") if we are treated as a PFIC for any taxable year during which such U.S. Holder holds our ordinary shares, regardless of whether we continue to be a PFIC in subsequent taxable years. We are not providing any U.S. tax opinion to any U.S. Holder concerning our potential PFIC status, and U.S. Holders should consult their tax advisors about the potential application of the PFIC rules to their investment in our ordinary shares. For further discussion, see Item 10.E. "Taxation—Taxation and government programs—United States federal income taxation—Passive Foreign Investment Company considerations."

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

If a United States person is treated as owning (directly, indirectly, or constructively, including through the ownership of our Convertible Notes) 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 U.S. subsidiaries, 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 in U.S. property by controlled foreign corporations, regardless of whether we make any distributions. 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, unless certain elections are made on the individual's federal tax return. 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. 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 U.S. Internal Revenue Service has provided limited guidance on situations in which investors may rely on publicly available information to comply with their reporting and tax paying obligations with respect to 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.

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), and the amendment of a limited number of provisions, such as the provision dividing our directors into three classes, requires a vote of the holders of at least 65% of the total voting power of our shareholders;
- 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 the total voting power of our shareholders and any amendment to such provision requires the approval of at least 65% of the total voting power of our 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.

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

We have never declared or paid any dividends on our ordinary shares. 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 and other factors that our directors may deem relevant. The Israeli Companies Law, 5759-1999, or the Companies Law, imposes restrictions on our ability to declare and pay dividends.

Payment of dividends may also be subject to Israeli withholding taxes. See Item 10.E. "*Taxation—Taxation and government programs—Israeli tax considerations and government programs*" for more information.

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 we incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the New York Stock Exchange 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 continue to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will continue to increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect that these rules and regulations may 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 of directors.

We continue to evaluate these rules and regulations and 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.

We are required to comply with the SEC's rules implementing Sections 302 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. Additionally, as we are no longer an emerging growth company and qualify as a large accelerated filer, we must include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm.

To maintain the effectiveness of our disclosure controls and procedures and our internal control over financial reporting, we expect that we will need to continue enhancing existing, and implement new, financial reporting and management systems, procedures and controls to manage our business effectively and support our growth in the future. The process of evaluating our internal control over financial reporting requires an investment of substantial time and resources, including by our chief financial officer and other members of our senior management. As a result, this process may divert internal resources and take a significant amount of time and effort to complete. Additionally, as part of management assessments of the effectiveness of our internal control over financial reporting required by Section 404(a), our management may conclude that our internal control over financial reporting is not effective due to our failure to cure any identified material weakness or otherwise, which would require us to employ remedial actions to implement effective controls. If we identify material weaknesses in our internal control over financial reporting, if we are unable to comply with the requirements of Section 404(a) or 404(b) in a timely manner or to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion or issues an adverse opinion in its attestation as to the effectiveness of our internal control over financial reporting required by Section 404 (b), investors may lose confidence in the accuracy and completeness of our financial reports and the trading price of our ordinary shares could be negatively affected. We could also 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.

Irrespective of compliance with Sections 404(a) and 404(b), any failure of our internal control could have a material adverse effect on our stated results of operations and harm our reputation. In order to implement changes to our internal control over financial reporting triggered by a failure of those controls, we could experience higher than anticipated operating expenses, as well as higher independent auditor fees during and after the implementation of these changes.

Risks relating to our incorporation and location in Israel

Conditions in Israel, including Israel's conflicts with Hamas and other parties in the region, 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.

We are incorporated under Israeli law, and many of our employees, including our senior members of our management team, operate from our headquarters located in Israel. In addition, our officers and directors are residents of Israel. Accordingly, our business and operations are directly affected by economic, political, geopolitical, and military conditions in Israel.

Following the October 7, 2023 attacks by Hamas terrorists in Israel's southern border, Israel declared war against Hamas and 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 Houthis 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 Iran-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 to exist 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. Also, the fall of the Assad regime in Syria may create geopolitical instability in the region.

While our facilities have not been damaged during the current war, the hostilities with Hamas, Hezbollah, Iran and its proxies and others have caused and may continue to cause damage to private and public facilities, infrastructure, utilities, and telecommunication networks, and potentially disrupting our operations and supply chains. In addition, Israeli organizations, government agencies and companies have been subject to extensive cyber attacks. This could lead to increased costs, risks to employee safety, and challenges to business continuity, with potential financial losses.

The continuation of the war has also led to a deterioration of certain indicators of Israel's economic standing, for instance, a downgrade in Israel's credit rating by rating agencies (such as by Moody's, S&P Global, and Fitch).

In connection with the ongoing war, several hundred thousand Israeli military reservists were drafted to perform immediate military service, and military reservists are expected to perform long reserve duty service in the coming years. As of the date of this annual report, only several of our employees are called to active military duty. The absence of our employees due to their military service in the current or future wars or other armed conflicts may materially and adversely affect our ability to conduct our operations.

Our commercial insurance does not cover losses that may occur as a result of events associated with war and terrorism. Although the Israeli government currently covers the reinstatement value of certain direct damages that are caused by terrorist attacks or acts of war, we cannot assure you that such government coverage will be maintained or that it will sufficiently cover our potential damages. Any losses or damages incurred by us could have a material adverse effect on our business.

The global perception of Israel and Israeli companies, influenced by actions by 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 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.

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

We are eligible for certain tax exemptions provided to a "Preferred Technology Enterprise" under the Israeli Law for the Encouragement of Capital Investments, 5719-1959, or the Investment Law. In order to remain eligible for the tax exemptions provided to a "Preferred Technology Enterprise" we must continue to meet certain conditions stipulated in the Investment Law and its regulations, as amended. If these tax benefits are reduced, cancelled or discontinued, our Israeli taxable income from the Preferred Technology Enterprise would be subject to regular Israeli corporate tax rates. The standard corporate tax rate for Israeli companies in 2024 was 23%. The tax exemption will be revoked if a dividend or deemed dividend is distributed, in which case a corporate tax rate of 23% will be applied. Deemed dividend can be considered as intercompany loans, investments, acquisitions or other activities as provided in section 51(b) in the Investment Law.

See Item 10.E. "Taxation—Taxation and government programs—Israeli tax considerations and government programs—Law for the Encouragement of Capital Investments, 5719-1959."

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 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. Additionally, Israeli courts might not enforce judgments obtained in the United States against us or our non-U.S. directors and executive officers, 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 are 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.

We may be exposed to liabilities under the U.S. Foreign Corrupt Practices Act and other U.S. and foreign anti-corruption anti-money laundering, export control, sanctions and other trade laws and regulations, and any determination that we violated these laws could have a material adverse effect on our business.

We are subject to export control and import laws and regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations and various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control. We are also subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, the United Kingdom Bribery Act 2010, the Proceeds of Crime Act 2002, Chapter 9 (sub-chapter 5) of the Israeli Penal Law, 1977, the Israeli Prohibition on Money Laundering Law—2000 and possibly other anti-bribery and anti-money laundering laws in countries outside of the United States in which we conduct our activities. Compliance with these laws has been the subject of increasing focus and activity by regulatory authorities, both in the United States and elsewhere, in recent years. Anti-corruption laws are interpreted broadly and prohibit companies and their employees and third-party intermediaries from authorizing, promising, offering, providing, soliciting or accepting, directly or indirectly, improper payments or benefits to or from any person whether in the public or private sector.

Further, we historically had some users in Cuba, North Korea and Crimea, countries that are presently the subject of comprehensive sanctions by the United States government, or Sanctioned Countries. We have taken steps to terminate existing accounts in Sanctioned Countries and have implemented various control mechanisms designed to prevent unauthorized dealings with Sanctioned Countries going forward. Although we endeavor to conduct our business in accordance with applicable laws and regulations, we cannot guarantee compliance.

Noncompliance with anti-corruption, anti-money laundering, export control, sanctions and other trade laws could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension and/or debarment from contracting with certain persons, the loss of export privileges, reputational harm, adverse media coverage and other collateral consequences. If any subpoenas or investigations are launched, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, results of operations and financial condition could be materially harmed. Responding to any action will likely result in a materially significant diversion of management's attention and resources and significant defense and compliance costs and other professional fees. In addition, regulatory authorities may seek to hold us liable for successor liability for violations committed by companies in which we invest or that we acquire. As a general matter, enforcement actions and sanctions could harm our business, results of operations and financial condition.

General risk factors

Our share price may be volatile, and you may lose all or part of your investment.

The market price of our ordinary shares could be highly volatile and may fluctuate substantially as a result of many factors, including:

- actual or anticipated fluctuations in our results of operations;
- variance in our financial performance from the expectations of market analysts;
- announcements by us or our competitors of significant business developments, changes in service provider relationships, acquisitions or expansion plans;
- short selling activities;
- changes in our marketplace take rate;
- our involvement in litigation;
- our sale of ordinary shares or other securities in the future;
- market conditions in our industry;
- changes in key personnel;
- the trading volume of our ordinary shares;
- changes in the estimation of the future size and growth rate of our markets; and
- general economic and market conditions, including the wars between Israel and its neighboring countries and regions and between Russia and Ukraine.

The price of our ordinary shares could also be affected by possible sales of our ordinary shares by investors who view our Convertible Notes as a more attractive means of equity participation in us and by hedging or arbitrage trading activity that may develop involving our ordinary shares and Convertible Notes.

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.

An active trading market for our ordinary shares may not be sustained to provide adequate liquidity.

An active trading market may not be sustained for our ordinary shares. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. An inactive market may also impair our ability to raise capital by selling ordinary shares and may impair our ability to acquire other companies by using our shares as consideration.

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.

Item 4. Information on the Company.

A. History and Development of the Company

Our legal name is Fiverr International Ltd. and our commercial name is FIVERR.

We were incorporated in Israel under the Companies Law in April 2010, and our principal executive office is located at 8 Eliezer Kaplan St., Tel Aviv 6473409, Israel. We are registered with the Israeli Registrar of Companies. Our registration number is 51-444087-4.

Our agent for service of process in the United States is C T Corporation System and its address is 28 Liberty Street, New York, New York 10005.

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."*

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.

Our website address is www.fiverr.com, and our telephone number is +972-72-2280910. 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.

B. Business Overview

Our mission is to change how the world works together. We started with the simple idea that people should be able to buy and sell digital services in the same fashion as physical goods on an e-commerce platform. On that basis, we set out to design a digital services marketplace that is built with a comprehensive SKU-like services catalog and an efficient search, find and order process that mirrors a typical e-commerce transaction. We call this the Service-as-a-Product, or the SaaS model. Our approach fundamentally transforms the traditional freelancer staffing model into a customer centric, product led marketplace model with scale and efficiency.

We believe our model has significantly reduced friction and uncertainties for both buyers and sellers. At the foundation of our platform lies an expansive catalog with hundreds of categories of productized service listings, which we coined as Gigs. Each Gig has a clearly defined scope, duration and price, along with buyer-generated reviews. In addition to the digital service catalog, we have also built a comprehensive talent database which not only includes sellers' basic information such as where they are and the language they speak, but also intangible data on the level of their skills and the quality of their deliverables. Using either our search or navigation tools, buyers can easily compare and find talent and their service listings, and in turn purchase and fulfill their digital needs, ranging from simple services such as logo design and blog post writing, to complex services such as video creation, website development and social media marketing.

Our business is built at the cross-section of multiple secular trends. In an era where technology is changing every part of the economy, the majority of freelancing is still conducted offline in an opaque, old-school fashion. The shift from offline to online provides broader access to opportunities and a much more transparent and seamless experience to both talent and businesses. Second, as millennials become a major part of the labor force, talent is increasingly looking for purpose and flexibility. They want to choose where they work, when they work and what they do for work. As a result, how to build and engage a remote and flexible workforce is becoming a critical part of talent strategy for any businesses. Third, the rapid advancement of technology, from social media and cloud computing to the latest wave of Generative AI, are creating new skills and demand for talent with new skills. Fiverr provides our customers with differentiated value propositions so that they can fulfill their digital service needs with unmatched speed and convenience.

As a marketplace, we succeed when our buyers and sellers succeed. Our buyers include businesses of all sizes, and our sellers are a diverse group of freelancers and agencies from over 160 countries. Over the years, we have expanded the offerings on our platform to not only enable buyers and sellers to transact on our marketplace, but also provide them with a number of value-added services to help them grow their business. Our revenue primarily comprises two components: marketplace revenue and service revenue. In addition, we launched Fiverr Business Solutions, a comprehensive suite of professional solutions to enable larger businesses better engage with freelancers. This includes Fiverr Pro, our flagship product that caters to larger customers, provides a suite of advanced tools such as team accounts, reporting and budgeting tools and project management services. We have also developed multiple value-added products for our sellers to empower their entire freelance journey, including Fiverr Ads (formerly referred as Promoted Gigs) which allows sellers to advertise their services on our platform and Seller Plus, a subscription program that equips sellers with advanced tools, to name a few. In the year ended December 31, 2024, we generated services revenue of \$88.4 million, representing 23% of our total revenue.

Technology is at the core of everything we do. Our proprietary machine learning algorithms, together with our dataset on profiling, transaction and user behavior, which rapidly grows with increasing buyer and seller engagement, enable us to personalize our user experience, improve quality and provide a more robust ecosystem. We are focused on constant innovation and have designed our platform such that we can continuously enhance the value we deliver to our buyers and sellers.

We have achieved significant growth and scale since inception. In the years ended December 31, 2024, 2023 and 2022, our revenue was \$391.5 million, \$361.4 million and \$337.4 million, respectively, an 8% and 7% increase, respectively, and we incurred net income (loss) of \$18.2 million, \$3.7 million and (\$71.5) million, respectively. Geographically, the substantial majority of our revenue is generated from buyers in English speaking countries. As we expand our platform to include additional languages, we expect to deepen our penetration into Western Europe, Asia Pacific and Latin America, and the geographic mix of our revenue could therefore change over time. For a description of the principal markets in which we compete, including a breakdown of total revenues see Item 5. "Operating and Financial Review and Prospects - Our Business Model".

Our platform

Since inception, our vision has been to fundamentally transform the traditional freelancer hiring model into an e-commerce-like experience — seamless, efficient and frictionless. To achieve our vision, the marketplace is built with a comprehensive SKU-like services catalog and an efficient search, find and order process that mirrors a typical e-commerce transaction. We believe that our model reduces friction and uncertainties for our buyers while enabling our sellers to reach a global audience, enjoy more flexibility and choice of work and make more money. The key elements of our platform include:

Service-as-a-Product model. We operate a differentiated SaaS platform that allows sellers to offer services embedded with features that can be standardized and cataloged. Our marketplace enables digital services to be bought and sold in the same fashion as physical goods on an e-commerce platform, with predictable pricing, easy searches, standardized contracts, easy payment processes and streamlined delivery of the service. Upon purchasing a Gig on Fiverr, a buyer knows the scope, duration and price.

Comprehensive and diverse catalog. At the foundation of our marketplace is an expansive catalog of services that currently spans over hundreds of digital service categories. We believe that our catalog coverage is broader than many of our competitors, and we are focused on continuously growing this catalog. Today, buyers can purchase digital services ranging from simple services such as logo design and blog post writing, to complex services such as video creation, website development and social media marketing, all easily and with just a few clicks. We believe that this approach is fundamentally different from either traditional offline or online long-term temporary employment solutions. Each transaction on Fiverr is listed with a clearly defined scope, timeline and price, eliminating the frictions and inefficiency inherent in traditional solutions.

Technology and data assets. We are a technology company. Our platform is powered by our machine learning technology and expansive data assets. Using our extensive data assets and our AI tools, we are able to continuously optimize our product search capabilities, personalize our user experience, refine our matching algorithm and monitor our service quality. For example, Fiverr Logo Maker leverages our AI technology to allow graphic designers on our platform to monetize their existing designs, deliver their work faster and serve more customers, while allowing buyers to rapidly personalize and customize original, handmade designs created by sellers. By better predicting a buyer's future needs, our algorithms improve user satisfaction, which in turn increases repeat or cross category buying activities.

Tools and infrastructure. We built a comprehensive suite of communication and collaboration functions that our buyers and sellers utilize to communicate throughout the entire transaction lifecycle. We also provide a robust end to end technology infrastructure and tools to help our sellers manage key functions of their business on our platform, such as proposals and contracts, invoicing and payments, project management and marketing. We also invest in building an infrastructure for international expansion that allows us to roll out six non-English websites and provide multilingual support to our users.

Fiverr Business Solutions. We launched Fiverr Business Solutions to allow larger companies access and work with freelancers across multiple use cases and engagement scenarios. Fiverr Pro, our flagship product that caters to larger customers, provides a suite of advanced tools such as team accounts, reporting and budgeting tools and project management services.

Value-added services. We offer an ecosystem of value-added services that empowers our buyers and sellers to grow their business and be more successful. For example, Fiverr Ads is an advertising tool that allows sellers to promote their services on our platform. Seller Plus is a subscription program that equips sellers with advanced tools such as advanced analytics, advanced marketing capabilities, priority in customer support and access to success managers. AutoDS is an end-to-end dropshipping automation tool that allows our customers to track orders across channels, automate fulfillment and ultimately grow their e-commerce businesses. We also offer advanced financial tools such as faster withdrawal, local currency payout and cash advance to a select number of sellers.

Who we serve

Our buyers

Our buyers include individuals and businesses of all sizes and from various industries. In the year ended December 31, 2024, we served 3.6 million annual active buyers from over 160 countries across the globe.

Our value proposition to buyers

Value for money. We provide what we believe to be the best value for money for our buyers by alleviating frictions and inefficiencies in the value chain. Our expansive digital services catalog enables us to offer sophisticated browsing and filtering functions. We believe that this results in a lower time-to-hire for buyers compared to traditional offline hiring platforms, saving buyers valuable time.

Access to an expansive catalog of digital services. Our catalog of digital services has hundreds of categories and continues to grow and evolve. Prices can range from \$5 to thousands of dollars, depending on the scope and perceived quality of each individual Gig. We continue to develop both the breadth and depth of our catalog in order to provide our buyers with access to the services they need.

Access to a diverse pool of freelancers. We provide instant access to hundreds of thousands of freelancers with a broad set of skills. Using Fiverr, buyers can easily connect with these freelancers and get a broad range of digitally delivered services executed quickly and efficiently.

Transparency and certainty of price, scope of work and quality. Our SaaS model enables transparency and certainty when it comes to cost, duration and scope. Our buyer-driven rating system provides a transparent quality rating mechanism for every Gig, helping buyers make informed purchasing decisions. This system ensures that our buyers have added peace of mind with every purchase.

Trusted brand for customer service. We are relentlessly focused on providing quality customer service as we seek to drive repeat purchase behavior. Our dispute resolution technology enables us to flag issues in a timely manner and to guide users to a solution, whether that solution is our self-service support portal or intervention by our customer support team.

Our sellers

Our sellers are a diverse group of freelancers who we believe value the flexibility and financial opportunity our platform provides. They range from individuals who use our platform to earn their full-time living to those who augment their income, as well as agencies who grow their business on the platform.

Our value proposition to sellers

Maximize project pipeline. Sellers on our marketplace do not need to bid to win a project. Instead, they list the service on our marketplace with a well-defined scope, duration and price, and our proprietary technology directly matches them with buyers who are looking for the service they provide. As a result, sellers can list their Gigs on our marketplace and focus on the work they love doing while maximizing their earning potential.

Flexibility and control. People increasingly want to choose where they work, when they work and what they do for work. Our platform embraces habitual changes in the workforce and provides freelancers with the ability to find work and offer their services from anywhere in the world at any point in time.

Frictionless payment processing. Getting paid on time after project completion has historically been an uncertain and time-consuming process for sellers. We eliminate this friction by working with third-party agents to collect the funds from the buyer at the time of purchase and timely release them to the seller upon project completion.

Credentialed storefront. We enable our sellers to professionally showcase their services to buyers, establish a track record, develop a buyer base and build a professional reputation on our platform. Our online seller forum, offline community events and Fiverr Learn, our e-learning platform, provide additional channels for our sellers to further enhance their skills and build their personal brand and digital storefront with us.

Business support infrastructure. We provide access to a robust set of technology tools for our sellers that enable them to manage all of the administrative aspects of their business, such as providing standardized contracts, invoicing and payment, financial reporting, marketing and real-time performance feedback. This infrastructure allows our sellers to track their performance and manage their business efficiently.

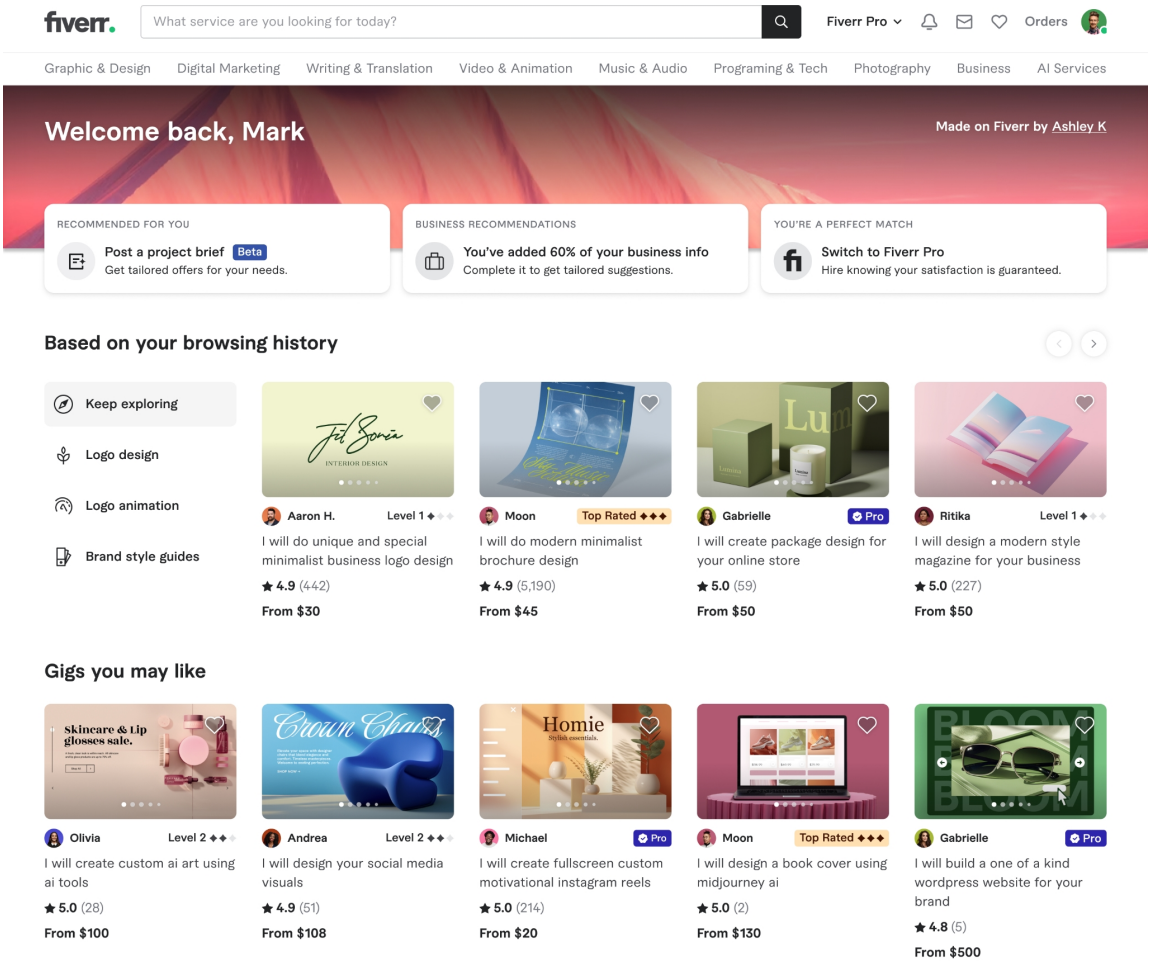
Success management and support. We provide our sellers with a comprehensive suite of onboarding resources, and our online help desk and offline customer care team provide 24/7 support to ensure sellers succeed in all stages of their freelance journey. We take care of the entire buyer engagement, business development and marketing process for our sellers so they simply need to list their services on our marketplace and focus on the work they love to maximize their earning potential. For those sellers new to the business, we help them gain access to buyers so that they can quickly start developing their reputation. For the more experienced and professional sellers, we provide them with offerings such as Fiverr Ads and Seller Plus to help them grow their business on Fiverr.

Our products

Buyer experience

We present our buyers with an e-commerce experience that is designed for streamlined browsing, searching and purchasing.

Home. Buyer’s homepage provides a personalized gateway for buyers to find talent and manage existing projects. Over the years, especially since we started investing in Fiverr Business Solutions and the introduction of LLM-based algorithms, we have expanded ways how buyers can express their needs and find talent that is tailored for their needs, including job postings with AI-assisted briefs and end-to-end project management services. We continue to develop Fiverr Neo, our proprietary AI and LLM technology, to address critical friction points along the buyer journey.



Search and discovery. Our SaaP model provides buyers access to an extensive catalog of services that they can compare and filter across parameters including service details, reviews and price. Each service includes the details of the service provided, the price, delivery timeframe and reviews from previous buyers, allowing buyers to make informed decisions based on their needs, budgets and tastes. Our search, browse and recommendation algorithms are designed to match each buyer's search with the most relevant service and seller results. With each buyer interaction, our platform and machine learning algorithms enable us to offer more personalized recommendation carousels that are presented in relevant places along the buyer journey.

Personalized options. We believe many of our buyers are motivated by more than simply price and convenience; we believe they also value uniqueness and authenticity. On our marketplace, buyers enjoy a personalized experience and direct interactions with our sellers. As part of our Gig concept, buyers purchase 'Packages' associated with each Gig. Packages are tiered as Basic, Standard and Premium, each with different levels of service such as different word counts for a translation, video lengths for a video edit or number of revisions for a logo design. We facilitate further customization through custom orders. A buyer can request a custom order through our platform with his or her unique requirements. Sellers, in turn, can respond to the order request with custom offers, which are exclusive proposals, with the exact description of the service, price and time expected to deliver the service. For certain categories and Gigs, we also allow buyers to make recurring purchases through the subscriptions feature, or to break down a large project into multiple purchases through the milestones feature.

Communication and collaboration. Communication between buyers and sellers is essential to the success of our marketplace. Our messenger tool enables buyers to easily communicate with sellers. Buyers are able to describe their requirements and preferences during the pre-order process and the communication channels for process management and coordination remain open over the lifecycle of the Gig. As part of deliverable acceptance, buyers may utilize our “Request Revisions” feature to further refine the deliverable, if desired.

fiverr.

What service are you looking for today?

Upgrade to Pro

Orders

All messages

Ritika Allen

4 weeks

Me: Hi! I need some assistance...

Jaden Shore

2 months

Is it Included in the offer yo...

Olivia Wade

3 months

Sounds great, thanks!

Sam Green

3 months

Got it. could you let me kno...

Ritika Allen

@Ritika

Last seen: Just now | Local time Sep 10, 9:08 AM

WE HAVE YOUR BACK

For added safety and your protection, keep payments and communications within Fiverr. [Learn more](#)

Me

Jan 07, 2025, 2:59 PM

Hi, I need some assistance in creating a website for my online store. do you provide this kind of service?

Send message..

Send

About Ritika Allen

From

Ireland

On Fiverr since

Jan 2021

English

Native

German

Fluent

As a client

As a freelancer

Seller level

Level 1

Response rate

2h

Rating

★ 4.8 (200)

Related services

See More

Do wordpress website with page with optimizations to...

by Nick

★ 4.8 (200)

FROM \$43

Create a customized landing page for your online shop

by June

★ 4.8 (200)

FROM \$55

Support and intervention. Our user support function is available throughout the buyer journey to provide clarification, help, education and support. Our resolution center helps buyers to resolve disputes online, and our 24/7 ticketing system is available should a buyer encounter a more complex problem. In addition to the on-demand help and support, we have developed a set of intervention algorithms, which leverage our data and knowledge, to automatically flag potential issues to our customer support team so they can intervene and offer guidance, education and support to our buyers.

Quality control. We have developed several quality assurance policies to enhance the reliability and integrity of our marketplace. Our algorithms assess each freelancer and Gig on our platform and assign a quality score based on a number of factors, such as buyer rating, cancellation rates and response time. The quality score is considered in our matching algorithms and is integral to the positioning of a seller's Gig on our website. In addition, help tools are available for both buyers and sellers alike for when issues need to be raised to our customer support team. We constantly monitor activity on our platform to ensure compliance with our terms of service, as we seek to create a consistent and reliable user experience for our buyers.

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Seller experience

We offer a set of tools for sellers to build their Gigs, develop their brand, establish a reputation and create their work portfolio. Sellers can manage their business from any browser or from our mobile apps.

fiverr.

Dashboard

My Business ▾

Growth & Marketing ▾

Analytics ▾

🔍

🔔

✉️

?

\$5,000

Michael S.

@michaels

View profile

Level overview

My level

Success score

Rating

Response rate

Level 1

9

5.0 ★

99%

View progress

Earnings

Earned in December

US\$1,478

View earnings

Availability

While unavailable, your Gigs are hidden and you will not receive new orders.

Set your availability

Inbox

A Aharon Williamson
How much is it

C Cameron Williamson
Absolutely, I'll be home later...

M mighttimek9
I think that the professional...

Go to inbox

Welcome, Michael S.

Find important messages, tips, and links to helpful resources here:

3 steps to become a top seller on Fiverr

The key to your success on Fiverr is the brand you build for yourself through your Fiverr reputation. We gathered some tips and resources to help you become a leading seller on Fiverr.

Get more skills & exposure

Hone your skills and expand your knowledge with online courses.

Show less

Active orders - 3 (\$1,000)

Active Orders (3) ▾

G guyhawkins12

Price

Due In

Status

\$250

⌚ 1d, 13h

IN PROGRESS

>

M Mikson V.

Price

Due In

Status

\$250

⌚ 3d, 12h

IN PROGRESS

>

M mightimek9

Price

Due In

Status

\$250

⌚ 3d, 18h

IN PROGRESS

>

A Aharon Williamson

Price

Due In

Status

\$250

⌚ 8d, 8h

IN PROGRESS

>

Be a scroll stopper

Grab more attention with these Gig image tips.

Add text

Seller onboarding. We have developed an automated onboarding process designed to educate and guide new sellers through the creation of their seller profile (their storefront), Gigs (the services they sell) and portfolio (a collection of their work samples). Once a seller is onboarded, each Gig they offer becomes a part of the Fiverr catalog.

Business management. To allow sellers to focus on doing what they love, we provide a comprehensive suite of tools that help them manage administrative aspects of their business, such as workflow prioritization, invoicing and payment processing. Additional communication tools further enhance a seller's ability to communicate with buyers as well as to collaborate on Gigs with other sellers. Our seller dashboard provides a unified work management interface that consolidates key information from our seller tools and performance metrics, allowing sellers to more effectively manage their business.

Analytics. Our suite of tools provides sellers with detailed analytics on their operations, facilitating greater transparency and insight into business and performance indicators, including Gig revenue, order pipeline and ratings. Gig specific analytics allow sellers to better understand their past performance in order to improve their future performance. Sellers are also provided with real-time feedback on their performance in timeliness of delivery, responsiveness and completion rates via our seller dashboard. In addition, Seller Plus subscribers now get access to advanced analytics features such as traffic and keyword analytics. As such, our analytics capabilities give sellers increased visibility into their performance and a better understanding of what is important to buyers so that they have the feedback to continuously improve.

fiverr.

Dashboard

My Business

Growth & Marketing

Analytics

🔍

🔔

✉️

🔔

\$5,000

Analytics

Overview

Repeat business

Gig performance

Orders breakdown

Top keywords

Keyword research

Pricing insights

Choose your Gig

Create your logo and brand design

Last 90 days

Gig performance

See how your buyers go from views to orders and how you compare with sellers in your subcategory.

Click-through rate

7%

Looking great! You're outperforming 90% of sellers in your subcategory

Conversion rate

4.6%

Doing OK. 15% of sellers score less in your subcategory.

1,400

200

75

Impressions

Clicks

Orders

Pricing insights

Optimize your sales by comparing your Gig price to similar Gigs ordered in the last 60 days. The Gigs included below share similarities with your Gig like country, seller level, and service options.

Basic package

🔔 Your Gig price is higher than 30% of recently ordered similar Gigs. Consider lowering your Gig price to increase sales. [Edit Gig price](#)

[Learn how to optimize your price](#)

Most popular price range

Price range of your Gig

\$5-25

\$25-50

\$50-75

\$75-100

\$100-125

\$125-150

\$150-200

\$200-300

\$300-400

>\$1000

Orders amount by price range

Performance trendline

Monitor the effects of Gig updates and track them over time.

Performance

Conversion

☒ Click-through rate

☒ Conversion rate

Dec 11, 2024

● Click-through rate: 8%

● Conversion rate: 4%

Jan 11, 2025

● Click-through rate: 8%

● Conversion rate: 4%

Action

✓ Gig title updated

8%

4%

8%

4%

Dec 1

Dec 7

Dec 13

Dec 19

Dec 25

Dec 31

Dec 5

Dec 11

Dec 17

Dec 23

Dec 30

Jan 5

Jan 11

Jan 17

Jan 23

[Learn how to maximize your Gig conversion](#)

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Advertising. To help sellers increase visibility and grow their business on Fiverr, we built an advertising tool, Fiverr Ads, that allows sellers to bid and win prime locations on our website through an auction mechanism. Fiverr Ads are cost-per-click, so sellers are charged only when their ads are viewed and clicked by the buyer. Sellers decide a daily budget and the maximum bid per click, and we also provide automatic bidding tools to help sellers optimize their bid price and maximize their exposure with minimum efforts on their part.

Fiverr Ads (previously Promoted Gigs)

You're promoting: 3 services, 2 professions

Manage daily budget (\$5)

Last 30 days





Ad overview

🕒 Just now

IMPRESSIONS	CLICKS	ORDERS	SPEND	SALES
13,117	665	3	\$23.2	\$180

Ad performance

☒ Available for promotion

Campaign	On/Off	CPC cap	Impressions	Clicks	Orders	CPC	Spend	Earnings
<div></div> <div>Product designer</div> <div>Profession Recommended</div>	<input checked="" type="checkbox"/>	\$1.06	556	816	798	826	447	\$406.27
<div></div> <div>Create a branding package including logo</div> <div>Service Recommended</div>	<input checked="" type="checkbox"/>	\$1.06	426	647	274	429	423	\$948.55
<div></div> <div>Create a branding package including logo</div> <div>Service</div>	<input type="checkbox"/>	\$1.06	185	177	540	877	196	\$446.61
<div></div> <div>Design eye-catching flyers and posters</div> <div>Service</div>	<input type="checkbox"/>	\$1.06	536	600	740	703	453	\$576.28

🔗 [Learn how to optimize your ads](#)

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Learning and education. On our proprietary learning platform, we provide sellers access to an education center with comprehensive information on how to grow as a freelancer as well as become a more effective seller on Fiverr. We offer tutorials and materials on the use of Fiverr infrastructure tools, allowing sellers to get the most out of their experience on our platform. This is supplemented by our Seller Help Center, which allows sellers to open tickets with customer support as well as access a comprehensive set of FAQs and how-to videos. We also provide access to a library of high quality educational content to help freelancers improve their skills and grow professionally.

Our technology

To help our buyers and sellers transact on our platform, we have built a modular and scalable technology platform that supports our business while protecting operational integrity and performance. Technology is at the core of everything we do and is a key business asset and enabler. We continuously invest in our technology and believe that our focus on innovation gives us a competitive advantage.

The core pillars that support the foundation of our platform are:

Digital services as products. At the core of our platform lies the challenge of productizing digital services and making them available on our e-commerce platform. Our proprietary technology allows for turning non-SKU digital services into structured Gigs, enabling continuous and nimble category expansion. We are also developing depth for each category by developing attributes and experiences specific to each service category. Our innovative catalog of productized services allows us to create an e-commerce-like experience with digital services that includes search, browse, compare and purchase functions.

Scalable, modular and modern technology platform. Our platform is built as a collection of modules that can be individually modified or added without redeploying the entire code base. This approach allows each of our product teams to develop autonomously, giving us the flexibility to constantly develop new features, expand capacity, adopt new technologies and integrate new libraries, which facilitate the continuous enhancement of our platform.

Advanced data science capabilities. Our rich set of proprietary algorithms that power our real time personalized recommendations, ranking and matching help us match each buyer with the most relevant Gigs based on their business needs and preferences. We leverage predictive AI technologies to recommend Gigs to buyers based on their purchase history and other activity on our marketplace. Our algorithm has been designed to handle rapid and continuous growth in search queries. Further, it is also utilized to improve the liquidity between supply and demand on our marketplace, ensuring that seller capacity and buyer demands are in balance. We are data-centric and rely on data from disciplined A/B testing, buyer and seller studies and other sources to inform all of our decisions on new platform enhancements. Our search algorithm uses our large data set from our Gigs, transactions and users to optimize Gig matches and user experience for our buyers.

Clear and simple cross-platform user experience. We utilize modern front-end technologies and design concepts to offer our users a simple and intuitive user interface. We continuously strive to simplify the user experience and enhance the efficiency of purchasing Gigs on our platform. We strive to offer a consistent experience across all major devices and operating systems. Our mobile app is a great example of our focus on user experience, design and implementation. It is highly rated by our users in both the Apple App Store and the Google Play Store. We constantly try to optimize and simplify the user experience at each stage of a transaction.

Reliability. We use third-party cloud-based services to host our platform, striving to run on the latest and most modern cloud technologies. Our research and development capabilities paired with our development tools allow us to develop and deploy new products reliably without disruptions to our live instance. We have also embedded extensive monitoring and alerting infrastructure into our platform to maintain reliability and platform performance.

Security. Information security is one of the key pillars of our business. We protect our users' data and our company through a combination of security procedures and technology tools, and we are committed to ensuring that our platform remains secure. We monitor our cloud infrastructure for malicious activity and unauthorized access, while analyzing and responding to threats. We utilize various safeguards and protection tools, managed by our in-house team and external consultants. In addition, we conduct regular tests and scans to detect and mitigate possible known internal or external weaknesses in our systems.

Go-to-market

We primarily grow our buyer base through performance marketing and brand investments using a bottom up approach. Our goal is to target individuals and teams who work in various business functions at companies of different sizes across different industries. Our unique SaaS model eliminates uncertainties and frictions and allows more autonomous purchasing decisions. As a result, we are able to convert buyer traffic coming from various channels in a highly effective and efficient manner. In addition, by providing our buyers with a highly satisfactory experience, they continuously return to our platform and drive referrals. The more buyers come to our platform, the more opportunities we can create for talent on our marketplace, which in turn drives more talent and better talent to our marketplace, and enables our buyers to have access to a broader and higher quality talent pool. This strong flywheel of our two-sided marketplace establishes a key competitive moat for our business.

Our brand awareness and the virality of our solution has enabled us to acquire the majority of our new buyers through organic channels. That is complemented by highly effective performance marketing and brand investments across a variety of channels. We aim to acquire new buyers through the most efficient channels with the highest return on investment. Once they join, our goal is to demonstrate the value of our platform to our users in order to continuously increase each user's lifetime value. We actively work to expand our wallet share by encouraging cross category purchasing, suggesting services appropriate for the respective business lifecycle and constantly improving how we match our buyer's needs with our seller's offerings.

Intellectual property

We design, test and update our website and apps regularly, and we have developed our proprietary solutions in-house. We have developed our infrastructure to be highly agile and scalable, allowing us to efficiently expand our platform and enter new market segments, without compromising quality. Our continued success depends upon our ability to protect our core technology and intellectual property. We rely on a combination of confidentiality clauses, contractual commitments, trade secret protections, copyrights, trademarks and other legal rights to protect our intellectual property and know-how. We enter into confidentiality and proprietary rights agreements with our employees, consultants and business partners, and we control access to and distribution of our proprietary information.

The Fiverr brand is central to our business strategy, and we believe that maintaining, protecting and enhancing the Fiverr brand is important to expanding our business. We hold numerous registered trademarks in the United States and in foreign jurisdictions, including the EU, the UK, Australia, Brazil, Canada and Israel, that we consider material to the marketing of our products, including the trademarks Fiverr and Gig.

Our in-house know-how is an important element of our intellectual property. The development and management of our platform requires sophisticated coordination among many specialized employees. We believe that duplication of this coordination by competitors or individuals seeking to copy our platform offerings would be difficult. The risk of a competitor effectively replicating the functionality of our platform is further mitigated by the fact that our service offerings are cloud-based such that most of the core technology operating on our systems is never exposed to a user or to our competitors. To protect our technology, we implement multiple layers of security. Access to our platform, other than to obtain basic information, requires system usernames and passwords. We also add additional layers of security such as IP address filtering.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or obtain and use our technology to develop products and services with the same functionality as our platform. Policing unauthorized use of our technology is difficult. Our competitors could also independently develop technologies like ours, and our intellectual property rights may not be broad enough for us to prevent competitors from selling products and services incorporating those technologies.

Competition

The market for freelancers and the buyers who engage them is highly competitive, rapidly evolving, fragmented and subject to changing technology, shifting needs and frequent introductions of new products and services. We compete with a number of online and offline platforms and services to attract and retain users although we believe that none of our competitors operate an e-commerce business model at a similar scale as our platform. Our main competitors fall into the following categories:

- traditional contingent workforce and staffing service providers and other outsourcing providers;
- online freelancer platforms that serve a diverse range of skill categories;
- other online and offline providers of products and services that allow freelancers to find work or to advertise their services, including personal and professional social networks, employment marketplaces, recruiting websites, job boards, classified ads and other traditional means of finding work;

- software and business services companies focused on talent acquisition, management, invoicing, or staffing management products and services;
- businesses that provide specialized, professional services, including consulting, accounting, marketing and information technology services; and
- software companies focused on providing technological solutions driven by AI.

Seasonality

Our business is subject to seasonality in two aspects. First, the activities on our marketplace fluctuates with the holiday schedules across the world. We typically see businesses and freelancers engage with each other more during work days and work hours, and less active during holiday season. Second, we typically invest more marketing dollars in the first quarter compared to the rest of the year, in order to capture more buyers and their needs at the beginning of the year. This results in higher sales and marketing expenses as a percentage of revenue in the first quarter, which moderates for the rest of the year.

Environmental, Social and Governance (ESG) Practices

Fiverr was built with a defined purpose from day one to change how the world works together. We believe that our success can only be built alongside the success of our stakeholders, including our community, employees and shareholders. We are committed to build a long-term sustainable business that aligns our mission and business strategy with positive impacts to people, communities and our planet.

Fiverr's ESG approach and plan falls under the purview of our board of directors. Oversight of the Company's risks, strategies, policies, programs and practices related to ESG matters is conducted by our nominating, environmental, social and governance committee, and our EVP and General Counsel and EVP of Strategic Finance lead the day-to-day management of ESG matters.

During 2024, we continued with our four core pillars that outline some of the specific ways we are making positive change in the world and the key issues that we believe are important to our business and stakeholders.

- Creating fair economic and social opportunities: fostering a level playing field and providing economic and business opportunities for talent across the world;
- Marketplace integrity and ethics: holding high standards for quality and integrity in our marketplace;
- Empowering our people: building an inclusive workforce and company culture; and
- Climate change: reducing the carbon footprint by enabling remote work and driving responsible resource use.

Our 2023 ESG report details the progress we have achieved and our initiatives under each of the pillars above. We continue enhancing our ESG program from year to year and we have developed ESG-related key performance indicators and metrics for our reporting and to track our progress.

For more information on our ESG-related activities, please visit our website at investors.fiverr.com/esg. Neither the ESG Report nor the contents of our website are incorporated into this Annual Report. We expect to continue to evolve our ESG strategy in the future as our ESG program matures.

Government legislation and regulation

Actions of our users

In many jurisdictions, including the United States and countries in Europe, laws relating to the liability of providers of online services for activities of their users and other third parties are currently being tested by a number of claims, including actions based on defamation, breach of data protection and privacy rights and other torts, unfair competition, copyright and trademark infringement and other theories based on the nature and content of the materials searched, the ads posted, or the content uploaded by users. Any court ruling or other governmental action that imposes liability on providers of online services for the activities of their users and other third parties could harm our business. In addition, rising concern about the use of the Internet for illegal conduct, such as the unauthorized dissemination of national security information, money laundering or supporting terrorist activities may in the future produce legislation or other governmental action that could require changes to our products or services, restrict or impose additional costs upon the conduct of our business or cause users to abandon material aspects of our service.

Data protection and cybersecurity

We hold certain personal data of our users, including their name, username, email address, IP address, device identifiers, address, telephone number, photo, transactional data, consumption habits (such as purchase history), taxpayer information and forms, profession and education, location, authentication information (including copy of identification documents), social media account log in details and additional information regarding the use of Fiverr's platform (such as published portfolio, Gig information, purchases, ratings and additional information the user decides to upload and share with us or other users of our platform), and may hold certain personal data of the visitors to our users' websites. In addition, we hold certain personal data of our employees, job applicants and contractors. We operate in accordance with the terms of our privacy policies, which describe our practices concerning the collection, use, transmission and disclosure of personal data. As a "database owner" under Israeli Privacy Law, we must comply with various obligations, including notifying data subjects about personal data collection and usage, obtaining informed consent, restrictions on cross-border data transfers, conditions and restrictions regarding direct mail, data subject rights, and meeting data security requirements. The Israeli Privacy Protection Regulations (Data Security) 2017 govern how personal data is processed, stored, and secured. The Privacy Protection Authority (PPA) conducts periodic inspections on many different business sectors without any suspicion of a breach of the Israeli Privacy Law. In case the PPA reveals irregularities with respect to our compliance, we may need to take certain remedial actions to rectify such irregularities, which may increase our costs. In addition, in case of noncompliance with Israeli Privacy Law we may be exposed to administrative fines, civil claims (including class actions) and in certain cases criminal liability. Starting from August 2025, Amendment 13 will introduce stricter sanctions for non-compliance, potentially reaching millions of NIS.

Numerous U.S. and foreign laws and regulations govern how we collect, use, disclose and otherwise process personal information, and certain of these laws and regulations have extraterritorial effect. Where the local data protection and privacy laws of a jurisdiction apply, we may be required to register our operations in that jurisdiction or make changes to our business so that personal information is only collected and processed in accordance with applicable local law. We may require additional legal review and resources to ensure compliance with any applicable privacy or data protections laws and regulations. In addition, in many jurisdictions there is new legislation that may affect our business and require additional legal review. Compliance with these laws is constantly evolving, resource intensive and time consuming, and companies that do not comply with these laws may face significant liabilities.

United States

A number of new U.S. state data privacy laws, as well as legislative proposals pending before the U.S. Congress and various state legislative bodies, concerning data protection could affect us. For example, over a dozen states have adopted or are considering new or modified privacy and security laws. This patchwork may also give rise to conflicts or differing views of personal privacy rights. For example, certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to personal data than federal, international or other state laws, and such laws may differ from each other, all of which may complicate compliance efforts.

Europe

We are subject to the GDPR. We are a "Controller" with respect to the personal data of our users that we collect and are therefore subject to a number of key legal obligations under the GDPR. These include the necessity to have lawful basis for collecting, using, and processing personal data, requirements in light of the transparency principle to tell our users how we may use their personal data, increased controls on profiling users, increased rights for users to access, control and delete their personal data and mandatory data breach notification requirements. Case law and regulatory guidance has supplemented these requirements in numerous areas, particularly around international data transfers, imposing additional compliance costs and enforcement risk. In addition, there are significantly increased administrative fines of the greater of €20 million / £17.5 million and 4% of global turnover (as well as the right to compensation for financial or non-financial damages claimed by any individuals under Article 82 of the GDPR). Since we are under the supervision of relevant data protection authorities in both the EEA and the UK, we may be fined under both the EU GDPR and UK GDPR for the same breach. Compliance with these laws is constantly evolving, resource intensive and time consuming, and companies that do not comply with these laws may face significant liabilities.

In the EU and UK, under national laws derived from the European ePrivacy Directive (Directive 2002/58/EC as amended by Directive 2009/136/EC), companies must, among other things, obtain consent to store information or access information already stored, on a user's terminal equipment (e.g., computer or mobile device). These requirements predominantly regulate the use by companies of cookies and comparable technologies. Prior to providing such consent, users must receive clear and comprehensive information, both in accordance with the more stringent requirements under the GDPR. Certain exemptions to these requirements on which we rely are available for technical storage or access for the sole purpose of carrying out the transmission of a communication over an electronic communications network or as strictly necessary to provide a service explicitly requested by the user.

In recent years, U.S. and European lawmakers and regulators have expressed concern over the use of third-party cookies and similar technologies for online behavioral advertising, and laws in this area are also under reform. In the EU and UK, informed consent is required for the placement of certain cookies on a user's device and for direct electronic marketing, and the GDPR also imposes additional conditions in order to satisfy such consent, such as a prohibition on pre-checked consents and on bundled consents thereby requiring users to affirmatively consent for a given purpose through separate tick boxes. Compliance with these laws is constantly evolving, resource intensive and time consuming, and companies that do not comply with these laws may face significant liabilities.

On December 16, 2020, the EU published a new cybersecurity strategy which aims at adapting online and offline security requirements in response to growing interconnectedness and digitalization. In December 2022, the Directive (EU) 2022/2555 of the European Parliament and of the Council of December 14, 2022 on measures for a high common level of cybersecurity across the Union, amending Regulation (EU) No 910/2014 and Directive (EU) 2018/1972, and repealing Directive (EU) 2016/1148 (NIS 2) was published in the official journal of the EU. EU Member States were required to adopt the NIS 2 into national law by October 17, 2024, which may require us to modify our cybersecurity practices and policies and we could incur substantial costs as a result.

On August 1, 2024, the EU AI Act entered into force. It establishes a comprehensive, risk-based governance framework for AI in the EU market. The EU AI Act applies to companies that develop, use and/or provide AI in the EU and – depending on the AI use case – includes requirements around transparency, conformity assessments and monitoring, risk assessments, human oversight, security, accuracy, general purposes AI and foundation models and proposes fines for breach of up to 7% of worldwide annual turnover. In December 2024, the EU Product Liability Directive came into force and EU Member States must implement it into national law by December 2026. This Directive extends the EU's existing strict product liability regime to AI technologies and AI enabled products and facilitates civil claims in respect of harm caused by AI. Once fully applicable, the EU AI Act, the EU Product Liability Directive and developing guidance and/or decisions in this area is likely to affect our use of AI and our ability to provide and to improve our services and may require additional compliance measures and changes to our operations and processes, resulting in increased compliance costs, potential increases in civil claims against us, and could adversely affect our business, operation and financial condition

Digital Market and Consumer Protection

On November 16, 2022 the DSA entered into force. Most provisions of the DSA became applicable on February 17, 2024. The DSA focuses on creating a safer digital space, protecting fundamental rights of all users of digital services, and establishing a level playing field for businesses and consumers with regards to online platforms. The majority of the substantive provisions of the DSA govern, among other things, our potential liability for illegal services or content on our platform, obligations around traceability of business users, and require enhanced transparency measures, including in relation to any recommendation systems (including the main parameters used by such systems and any available options for recipients to modify or influence them). As further guidance on the DSA is issued, it may require us to further modify our practices and policies and we could incur substantial costs as a result. In addition, failure to comply with the DSA can result in fines of up to 6% of total annual worldwide turnover and recipients of services have the right to seek compensation from providers in respect of damage or loss suffered due to infringement by the provider to comply with the DSA. Similarly, in the UK, the Online Safety Act 2023 establishes an extensive regulatory framework for user-to-user services and imposes obligations to protect users from illegal content which, if applicable, may increase compliance costs and may otherwise adversely affect our business, operations and financial condition and failure to comply with the UK regime can result in fines of up to 10% of total annual worldwide turnover or £18 million (whichever is greater).

C. Organizational Structure

The legal name of our company is Fiverr International Ltd. and we are organized under the laws of the State of Israel. We have thirteen wholly-owned subsidiaries, as listed in Exhibit 8.1 to this Annual Report and is incorporated by reference into this Annual Report.

D. Property, Plant and Equipment

Our principal facilities are located in Tel Aviv, Israel and consist of approximately 5,000 square meters (approximately 53,800 square feet) of leased office space. These facilities currently accommodate our principal executive offices, research and development, marketing, design, business development, finance, information technology, user support and other administrative activities. The lease for these facilities expires in December 2026.

We also lease offices in New York City and Orlando in the United States. We believe that our facilities are adequate to meet our needs for the immediate future, and that, should it be needed, suitable additional space will be available to accommodate any expansion of our operations.

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, liquidity and capital resources and 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 "Risk factors" and "Special note regarding forward-looking statements." Our actual results may differ materially from those contained in or implied by any forward-looking statements.

Overview

Our mission is to change how the world works together. We started with the simple idea that people should be able to buy and sell digital services in the same fashion as physical goods on an e-commerce platform. On that basis, we set out to design a digital services marketplace that is built with a comprehensive SKU-like services catalog and an efficient search, find and order process that mirrors a typical e-commerce transaction. We call this the Service-as-a-Product, or the SaaS model. Our approach fundamentally transforms the traditional freelancer staffing model into a customer centric, product led marketplace model with scale and efficiency.

We believe our model reduces friction and uncertainties for both buyers and sellers. At the foundation of our platform lies an expansive catalog with hundreds of categories of productized service listings, which we coined as Gigs. Each Gig has a clearly defined scope, duration and price, along with buyer generated reviews. Using either our search or navigation tools, buyers can easily compare and find talent and their service listings, and in turn purchase and fulfill their digital service needs, ranging from simple services such as logo design and blog post writing, to complex services such as video creation, website development and social media marketing.

In addition to enabling marketplace activities, we have also over the years expanded the offerings on our platform to include a number of value-added services to help our buyers and sellers to grow their business. This includes subscription products such as Seller Plus and AutoDS, advertising services such as Fiverr Ads, as well as other services such as financial and learning and development tools. We have also been investing in upmarket initiatives to attract more customers from bigger organizations with bigger spending budgets to spend on the platform. We have built Fiverr Pro, our flagship upmarket product, to enable these larger customers to access a fully-vetted talent pool, white-glove matching services, end-to-end project management services, as well as a suite of team collaboration, budget management, compliance and reporting tools.

We have reached a significant scale since founded in 2010. For the year ended December 31, 2024, our marketplace enabled a total transaction value, or marketplace GMV, of \$1,097.6 million with an annual active buyer base of 3.6 million. Our revenue for the year ended December 31, 2024 was \$391.5 million, including \$303.1 million of marketplace revenue and \$88.4 services revenue.

Our business model

Our revenue primarily comprises two components: marketplace revenue and service revenue. We generate marketplace revenue through transaction commissions paid by buyers and sellers based on orders completed on our marketplace. We generate services revenue from subscription products such as Seller Plus and AutoDS, advertising services primarily via Fiverr Ads, and other services such as financial or learning tools, all of which are optional value-added services to our customers.

For the years ended December 31, 2024, 2023 and 2022, our revenue was \$391.5 million, \$361.4 million and \$337.4 million, respectively. Historically, our revenue growth has been driven by the growth of marketplace GMV as a result of growth in annual active buyers and annual spend per buyer, as well as the growth in value-added services. In 2024, the macroeconomic conditions including high inflation, high interest and volatile geopolitical environment has resulted in weak small to medium sized businesses, or SMB, sentiment and weak hiring demand across our industry. As a result, for the year ended December 31, 2024, marketplace GMV was \$1,097.6 million, down 2.0% and marketplace revenue was \$303.1 million, down 1.3%, compared to the year ended December 31, 2023. Our marketplace take rate, defined by marketplace revenue divided by marketplace GMV was 27.6%, compared to 27.4% in 2023. The slight increase in marketplace take rate was due to slight adjustments in fee structure on our marketplace. We believe we are able to command our marketplace take rate because of the value we provide to our buyers and sellers in an otherwise fragmented, unstandardized and high-friction industry. We believe our marketplace take rate is sustainable and reflects our competitive advantage against our competitors.

We have grown services revenue significantly over the past few years. For the year ended December 31, 2024, services revenue was \$88.4 million, representing year-over-year growth of 62.5%. In 2024, services revenue represented 22.6% of our total revenue, up from 15.1% in 2023. The large, loyal buyer and seller base that we have built since 2010 provides a huge opportunity for us to expand the tools and services that we can sell to them beyond marketplace activities, in order to help them grow their business and become more successful. These value-added services in turn further deepen our customer relationship, build more loyalty around Fiverr's overall platform, and strengthens our marketplace flywheel. We believe services revenue will increasingly become a bigger portion of our overall revenue mix and will serve as a strong growth driver for our business.

Large and strong buyer base

Since founded in 2010, we have built a strong and loyal buyer base. As of December 31, 2024, the number of annual active buyers on our marketplace was 3.6 million. We have increasingly focused on growing buyers with bigger spending capacity and expanding our wallet share among them. At the same time, we are experiencing industry wide headwinds in terms of weak SMB sentiment and slow hiring demand. These factors have resulted in smaller cohorts in recent years in terms of number of new buyers, but higher quality cohorts in terms of average annual spend per buyer. We believe this upmarket strategy is beneficial to our business in the long run.

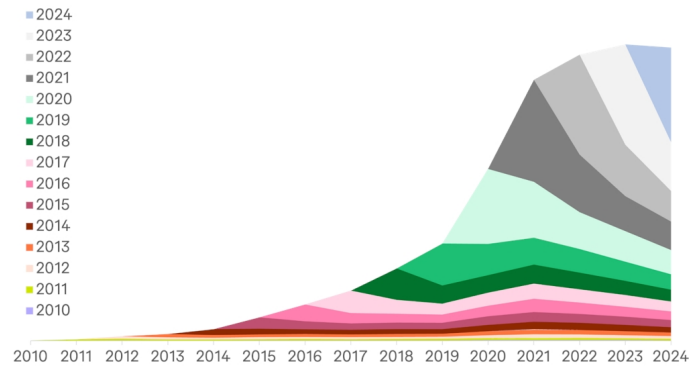
We experience significant repeat business because buyers return to our platform as we offer a variety of freelance digital services that address different businesses' needs. For example, a buyer can purchase design content for a brochure and later return to our platform for market research, an entirely different service category. At the same time, this buyer may recommend our platform to a colleague in another department who may use our platform for video editing services.

Repeat buyers generally increase spend on our platform over time. For the year ended December 31, 2024, repeat buyers contributed 68% of our revenue on our marketplace, up from 66% in the year ended December 31, 2023. We believe the repeat purchase activity from existing buyers reflects the underlying strength of our business and provides us with revenue visibility and predictability.

Consistent cohort behavior

Our business has historically benefited from strong cohort revenue consistency. To track our growth and the underlying dynamics of our business, we closely monitor and analyze the behavior of our annual buyer cohorts. We define an annual buyer cohort based on the year when the buyer's first purchase on our platform was made. Historically, we have observed consistency across our annual buyer cohorts. As shown in the figure below, the biggest fluctuation in spend of each cohort happens in the first two years and then starts to stabilize and contribute to a consistent stream of revenue for future years. The consistent behavior of our cohorts is driven first by repeat spending by our buyers as well as by the overall size of our buyer base, which normalizes the fluctuation of individual buyer behavior. We experienced elevated spending levels across our cohorts in 2020 and 2021, as COVID-19 led to more usage of remote and freelancer workforce. The cohort behavior has since been largely normalized.

Marketplace revenue composition by annual cohort 2010-2024



Buyer acquisition strategy

We continue to attract buyers through a variety of channels. The majority of our new buyers in both 2024 and 2023 came from organic and direct sources, meaning buyers who reach our platform via non-paid search results, referrals by existing users, word-of-mouth, direct visits to our website by typing our URL into their browser, or our mobile app. We supplement these organic and direct sources of growth by investing in performance marketing programs. We view our ability to efficiently acquire buyers at scale as a differentiated competitive advantage and continuously seek to diversify our user acquisition investments through a variety of channels in a disciplined manner.

We measure the efficiency of our buyer acquisition strategy by Time to Return On Investment, or tROI, which represents the number of months required for us to recover performance marketing investments during a particular period of time from the revenue generated by the new buyers acquired during that period. We aim to achieve quarterly tROI of one year or less. Historically, over the past eight quarters ending December 31, 2024, we have been able to consistently achieve tROI of six months or less.

The second measure for our paid marketing efficiency is LTV/CAC, which is measured by the cumulative revenue to performance marketing investment ratio. Historically on average, we have been able to achieve a three-year LTV/CAC ratio of over 3x for cohorts joined in 2021 or earlier. Moreover, the older cohorts continued to generate a consistent revenue to our platform beyond the first three years. This consistent repeat purchase behavior underscores the loyalty and retention of our buyer base and allows us to drive more of our revenue from our existing buyer base over the years.

Growth in annual spend per buyer

We view the acquisition of a new buyer as a starting point for building a long-term relationship between the buyer and our marketplace. Once a buyer joins our platform, we aim to expand the relationship and increase engagement and spending activities from that buyer over time. Our focus on increasing the lifetime value of our buyers on our marketplace is reflected in three areas. First, we continue to build out our marketplace to facilitate more services and more complex projects, and higher quality sellers in order to provide a comprehensive solution for our buyers' digital service needs. Second, our proprietary machine learning technology and expansive data sets allow us to personalize experiences for both buyers and sellers. For example, it enables us to anticipate buyers' future needs based on their buying behavior and provide category and service recommendations. Third, we continue to go upmarket in our marketing strategies to acquire higher lifetime value buyers at the top of the funnel.

We measure our buyer engagement using annual spend per buyer. Our annual spend per buyer as of December 31, 2024, was \$302, up 9% from \$278 as of December 31, 2023. For the year ended December 31, 2024, buyers who spent over \$500 accounted for 65% of our marketplace revenue, up from 64% for the year ended December 31, 2023.

These annual spend per buyer growth trends demonstrate our success in expanding upmarket by offering a broader set of digital services, increasing engagement and lifetime value of our buyers, and growing the number of higher value Gigs and higher quality sellers on our platform through targeted marketing efforts.

Key financial and operating metrics

We monitor the following key financial and operating metrics to evaluate the growth of our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions.

- "Annual *active buyers*" means buyers who have ordered a Gig on the marketplace within the last 12-month period, irrespective of cancellations. An increase or decrease in the number of annual active buyers is a key indicator of our ability to attract and engage buyers.
- "Annual *spend per buyer*" is calculated by dividing our GMV within the last 12-month period by the number of annual active buyers as of such date. Annual spend per buyer is a key indicator of our buyers' purchasing patterns and is impacted by an increase in our number of annual active buyers, buyers purchasing from more than one category, an increase in average price per purchase and our ability to acquire buyers with a higher lifetime value.

The following table sets forth our key performance indicators as of December 31, 2024 and 2023:

	As of December 31,		
	2024	2023	2022
Annual active buyers (in thousands)	3,630	4,027	4,201
Annual spend per buyer	\$ 302	\$ 278	\$ 261

The Company is updating the definitions of certain of its key financial and operating metrics, including annual active buyers and annual spend per buyer to align with our supplemental revenue presentation, which disaggregates revenue into two components, marketplace revenue and services revenue. These metrics will now exclusively reflect the marketplace, as amounts related to services previously included in these metrics are deemed immaterial.

Components of our results of operations

Revenue. Starting with the year ended December 31, 2024, we have begun categorizing our revenues into marketplace revenue and services revenue to enhance transparency in our financial reporting. Marketplace revenue includes transaction commissions paid by buyers and sellers based on orders completed on our marketplace. Service revenue is revenue from optional value-added services that we provide to our buyers and sellers, including subscription products such as Seller Plus and AutoDS, advertising services primarily via Fiverr Ads, and other services such as financial or learning tools.

Geographic Breakdown of Revenues. The following table sets forth the geographic breakdown of revenues for the periods indicated:

	2024	2023	2022
	(in thousands)		
U.S	\$ 191,705	\$ 178,450	\$ 172,704
Europe	104,319	95,593	84,484
Asia Pacific	60,912	54,400	48,585
Rest of the world	30,959	29,664	28,153
Israel	3,586	3,268	3,440
Total	\$ 391,481	\$ 361,375	\$ 337,366

The following table summarizes disaggregated revenue by marketplace revenue and services revenue for the years ended:

	2024	2023	2022
		(in thousands)	
Marketplace Revenue	\$ 303,069	\$ 306,981	\$ 296,263
Services Revenue	88,412	54,394	41,103
Total	\$ 391,481	\$ 361,375	\$ 337,366

Cost of revenue. Cost of revenue is mainly comprised of expenses related to payment processing fees, server hosting fees, costs of customer support personnel, contractors services, amortization expenses associated with acquired intangible assets and capitalized internal-use software. Cost of revenue also consists of personnel and the related overhead costs, including share-based compensation. We expect cost of revenue to increase in absolute dollars in future periods due to higher payment processing fees, server hosting fees, payments to contractors services and employee-related costs that are required to support additional transaction volume on our platform. The level and timing of all of these items could fluctuate and affect our cost of revenue in the future.

Gross profit and gross margin. Our gross profit and gross margin may fluctuate from period to period. Such fluctuations may be influenced by our revenue, processing fees, timing and amount of investments to expand hosting capacity, our continued investments in our customer support teams and the amortization associated with capitalized internal-use software and acquired intangible assets.

Research and development. Research and development expenses are primarily comprised of costs of the Company's research and development personnel, related overhead costs, including share-based compensation, development related activities expenses including new initiatives, professional services and other business technology services. Research and development costs are expensed as incurred, except to the extent that such costs are associated with internal-use software that qualifies for capitalization. We believe continued investments in research and development are important to attain our strategic objectives and we expect these costs to grow over time as we grow our business.

Sales and marketing. Sales and marketing expenses are primarily comprised of costs of the Company's marketing personnel and the related overhead costs, including share-based compensation for employees engaged in sales, marketing, advertising and promotional activities. A significant component is performance marketing investments such as user acquisition costs, branding costs, marketing campaigns and other media advertisements costs, and amortization of acquired intangible assets. Sales and marketing expenses are expensed as incurred. We intend to continue to invest in our sales and marketing capabilities in the future to drive revenue growth and to continue to increase our brand awareness. Sales and marketing expenses in absolute dollars and as a percentage of total revenue may fluctuate from period-to-period based on total revenue levels and the timing of our investments in our sales and marketing functions as these investments may vary in scope and scale over future periods.

General and administrative. General and administrative expenses primarily include overhead related costs, including share-based compensation of the Company's executive, finance, legal, human resources and other administrative personnel. General and administrative expenses also include legal, accounting and other professional service fees, earn-out revaluation, other corporate expenses, as well as chargeback expenses and costs associated with fraud risk reduction, expenses related to allowance for doubtful accounts in the event of uncollectible account receivables balances and others. General and administrative expenses are expensed as incurred. We expect that our general and administrative expenses will grow over time as we grow our business, as well as to cover the additional cost and expenses associated with maintaining a publicly listed company.

Impairment of intangible assets. Impairment of intangible assets and internal use software capitalization as a result of adverse change in macroeconomic conditions.

Financial income, net. Financial income, net primarily include interest earned on cash and cash equivalents, deposits and marketable securities. In addition, amortization of discount and issuance costs of our Convertible Notes, exchange rate gains (losses) due to foreign exchange fluctuations and other financial expenses in connection with bank charges and long-term loan.

Tax benefit. The tax benefit relates to our activities in Israel, the United States, and other jurisdictions where we operate. It primarily consists of the appreciation of deferred tax assets resulting from the release of the valuation allowance. Additionally, taxes on income include amounts we either pay or accrue as a result of our global operations. As of December 31, 2024, we utilized approximately \$19.7 million of our carryforwards net operating loss for Israeli tax purposes. Additional \$16.8 million is expected to be utilized over the term of 4 years.

As of December 31, 2024, we had net operating loss carryforwards for Federal U.S. tax purposes in the amount of approximately \$33.5 million, which are expected to be subject to certain limitations under Internal Revenue Code, or IRC, Section 382 following changes in control that occurred upon acquisition of ClearVoice, Working Not Working and CreativeLive. Additionally, we had net operating loss carryforwards for State U.S. tax purposes in the amount of approximately \$14.6 million.

For more information regarding the tax benefits available to us, see Item 10.E. "Taxation."

A. Operating Results

For a discussion of our results of operations for the year ended December 31, 2022, including a year-to-year comparison between 2023 and 2022, and a discussion of our liquidity and capital resources for the year ended December 31, 2022, refer to Item 5. "Operating and Financial Review and Prospects" in our Annual Report on Form 20-F for the year ended December 31, 2023.

The following tables set forth our results of operations in U.S. dollars and as a percentage of revenue for the periods indicated:

	Year ended December 31,	
	2024	2023
	(in thousands)	
Revenue	\$ 391,481	\$ 361,375
Cost of revenue	70,566	61,846
Gross profit	320,915	299,529
Operating expenses:		
Research and development	90,241	90,720
Sales and marketing	171,678	161,208
General and administrative	74,814	62,710
Total operating expenses	336,733	314,638
Operating loss	(15,818)	(15,109)
Financial income (expenses), net	27,706	20,163
Income before taxes on income	11,888	5,054
Tax benefit (taxes on income)	6,358	(1,373)
Net Income	\$ 18,246	\$ 3,681

	Year ended December 31,	
	2024	2023
	(as a% of revenue)	
Revenue	100.0%	100.0%
Cost of revenue	18.0	17.1
Gross profit	82.0	82.9
Operating expenses:		
Research and development	23.1	25.1
Sales and marketing	43.8	44.6
General and administrative	19.1	17.4
Total operating expenses	86.0	87.1
Operating loss	(4.0)	(4.2)
Financial income (expenses), net	7.0	5.6
Income before taxes on income	3.0	1.4
Tax benefit (taxes on income)	1.6	(0.4)
Net income	4.6%	1.0%

Year ended December 31, 2024, compared to year ended December 31, 2023

Revenue

Revenue increased by \$30.1 million, or 8.3%, to \$391.5 million for the year ended December 31, 2024, from \$361.4 million for the year ended December 31, 2023. The increase was mainly due to a \$34.0 million increase in services revenue driven by our expansion of value-added services including advertising, subscriptions and software offerings. For the year ended December 31, 2024, services revenue was \$88.4 million, representing a year-over-year growth of 62.5%. In 2024, services revenue represents 22.6% of our total revenue, up from 15.1% in 2023. For the year ended December 31, 2024, marketplace revenue was \$303.1 million, down 1.3% from 2023. The decrease in marketplace revenue was driven by a decrease in GMV. In 2024, the macroeconomic conditions including high inflation, high interest and volatile geopolitical environment has resulted in weak small to medium sized businesses, or SMB, sentiment and weak hiring demand across our industry. As a result, for the year ended December 31, 2024, marketplace GMV was \$1,097.6 million, down 2.0% year-over-year. The decrease in GMV was driven from a 10% year-over-year decrease in annual active buyers, which was partially offset by a 9% increase in annual spend per buyer. Our marketplace take rate for the year ended December 31, 2024, was 27.6% compared to 27.4% for the year ended December 31, 2023. The slight increase in marketplace take rate was due to slight adjustments in fee structure on our marketplace.

Cost of revenue

Cost of revenue increased by \$8.7 million, or 14.1%, to \$70.6 million for the year ended December 31, 2024, from \$61.8 million for the year ended December 31, 2023. This was primarily due to an increase of \$3.9 million in amortization expenses associated with acquired intangible assets and capitalized internal-use software, an increase of \$3.6 million in contractors' services, an increase of \$1.0 million in hosting costs and an increase of \$0.6 million due to payments of processing fees. This was partially offset by a decrease of \$0.4 million in other related costs.

Research and development

Research and development costs decreased by \$0.5 million, or 0.5%, to \$90.2 million for the year ended December 31, 2024, from \$90.7 million for the year ended December 31, 2023. This was primarily driven by a decrease of \$2.8 million in employee-related costs due to depreciation of the NIS against the U.S. dollar, a decrease of \$0.7 million in share-based compensation and a decrease of \$0.4 million in capitalized internal use of software. This was partially offset by an increase of \$1.6 million in business technology services, an increase of \$1.0 million in contractors' services and an increase of \$0.8 million in facilities maintenance and related operational costs.

Sales and marketing

Sales and marketing expenses increased by \$10.5 million, or 6.5%, to \$171.7 million for the year ended December 31, 2024 from \$161.2 million for the year ended December 31, 2023. This increase was primarily driven by a higher investment of \$9.2 million in marketing campaigns and brand activities, an increase of \$0.5 million in contractors' services, an increase of \$0.5 million in business technology services and an increase of \$0.3 million in share-based compensation.

General and administrative

General and administrative expenses increased by \$12.1 million, or 19.3%, to \$74.8 million for the year ended December 31, 2024 from \$62.7 million for the year ended December 31, 2023. This increase was primarily due to \$6.1 million in share-based compensation, an increase of \$4.3 million due to earn-out revaluation and acquisition related costs, an increase of \$1.3 million in contractors' services, an increase of \$0.6 million in accounting and legal expenses, and an increase of \$0.6 on credit loss allowance. This was partially offset by a decrease of \$0.8 million in seller protection expenses, user compensation, anti-fraud technology tools and other related expenses.

Financial income (expenses), net

Financial income (expenses), net, amounted to \$27.7 million for the year ended December 31, 2024, compared to financial income (expenses), net, amounted to \$20.2 million for the year ended December 31, 2023. The change was mainly driven by an increase of \$8.2 million in interest income earned from our cash and investment portfolio. This was partially offset by a decrease of \$0.7 million due to foreign exchange fluctuations and bank fees.

Tax benefit (taxes on income)

Tax benefit increased by \$7.7 million for the year ended December 31, 2024. This increase was primarily due to release of valuation allowance in the amount of \$15.8 million and an increase of \$0.7 million due to reversal of deferred taxes income on acquired intangible assets. This was partially offset by an increase of \$7.4 million related to current taxes and an increase of \$1.4 million related to uncertain tax provision.

B. Liquidity and Capital Resources

Since our inception we have funded our operations through sale of equity securities in private and public offerings, issuance of convertible notes, cash generated from operating activities and, to a lesser extent, through exercised options.

As of December 31, 2024, and 2023 we had \$689.3 million and \$745.7 million, respectively, of cash, cash equivalents, bank deposits and marketable securities. In addition, we had restricted deposits related to the office space lease agreement of \$1.3 million as of December 31, 2024, and 2023. Our marketable securities amounted to \$411.0 million and \$476.1 million as of December 31, 2024, and 2023. Marketable securities are comprised of treasury, corporate and municipal bonds.

Our primary requirements for liquidity and capital resources are to finance working capital, capital expenditures and general corporate purposes. We assess our liquidity, in part, through an analysis of our working capital, current assets less current liabilities, together with other sources of liquidity. We had working capital of \$71.1 million as of December 31, 2024, compared to \$389.1 million as of December 31, 2023. The change is primarily driven by the reclassification of our Convertible Notes to short-term liability, partially offset by investment in short-term securities.

On April 1, 2024, our board of directors approved a "distribution", as defined in the Israeli Companies Law, 1999, by way of repurchase (buyback) of the Company's ordinary shares in a total amount of up to \$100 million. Accordingly, during 2024, we repurchased ordinary shares of the Company for approximately \$100 million in cash. For more information regarding the repurchase, see Item 16.E. "Purchases of Equity Securities by the Issuer and Affiliated Purchasers."

We believe that our net cash generated from operating activities, along with existing cash, cash equivalents, marketable securities and bank deposits will be sufficient to fund our working capital and capital expenditures for at least the next 12 months. We also expect our sources of liquidity will be sufficient to fund our office lease long-term contractual obligations and the capital needs for our Convertible Notes (as defined below) that will mature in 2025. Based on the Company's current share price, we expect that we will be required to pay the \$460 million in cash. However, this is subject, to a certain extent, to general economic, financial, competitive, regulatory and other factors that are beyond our control. Our future financing requirements will depend on many factors including our growth rate, the timing and extent of spending to support development of our platform and the expansion of marketing activities.

Our capital expenditures for fiscal years 2024, 2023 and 2022 amounted to \$1.4 million, \$1.1 million and \$2.2 million, respectively. Our capital expenditures consist primarily of investments in leasehold improvements for our office space, purchases of furniture, computers and related equipment and internal-use software costs. We may also seek to invest in or acquire complementary businesses or technologies.

We are a party to contractual obligations involving commitments to make payments to third parties. These obligations impact our short-term and long-term liquidity and capital resource needs. Certain contractual obligations are reflected on the consolidated balance sheet as of December 31, 2024, while others are considered future commitments. Our contractual obligations primarily consist of purchase obligations, lease payments, earn-out payments and convertible notes. For information regarding our other contractual obligations, refer to Note 11, 12 and 14 within our audited consolidated financial statements included in Item 18 of this Annual Report.

The following table presents the summary consolidated cash flow information for the periods presented.

	Year ended December 31,	
	2024	2023
	(in thousands)	
Net cash provided by operating activities	\$ 83,068	\$ 83,186
Net cash provided by (used in) investing activities	\$ (23,818)	\$ 9,776
Net cash provided by (used in) financing activities	\$ (104,222)	\$ 2,852

Net cash provided by operating activities

Net cash provided by operating activities primarily resulting from our revenue cash collection and interest income earned from our cash and investment portfolio. Our primary uses of cash from operating activities have been selling and marketing expenses, personnel and related overhead costs and other costs related to the provision of our business. We expect cash inflows from operating activities to be affected by revenue collection and interest rate. We expect cash outflows from operating activities to be affected by increases in marketing and increases in personnel costs as we grow our business.

Net cash provided by operating activities was \$83.1 million for the year ended December 31, 2024, a decrease of \$0.1 million compared to \$83.2 million for the year ended December 31, 2023. The change primarily resulted from a decrease of \$12.2 million due to one time escrow payment related to contingent consideration, a decrease of \$11.1 million in working capital changes derived mainly from other receivables, deferred revenue, accrued expenses and other liabilities and a decrease of \$4.0 million in amortization of premium and accretion of discount on marketable securities. This was partially offset by an increase of \$14.6 million in net income in 2024, an increase of \$5.2 million related to share-based compensation, an increase of \$4.5 million in depreciation and amortization and an increase of \$2.9 million in revaluation and payment of earn-out.

Net cash provided by (used in) investing activities

Net cash used in investing activities was (\$28.8) million for the year ended December 31, 2024, an increase of \$38.6 million compared to \$9.8 million cash provided by for the year ended December 31, 2023. The increase primarily resulted from \$114.0 million proceeds from maturities of marketable securities, an increase of \$105.0 million in bank deposits, an increase of \$39.7 million in acquisitions of business activity, an increase of \$1.1 million due to acquisition of intangible assets, an increase of \$0.3 million related to purchase of property and equipment and capitalization of internal-use software and an increase of \$0.3 in other receivables and non-current assets. This was partially offset by a decrease of \$221.8 million due to investments in marketable securities.

Net cash provided by (used in) financing activities

Net cash used in financing activities was (\$104.2) million for the year ended December 31, 2024, an increase of \$107.1 million from \$2.9 million cash provided by for the year ended December 31, 2023. The increase primarily resulted from a \$100.1 million increase related to repurchases of ordinary shares, an increase of \$4.4 million related to payment of earn-out and an increase of \$4.0 million related to repayment of debt to previous shareholders of the acquired business. This was partially offset by \$0.8 million in proceeds from withholding tax related to employees' exercises of share options and RSU's and an additional offset of \$0.6 million in proceeds from exercise of share options.

Description of Convertible Notes and Capped Call Transaction Financing

On October 13, 2020, we closed a private offering of \$460.0 million principal amount of 0% coupon rate Convertible Senior Notes due 2025, or the Convertible Notes. The Convertible Notes were issued pursuant to an indenture, dated October 13, 2020, or the Indenture, between us and U.S. Bank National Association, as trustee.

The Convertible Notes are convertible based upon an initial conversion rate of 4.6823 of our ordinary shares, per \$1,000 principal amount of Convertible Notes (equivalent to a conversion price of approximately \$213.57 per ordinary share). The conversion rate will be subject to adjustment upon the occurrence of certain specified events but will not be adjusted for accrued and unpaid special interest (as defined in the Indenture), if any. In addition, in connection with a make-whole fundamental change (as defined in the Indenture), or following our delivery of a notice of redemption, we will, in certain circumstances, increase the conversion rate for a holder who elects to convert its notes in connection with such make-whole fundamental change or to convert its Convertible Notes called for redemption in connection with such notice of redemption, as the case may be.

The Convertible Notes will not bear regular interest, and the principal amount of the Convertible Notes will not accrete. The Convertible Notes will mature on November 1, 2025, unless earlier repurchased, redeemed or converted. When the maturities of our indebtedness approach, we expect to explore refinancing alternatives. Such alternatives may include incurring term debt, issuing debt or equity securities and entering into a credit facility.

Prior to the close of business on the business day immediately preceding May 1, 2025, a holder may convert all or a portion of its Convertible Notes only under the following circumstances: (1) during any calendar quarter (and only during such calendar quarter), if the last reported sale price of our ordinary shares for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five business day period after any 10 consecutive trading day period, or the measurement period, in which the trading price per \$1,000 principal amount of Convertible Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the ordinary shares and the conversion rate on each such trading day; (3) if we call such Convertible Notes for redemption, at any time prior to the close of business on the third scheduled trading day immediately preceding the related redemption date; or (4) upon the occurrence of specified corporate events. On or after May 1, 2025 until the close of business on the third scheduled trading day immediately preceding the maturity date, holders may convert their Convertible Notes at any time, regardless of the foregoing circumstances. Upon conversion, the Company will pay or deliver, as the case may be, cash, ordinary shares or a combination of cash and ordinary shares, at the Company's election.

We may redeem, for cash, all or part of the Convertible Notes, at our option, if the last reported sale price of our ordinary shares has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which we provide notice of the redemption at a redemption price equal to 100% of the principal amount of the Convertible Notes to be redeemed, plus accrued and unpaid special interest, if any, to, but excluding, the redemption date. Upon the occurrence of a fundamental change (as defined in the Indenture), holders may require us to repurchase for cash all or any portion of their Convertible Notes at a fundamental change repurchase price equal to 100% of the principal amount of the Convertible Notes to be repurchased, plus accrued and unpaid special interest, if any, to, but excluding, the fundamental change repurchase date.

The indenture governing the Convertible Notes contains customary terms and covenants, including that upon certain events of default occurring and continuing, either the trustee or the holders of not less than 25% in aggregate principal amount of the Convertible Notes then outstanding may declare the entire principal amount of all the Convertible Notes plus accrued special interest, if any, to be immediately due and payable.

The Convertible Notes are our senior unsecured obligations. The Convertible Notes rank senior in right of payment to any of our future indebtedness that is expressly subordinated in right of payment to the Convertible Notes, rank equal in right of payment to our unsecured indebtedness that is not so subordinated, are effectively junior in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness and are structurally junior to all existing and future indebtedness and other liabilities (including trade payables) of our subsidiaries.

In connection with the issuance of the Convertible Notes, we entered into privately negotiated capped call transactions with certain financial institutions. See Item 3.D. *"Risk Factors—Risks relating to our indebtedness and capital structure—The Capped Call Transaction may affect the value of our ordinary shares, and we may be subject to counterparty risk with respect to the Capped Call Transactions."*

C. Research and Development, Patents and Licenses, Etc.

Our research and development activities are primarily located in Israel, with additional employees and contractors engaged in research and development activities for us in the US and Ukraine.

Research and development expenses are primarily comprised of costs of our research and development personnel and other development-related expenses. Research and development personnel focus primarily on enhancing our technology, improving our products, and developing new products and solutions. We invest in research and development in order to enhance and expand our product and service offerings, tailor our marketing offering, and expand our registered user base. Our development strategy is focused on identifying updates and enhanced features for our existing offerings, developing new offerings that are tailored to our registered users' needs and often arise out of their suggestions, and improving the performance of our platform.

In 2024, research and development costs accounted for approximately 23.1% of our total revenue. Research and development costs are expensed as incurred, except to the extent that such costs are associated with internal-use software that qualifies for capitalization. We believe continued investments in research and development are important to attain our strategic objectives and we expect these costs to grow over time as we grow our business.

D. Trend Information.

Adverse macroeconomic conditions, including recent inflation, slower growth, changes to fiscal and monetary policy, higher interest rates, and currency fluctuations have impacted companies in Israel and around the world, and as the future market conditions and possible recession remain highly uncertain, we cannot predict severity of the possible recession and its effects on our customers and their spending habits. See also Item 3.D. *"Risk Factors" – Adverse macroeconomic conditions can materially adversely affect the Company's business, results of operations and financial condition, due to impacts on consumer and business spending and demand for our services."*

E. Critical Accounting Estimates

Application of critical accounting estimates

Our significant accounting estimates and their effect on our financial condition and results of operations are more fully described in our audited consolidated financial statements included elsewhere in this Annual Report. We have prepared our financial statements in conformity with GAAP, which requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. These estimates are prepared using our best judgment, after considering past and current events and economic conditions. While management believes the factors evaluated provide a meaningful basis for establishing and applying sound accounting policies, management cannot guarantee that the estimates will always be consistent with actual results. In addition, certain information relied upon by us in preparing such estimates includes internally generated financial and operating information, external market information, when available, and when necessary, information obtained from consultations with third-parties. Actual results may differ from these estimates. See Item 3.D. *"Risk Factors"* for a discussion of the possible risks that may affect these estimates.

We believe that the accounting estimates discussed below are critical to our financial results and to the understanding of our past and future performance, as these policies relate to the more significant areas involving management's estimates and assumptions. We consider an accounting estimate to be critical if: (1) it requires us to make assumptions because information was not available at the time or it included matters that were highly uncertain at the time we were making our estimate and (2) changes in the estimate could have a material impact on our financial condition or results of operations. The critical accounting estimates that we believe have the most significant impact on our consolidated financial statements are discussed below.

Business combinations

We account for business combinations in accordance with ASC 805, "Business Combination" and we allocate the fair value of purchase consideration to the tangible assets acquired, liabilities assumed and intangible assets acquired based on their estimated 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. When determining the fair values of assets acquired and liabilities assumed, management makes 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 customer relationships, acquired technology and acquired trademarks from a market participant perspective, useful lives and discount rates. Management's 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 estimates. Acquisition-related expenses are recognized separately from the business combination and are expensed as incurred.

Earn-out 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. The fair value of earn-out is recorded as a liability in our consolidated balance sheets and was estimated at the acquisition date using a Monte Carlo simulation and included volatility and projected financial information. These assumptions are forward looking and could be affected by future economic and market conditions. Subsequent to the acquisition date, at each reporting period until the contingencies are resolved, the earn-out is remeasured at current fair value with changes recorded in our consolidated statements of operations. Changes in any of the inputs may result in a significant fair value adjustment.

Goodwill and other Intangible Assets

Goodwill and other purchased intangible assets have been recorded in our financial statements as a result of business combinations.

Goodwill represents the excess of the aggregate fair value of the consideration transferred in a business combination over the fair value of the assets acquired, net of liabilities assumed. Under ASC Topic 350, "Intangible—Goodwill and other," goodwill is not amortized, but rather is subject to an impairment test. ASC 350 allows an entity to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. If the qualitative assessment does not result in a more likely than not indication of impairment, no further impairment testing is required. If it does result in a more likely than not indication of impairment, the two-step impairment test is performed. Alternatively, ASC 350 permits an entity to bypass the qualitative assessment for any reporting unit and proceed directly to performing the first step of the goodwill impairment test. We operate in one reporting segment, and this segment comprises our only reporting unit. We elected to perform an annual impairment test of goodwill as of October 1st of each year, or more frequently if impairment indicators are present.

Intangible assets that are considered to have definite useful life are amortized using the straight-line basis over their estimated useful lives, which ranges from 1 to 10 years. Intangible assets that are considered to have definite useful life are tested for impairment in accordance with ASC Topic 360, "Property, Plant and Equipment" whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Our evaluation of recoverability is performed at the lowest level to which identifiable cash flows are largely independent of the cash flows of other assets and liabilities, and represent an asset group. Recoverability of this asset group is measured by a comparison of the aggregate undiscounted projections of future cash flows the asset group is expected to generate to the carrying amounts of the asset group. If such evaluation indicates that the carrying amount of the asset group is not recoverable, an impairment is measured by the amount which the carrying amount of the asset group exceeds their fair value.

No impairment was recorded for the years ended December 31, 2023, and 2024.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

Executive Officers and Directors

The following table presents information about our current executive officers and directors as of February 17, 2025:

Name	Position
Executive Officers	
Micha Kaufman	Founder, Chief Executive Officer, Chairperson of the Board
Ofer Katz	President and Chief Financial Officer
Hila Klein	Chief Operating Officer
Matti Yahav	Chief Marketing Officer
Sharon Steiner	Chief Human Resources Officer
Yossi Levin	Chief Technology Officer
Directors	
Adam Fisher	Director
Yael Garten	Director
Ron Gutler	Director
Gili Iohan	Director
Jonathan Kolber	Director
Nir Zohar	Director

Executive Officers

Micha Kaufman, our Founder, has served as our Chief Executive Officer and as a member of our board of directors since our inception and currently also serves as Chairperson of our board of directors. Prior to founding Fiverr, Mr. Kaufman founded and led several technology ventures. Mr. Kaufman has served as a member of the Advisory Board of Cerca Partners LP, a venture capital firm, since November 2016. Mr. Kaufman holds an LL.B degree from Haifa University in Israel.

Ofer Katz has served as our President since February 2021, as our Chief Financial Officer since July 2017 and as our Chief Financial Officer under a consulting contract from February 2011 to June 2017. Prior to joining us, Mr. Katz founded Nextage Ltd., a financial services firm, in 2001 where he served as Chief Executive Officer from 2001 to 2016 and currently serves as Co-Chief Executive Officer. As Chief Executive Officer of Nextage, Mr. Katz served as acting Chief Financial Officer to a number of companies including Wix.com Ltd., Adallom Technologies Ltd. (acquired by Microsoft Corporation), Wilocity (acquired by Qualcomm Incorporated) and Onavo (acquired by Facebook, Inc.). Mr. Katz holds a B.A. from Tel Aviv University in Israel.

Hila Klein has served as our Chief Operating Officer since January 2019. Prior to joining us, Ms. Klein spent approximately fifteen years at 888 Holdings Plc, serving in various roles including Director of House Gaming and Vice President, Casino & Bingo. Most recently at 888 Holdings, she served as Senior Vice President, Head of Product Technologies Division from April 2011 through December 2018. Ms. Klein holds a B.S.c in Industrial Engineering from the Technion — Israel Institute of Technology.

Matti Yahav has served as our Chief Marketing Officer since November 2023. Mr. Yahav brings with him over 20 years of marketing experience to Fiverr. Prior to joining Fiverr, Mr. Yahav was the Chief Commercial Officer at HoneyBook between June 2022 and October 2023. Between January 2015 and May 2022, Mr. Yahav spent over seven years on the Global Management Team at SodaStream Ltd. (acquired by Pepsi), five of which were as CMO. Before that, he held multiple marketing roles at Nestle, between January 2008 to June 2014. Mr. Yahav holds a Bachelor of Arts in Economics and Business from The Academic College of Tel-Aviv, Yaffo and master's degree in business administration from Tel-Aviv University in Israel.

Sharon Steiner has served as our Chief Human Resources Officer since January 2020. Ms. Steiner joined us as a Human Resources Director in May 2012 and was promoted to our VP Human Resources in August 2014. Prior to joining us Ms. Steiner served in various human resources roles, including at Amdocs Ltd., KarmelSonix, Marvell Technology Group Ltd. and IBM Corporation. Ms. Steiner holds a B.A. from Haifa University in Israel.

Yossi Levin has served as our Chief Technology Officer since February 2025. Prior to joining us, Mr. Levin served as the Global Head of Engineering at NICE Actimize between February 2018 and January 2025, responsible for driving the organization's research, development and innovation. Prior to that, Mr. Levin was the Vice President of Engineering and Platform for LivePerson between June 2011 and January 2018. Before that Mr. Levin held multiple Engineering leadership roles in Amdocs. Mr. Levin holds a Bachelor of Arts in Computer Science from The Academic College of Tel-Aviv, Yaffo and Master's degree in Business Administration from the Technion.

During November 2024, Gali Arnon stepped down from the role of Chief Business Officer, marketplace.

Directors

Adam Fisher has served as a member of our board of directors since January 2011. Since 2007, Mr. Fisher has served as a Partner at Bessemer Venture Partners, a venture capital firm, and he is the founder of the firm's investment practice in Tel Aviv, Israel. From 1998 to 2007, Mr. Fisher was a Partner at Jerusalem Venture Partners, a venture capital firm based in Israel. Mr. Fisher currently serves as a member of the board of directors of several Bessemer Venture Partners portfolio companies and previously served on the board of directors of Wix.com Ltd. from 2007 to 2016. Mr. Fisher holds a B.S.F.S. from Georgetown University.

Yael Garten has served as a member of our board of directors since October 2023. She brings extensive experience in data science, machine learning, and converting data into actionable product and business strategy. She serves on the Levi Strauss & Co. board of directors since 2020 and is a member of its audit committee and nominating, governance and corporate citizenship committee. Dr. Garten was the AI/ML Director of Data Science and Engineering at Apple from 2017 to 2023. Prior to that, from 2011 to 2017 she worked in a number of positions at LinkedIn Corporation and most recently was Director of Data Science from 2015 until 2017. Before joining LinkedIn, Dr. Garten was a Research Scientist and Text Mining Lead at the Stanford University School of Medicine. She holds a PhD in Biomedical Informatics from the Stanford University School of Medicine, an M.Sc. in Bioinformatics from the Weizmann Institute of Science, Israel, and a B.Sc. in Computational Biology from Bar-Ilan University, Israel.

Ron Gutler has served as a member of our board of directors since April 2019 and as a Lead Independent Director since May 2021. From May 2002 through February 2013, Mr. Gutler served as the Chairperson of NICE Systems Ltd., a public company specializing in voice recognition, data security and surveillance. Between 2000 and 2011, Mr. Gutler served as the Chairperson of G.J.E. 121 Promoting Investments Ltd., a real estate company. Mr. Gutler is a former Managing Director and Partner of Bankers Trust Company, which is currently part of Deutsche Bank. Mr. Gutler currently serves on the board of directors of Wix.com Ltd., CyberArk Software Ltd. and several private companies. Mr. Gutler holds a B.A. and an M.B.A. from the Hebrew University of Jerusalem.

Gili Iohan has served as a member of our board of directors since April 2019. Ms. Iohan is currently a Partner at ION Crossover Partners, an Israeli based cross-over fund. Ms. Iohan previously served as Chief Financial Officer of Varonis Systems, Inc., responsible for the company's finance, accounting and back office operations, from 2005 to April 2017. Prior to that, she was a Partner for six years at Nextage Ltd., a financial services advisory firm. Ms. Iohan currently serves on the board of directors of Varonis Systems, Inc., Monday.com Ltd. and Cato Networks Ltd. Ms. Iohan holds a B.A. and an M.B.A. from Tel Aviv University in Israel.

Jonathan Kolber has served as a member of our board of directors since June 2019. Mr. Kolber currently serves as a Chairman of ION Asset Management and CEO of Anfield Ltd., his personal owned investment company. From 2007 until 2021, Mr. Kolber served as a General Partner at Viola Growth, a technology growth capital fund. Prior to that, he served as Chief Executive Officer of Koor Industries Ltd., an industrial holding company, from 1998 to 2006. Mr. Kolber also currently serves as a member of the board of directors of several private companies and charitable organizations. Mr. Kolber holds a B.A. from Harvard University.

Nir Zohar has served as a member of our board of directors since January 2014. Mr. Zohar has served as President of Wix.com Ltd. since 2013 and as Chief Operating Officer of Wix.com Ltd. since 2008. Prior to that, Mr. Zohar served as the Budget and Production Manager of M.B. Contact Ltd., a private Israeli event production company, between 2005 and 2007.

There are no family relationships among any of our executive officers or directors.

There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any person referred to above was selected as a director or member of senior management.

B. Compensation

Compensation of directors and executive officers

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. Nonetheless, according to the Companies Law, the compensation committee and the board of directors, may in special circumstances approve compensation of directors, that is inconsistent with our stated compensation policy, provided the provisions that must be included in the compensation policy according to the Companies Law have been considered by the compensation committee and the board of directors, and provided that the shareholders' approval will be obtained, subject to the following requirements:

- 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, have 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, who vote 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 (for additional information on the approval of the compensation of the chief executive officer see below) in the following order: (i) the compensation committee, (ii) the company's board of directors, and (iii) if such compensation arrangement is inconsistent with the company's stated compensation policy, the company's shareholders (by a special majority vote as described above with respect to the approval of the compensation of directors). However, if the shareholders of the company do not approve a compensation arrangement with an executive officer that is inconsistent with the company's stated compensation policy, the compensation committee and the 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 the chief executive officer, or 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, according to regulations promulgated 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 shall not require the approval of the compensation committee if (i) the amendment is approved by the chief executive officer, provided that 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 (ii) 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: (i) the company's compensation committee; (ii) the company's board of directors, and (iii) the company's shareholders (by a special majority vote, as described above with respect to the approval of the compensation of directors). However, if the shareholders of the company do not approve the compensation arrangement with the chief executive officer, the compensation committee and the 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 the provisions that must be included in the compensation policy according to the Companies Law, and that shareholders' approval was obtained (by a special majority vote, as described above with respect to the approval of the compensation of directors). 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 (i) the compensation arrangement is consistent with the company's stated compensation policy; (ii) the chief executive officer did not have a prior business relationship with the company or with a controlling shareholder of the company; and that (iii) conditioning the approval of the engagement on a shareholders' vote would impede the company's ability to employ the candidate to the chief executive officer position. In the event that the chief executive officer also serves as a member of the board of directors, his or her compensation terms as chief executive officer will be approved in accordance with the rules applicable to approval of compensation of directors.

Compensation of our office holders

The aggregate compensation paid by us and our subsidiaries to our executive officers and directors, including share-based compensation, for the year ended December 31, 2024, was approximately \$39.3 million. This amount includes \$1.09 million of amounts 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 office holders.

During the year ended December 31, 2024, our directors and officers were granted 749,221 restricted share units (not including 160,994 restricted share units granted for the achievement of performance targets for fiscal year 2024, which were only granted in 2025, but for which we recorded share-based compensation for the year ended December 31, 2024) under our 2019 Share Incentive Plan, or the 2019 Plan. In addition, our executive officers are also eligible to participate from time to time (at their discretion) in our employee share purchase plan, in accordance with the terms and limitations of the plan.

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. Micha Kaufman, Founder, Chief Executive Officer and Chairperson of the Board. Compensation expenses recorded in 2024 of \$500 in salary expenses and \$127 in social benefits costs.

Mr. Ofer Katz, President and Chief Financial Officer. Compensation expenses recorded in 2024 of \$440 in salary expenses and \$116 in social benefits costs.

Ms. Hila Klein, Chief Operating Officer. Compensation expenses recorded in 2024 of \$386 in salary expenses and \$134 in social benefits costs.

Ms. Gali Arnon, Chief Business Officer, marketplace. Compensation expenses recorded in 2024 of \$341 in salary expenses and \$145 in social benefits costs.

Ms. Sharon Steiner, Chief Human Resources Officer. Compensation expenses recorded in 2024 of \$293 in salary expenses and \$104 in social benefits costs.

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 as approved by the compensation committee and the board of directors. The 2024 cash bonus expenses, including social benefits costs, for Mr. Micha Kaufman, Mr. Ofer Katz, Ms. Hila Klein, Ms. Gali Arnon and Ms. Sharon Steiner, as provided for in our 2024 financial statements (but due during 2025), were \$900, \$425, \$271, \$187 and \$174, 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 (and restricted share units accounted for the achievement of performance targets for fiscal year 2024, which were only granted in 2025) to Mr. Micha Kaufman, Mr. Ofer Katz, Ms. Hila Klein, Ms. Gali Arnon and Ms. Sharon Steiner of \$12,888, \$8,151, \$4,079, \$3,740 and \$2,736, 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 2025-2028 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 16 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 the company's compensation committee and board of directors.

We pay each of our non-employee directors who (i) either joined our board of directors following our initial public offering or otherwise will join our board of directors in the future, or (ii) serves or will serve in the future on a board of directors committee, each (i) and (ii) an Eligible Director, the following compensation:

Cash Compensation

An annual cash retainer with respect to each twelve months of service in an amount of:

	Lead Independent Director or Chairperson	Member
Board of Directors	\$ 50,000	\$ 35,000

Additional fees with respect to each twelve months of service on the board of directors' committees in the amounts of:

	Lead Independent Director or Chairperson	Member
Audit Committee	\$ 20,000	\$ 10,000
Compensation Committee	\$ 15,000	\$ 7,500
Nominating and ESG Committee	\$ 8,000	\$ 4,000
Other Committee as Authorized by the Board of Directors	\$ 8,000	\$ 4,000

Payment to the committee chairpersons is in lieu of (and not in addition) to the payments granted for committee membership. In case of service of less than a twelve months period, the annual fee shall be prorated with respect to the actual period of service.

Equity Based Compensation

Welcome Grant – Each newly appointed or elected non-executive director of the Company shall be granted restricted share units with a grant date value of \$300,000. Such welcome grant will vest on a quarterly basis over a period of one year. The commencement of the vesting shall begin on the election or appointment day.

Annual Grant – Each Eligible Director shall be granted restricted share units with a grant date value of \$225,000 upon each annual anniversary of his or her initial election or appointment (provided that the director is still in office), or the Eligibility Date. Such annual grant will vest on a quarterly basis over a period of one year. The commencement of the vesting shall begin on the Eligibility Date.

The welcome grant and the annual grants will also be subject to the following terms and conditions: (i) **Acceleration**: The equity awards shall be accelerated in the event of a Merger/Sale (as defined in the 2019 Plan); (ii) **Intended Tax Type of Award**: Equity grants to directors who are Israeli residents and qualify for a "102 award" pursuant to Section 102 of the Israeli Income Tax Ordinance [New Version]-1961, as amended, and the regulations promulgated thereunder, shall be classified as 102 Awards (as defined in the 2019 Plan), capital gain track equity (and non-102 qualified grants to directors who are Israeli residents will be classified as 3(9) Awards, as defined in the 2019 Plan); and (iii) **General**: The equity grants shall otherwise be subject to the terms and conditions of the 2019 Plan, or any effective equity plan at that time, and the award agreement in the form generally used by the Company at the time it was executed.

Employment agreements with executive officers

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.

Share option plans

2011 Share Option Plan

The 2011 Plan was adopted by our board of directors on March 31, 2011, amended and restated in April 2013 and further amended on August 14, 2018 and on January 25, 2019. The 2011 Plan provided for the grant of options to our employees, directors, office holders, service providers and consultants. Our United States Sub Plan to the 2011 Plan, as was adopted under our 2011 Plan governed option 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.

We no longer grant any awards under the 2011 Plan as it was superseded by the 2019 Plan, although previously granted awards remain outstanding. Ordinary shares subject to outstanding options granted under the 2011 Plan that expire or become unexercisable without having been exercised in full will become available again for future grant under the 2019 Plan. As of December 31, 2024, a total of 916,355 options to purchase ordinary shares were outstanding under the 2011 Plan, with a weighted average exercise price of \$10.20 per share. Our board of directors, or a duly authorized committee of our board of directors, administers the 2011 Plan.

2019 Share Incentive Plan

We maintain the 2019 Plan, under which we may grant equity based incentive awards to attract, motivate and retain the talent for which we compete. The 2019 Plan is administered by our board of directors and provides for the grant of stock options (including incentive stock options and nonqualified stock options), ordinary shares, restricted shares, restricted share units and other share based awards.

The maximum number of ordinary shares available for issuance under the 2019 Plan is equal to the sum of (i) 560,807 shares, (ii) any shares subject to awards under the 2011 Plan which will expire or become unexercisable without having been exercised, and (iii) an annual increase on the first day of each year beginning in 2020 and ending in and including 2029, equal to the lesser of (A) 14,259,677 shares, (B) 5% of the outstanding shares on the last day of the immediately preceding calendar year on a fully diluted basis and (C) such amount as determined by our board of directors if so determined, prior to January 1 of a calendar year; provided, however, that no more than 14,820,484 shares may be issued upon the exercise of incentive stock options, or ISOs. As of December 31, 2024, a total of 2,059,694 options to purchase ordinary shares, with a weighted average exercise price of \$86.11 per share and 2,308,771 restricted share units were outstanding under the 2019 Plan. As of December 31, 2024, 2,489,312 ordinary shares were available for future issuance under the 2019 Plan.

The 2019 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 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.

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 shares or options, subject to the terms and conditions set forth in the Ordinance. Our non-employee service providers and controlling shareholders may only be granted options under section 3(i) of the Ordinance, which does not provide for similar tax benefits.

Options granted under the 2019 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 stock options.

Employee Share Purchase Plan

In August 2020, we adopted our 2020 Employee Share Purchase Plan, or the ESPP, to enable eligible employees of the company and certain of its designated subsidiaries to use payroll deductions to purchase the company's ordinary shares and thereby acquire an ownership interest in the Company. The ESPP is comprised of two distinct components: (1) the component intended to qualify for favorable U.S. federal tax treatment under Section 423 of the Internal Revenue Code, or the Section 423 Component, and (2) the component not intended to be tax qualified under Section 423 of the Internal Revenue Code to facilitate participation for employees who are not eligible to benefit from favorable U.S. federal tax treatment and, to the extent applicable, to provide flexibility to comply with non U.S. law and other considerations, or the Non-Section 423 Component.

The maximum aggregate number of ordinary shares that may be purchased initially under the ESPP is 410,000 shares, or the ESPP Share Pool, subject to adjustment as provided for in the ESPP. In addition, on the first day of each calendar year beginning on January 1, 2022 and ending on and including January 1, 2030, the ESPP Share Pool shall be increased by that number of ordinary shares equal to the lesser of (a) 1% of the ordinary shares outstanding on the final day of the immediately preceding calendar year on a fully diluted basis and (b) such smaller number of ordinary shares as determined by the board of directors. In no event will more than 5,500,000 ordinary shares be available for issuance under the Section 423 Component. As of December 31, 2024, the ESPP Share Pool consisted of 1,303,663 ordinary shares.

The compensation committee of our board of directors is the administrator of the ESPP and has the authority to interpret the terms of the ESPP and determine eligibility of participants in accordance with the terms of the ESPP and applicable law.

Eligible employees become participants in the ESPP by enrolling and authorizing payroll deductions by the deadline established by the plan administrator prior to the relevant offering date. Employee payroll deductions will be used to purchase shares on the last day of each purchase period (or such other date as set forth in the offering document). The plan administrator may amend, suspend or terminate the ESPP at any time. However, shareholder approval of any amendment to the ESPP must be obtained for any amendment which increases the aggregate number or changes the type of shares that may be sold pursuant to rights under the ESPP or changes the corporations or classes of corporations whose employees are eligible to participate in the ESPP.

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 New York Stock Exchange, 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 of appointment of a director 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: (i) we do not have a "controlling shareholder" (as such term is defined under the Companies Law), (ii) our shares are traded on certain U.S. stock exchanges, including the New York Stock Exchange, and (iii) we comply with the director independence requirements and the audit committee and compensation committee composition requirements under U.S. laws (including applicable New York Stock Exchange rules) applicable to U.S. domestic issuers.

Our board of directors has adopted corporate governance guidelines which serve as a flexible framework which our board of directors and its committees operate within, subject to the requirements of applicable law and regulations. Under these guidelines, it is our policy that the positions of chairperson of the board of directors and chief executive officer may be held by the same person (subject to approval by our shareholders pursuant to the Companies Law, as described below). Under such circumstances, the guidelines also provide that the board may designate an independent director to serve as lead independent director. The lead independent director's responsibilities include, but are not limited to, presiding over all meetings of the board of directors at which the chairperson of the board of directors is not present, or may be perceived to be in conflict, including any executive sessions of the independent directors, approving board of directors meeting schedules and agendas, acting as the liaison between the independent directors and the chief executive officer and chairperson of the board of directors, being available for consultation and direct communication with shareholders, as appropriate, ensuring the board of directors focuses on key issues and tasks facing the Company, and presiding over the board of directors' annual self-assessment process. According to the guidelines, where the chairperson of the board of directors is an independent director, the chairperson of the board of directors will also serve as the lead independent director. In May 2021, our board of directors appointed Ron Gutler as our lead independent director. We comply with the rules of the New York Stock Exchange requiring that a majority of our directors are independent. Our board of directors has determined that all directors, other than Micha Kaufman, our Founder, chief executive officer and chairperson of the board of directors, are independent under such 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. All other executive officers are appointed by the chief executive officer and are subject to the terms of any applicable employment or consulting agreement that we may enter into with them.

Under our amended and restated articles of association, our directors are 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 will be for a term of office that expires on the third annual general meeting following such election or re-election, such that 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 Jonathan Kolber and Yael Garten and their terms expire at our annual general meeting of shareholders to be held in 2026;
- the Class II directors are Adam Fisher and Nir Zohar, and their terms expire at our annual meeting of shareholders to be held in 2027; and
- the Class III directors are Micha Kaufman, Ron Gutler and Gili Iohan, and their terms expire at our annual meeting of shareholders to be held in 2025.

Each of the directors shall be elected by a vote of the holders of a majority of the voting power present and voting at that meeting (excluding abstentions), provided that a plurality voting mechanism is effected in the event of a contested election. Each director will hold office until the annual general meeting of our shareholders for the year in which his or her term expires, unless the tenure of such director expires earlier pursuant to the Companies Law or unless he or she is removed from office (under the conditions described below).

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, and any amendment to this provision shall require the approval of at least 65% of the total voting power of our shareholders. In addition, vacancies on our board of directors 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 class 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 the articles, until the next annual general meeting of our shareholders for the class he or she has been assigned by our board of directors.

Chairperson of the board

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. The chief executive officer (referred to as a "general manager" under the Companies Law) 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 without shareholder approval consisting of a majority vote of the shares present and voting at a shareholders meeting, under the following requirements:

- at least a majority of the shares of non-controlling shareholders and shareholders that do not have a personal interest in the approval voted at the meeting in favor (disregarding abstentions); or
- the total number of shares of non-controlling shareholders and shareholders who do not have a personal interest in such appointment voting against such appointment does not exceed two percent (2%) of the aggregate voting rights in the company.

In addition, a person 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 those 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 a controlled company, but he or she may serve as a director or chairperson of the board of directors of a subsidiary.

At our 2024 annual general meeting, our shareholders voted for the appointment of our chief executive officer, Micha Kaufman, to serve also as our chairperson of the board of directors for a period of three years.

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 New York Stock Exchange, 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 New York Stock Exchange, 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 committee and compensation committee of the board of directors.

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 the New York Stock Exchange 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 Ron Gutler, Gili Iohan and Nir Zohar. Mr. Gutler 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 New York Stock Exchange corporate governance rules. Our board of directors has determined that Mr. Gutler is an audit committee financial expert as defined by the SEC rules and has the requisite financial experience as defined by the New York Stock Exchange 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 also consistent with the Companies Law, the SEC rules and the New York Stock Exchange corporate governance rules. The responsibilities of the audit committee include:

- retaining and terminating our independent auditors, subject to the ratification of the board of directors, and in the case of retention, to that of the shareholders;
- pre-approving of audit and non-audit services and related fees and terms, to be provided by the independent auditors;
- overseeing the accounting and financial reporting processes of our company, the 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;
- overseeing the Company policies with respect to risk assessment and risk management, including with respect to financial, privacy and data protection, information security and cybersecurity related risks, and review contingent liabilities and risks that may be material to the Company;
- reviewing with management and our independent auditor our annual, semi-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 reviewing and 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;
- Receiving reports of suspected irregularities in our business administration, inter alia, by members of the Company's management, legal counsel, the independent or internal 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 and overseeing procedures and policies for the handling of employees' complaints as to the management of our business 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 the New York Stock Exchange corporate governance rules, we are required to maintain a compensation committee consisting of at least two independent directors.

Our compensation committee consists of Ron Gutler, Gili Iohan and Nir Zohar. Mr. Gutler serves as chairperson of the compensation committee. Our board of directors has determined that each member of our compensation committee is independent under the New York Stock Exchange 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:

- recommending 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 with respect to any amendments or updates of the compensation policy;
- resolving whether or not to approve arrangements with respect to the terms of office and employment of office holders; and
- exempting, under certain circumstances, a transaction with our chief executive officer from the approval of the general meeting of our shareholders.

Our board of directors has adopted a compensation committee charter setting forth the responsibilities of the committee consistent with the New York Stock Exchange 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 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;
- overseeing and periodically reviewing with management our strategies, policies and practices with respect to human capital management and management development, including with respect to matters such as diversity, equity, and inclusion; workplace environment and culture; employee engagement and effectiveness; and talent recruitment, development, and retention;
- approving and exempting certain transactions regarding office holders' compensation pursuant to the Companies Law;

- 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; and
- administering and overseeing the Company's compliance with the compensation recovery policy required by the SEC and NYSE rules.

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 at a shareholders meeting, 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 and who are present, in person or by proxy, and voting (excluding abstentions); 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 approval of the compensation policy, despite the objection of shareholders, is for the benefit of the company.

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, responsibilities and prior compensation agreements with him or her;
- 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 his or her compensation during such period, the company's performance during such period, his or her individual contribution to the achievement of the company 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 features:

- with regards to variable components:
 - with the exception of office holders who report directly to the chief executive officer, determining the variable components on long-term performance basis and on measurable criteria; however, 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, if such amount is not higher than three monthly salaries per annum, while taking into account such office holder's contribution to the company;
 - 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 his or her terms of employment, if such amounts were paid based on information later 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 to be set in the terms of office or employment, as applicable, 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 our 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 his or her respective 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 may be based on a discretionary evaluation of the chief executive officer's overall performance by the compensation committee and the board of directors, based on quantitative and qualitative criteria.

The equity-based compensation under our compensation policy for our executive officers (including members of our board of directors) 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, restricted share units and performance stock 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 contains compensation recovery provisions which allow us under certain conditions to recover bonuses paid in excess, enable 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.

Our compensation policy also provides for compensation to the members of our board of directors either (i) in accordance with the amounts provided in the Companies Regulations (Rules Regarding the Compensation and Expenses of an External Director) of 2000, as amended by the Companies Regulations (Relief for Public Companies Traded in Stock Exchange Outside of Israel) of 2000, as such regulations may be amended from time to time, or (ii) in accordance with the amounts determined in our compensation policy.

Our compensation policy was approved by our board of directors in October 2024, in accordance with the provisions of the Companies Law, despite it not being approved by the requisite vote of our shareholders, at the annual general meeting of the shareholders held on September 18, 2024. Pursuant to the Companies Law, our board of directors approved the compensation policy due to special circumstances, based on detailed grounds after the compensation committee and the board of directors reviewed the compensation policy once again and decided that its approval was for the benefit of the Company. As required by the Companies Law, the compensation policy is required to be re-approved at least once in every three years.

Nominating, and ESG committee

Our nominating and ESG committee consists of Ron Gutler, Gili Iohan and Nir Zohar. Mr. Gutler serves as chairperson of the nominating and ESG committee. Our board of directors has adopted a nominating and ESG committee charter setting forth the responsibilities, which include:

- overseeing and assisting our board in reviewing and recommending nominees for election as directors;
- assessing the performance of the members of our board of directors;
- establishing and maintaining effective corporate governance policies and practices, including, but not limited to, ESG policies, programs and strategies, and developing and recommending to our board of directors a set of corporate governance guidelines applicable to our company; and
- overseeing the Company's risks, strategies, policies, programs and practices related to environmental, social and governance (ESG) matters.

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: (i) a holder of 5% or more of the issued share capital or voting power in a company, (ii) 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 (iii) any person who serves as a director or as a chief executive officer of the company. As of December 31, 2024, Ms. Sharon Cohen, CPA from Deloitte IL & Co, a firm in the Deloitte Global Network is acting as our internal auditor.

Fiduciary Duties and 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 is defined in the Companies Law as 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, a director and any other manager directly subordinate to the general manager. Each person listed in the table under "*Management—Executive officers and directors*" is an office holder under the Companies Law.

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 loyalty requires that an office holder will act in good faith and in the best interests of the company.

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 he or she may have and all related material information known to him or her 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 one'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 he or she 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 his or her vote on behalf of a person for whom he or she holds a proxy even if such shareholder 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 or 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 approval of such a transaction 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 a description of the approvals required under Israeli law for compensation arrangements of officers and directors, see above under Item 6.B "*Directors, Senior Management and Employees Compensation — Compensation of directors and executive officers.*"

Shareholders' 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 shareholders' 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 shareholders' 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 shareholders' 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 above-mentioned 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 (i) no indictment was filed against such office holder as a result of such investigation or proceeding; and (ii) 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;
- 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 shareholders). However, under regulations promulgated under the Companies Law, the insurance of office holders shall 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, that compensation 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. On September 18, 2024, our annual general meeting approved a framework of terms and conditions for the extension, renewal and entering into an insurance policy for directors' and officers' liability for a period of three years.

Our amended and restated articles of association allow us to 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) \$350 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) ten percent (10%) of the Company Total Market Cap (which shall mean the average closing price of our ordinary shares over the 30 trading days prior to the actual payment of indemnification multiplied by the total number of our issued and outstanding shares as of the date of actual payment, other than indemnification for an offering of securities to the public, including by a shareholder in a secondary offering, in which case the maximum indemnification amount is limited to the gross proceeds raised by us and/or any selling shareholder 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 is against public policy and therefore unenforceable.

D. Employees

We believe that our corporate culture and our relationship with our employees contribute to our success. Our employees are continuously innovating, and our structure rewards productivity. Set forth below is a chart showing the number of people we employed at the times indicated:

	As of December 31,		
	2024(*)	2023(*)	2022(*)
Total Employees	762	775	739
Located in Israel	637	623	575
Located in the United States	118	144	157
Located in Europe	7	8	7
In Research and Development	369	332	295
In Marketing	157	204	198
In General and Administration	109	111	125
In Customer Care	127	128	121

(*) The numbers of employees set forth in this table do not include contractors.

In regard to our Israeli employees, Israeli labor laws govern the length of the workday, minimum wages for employees, procedures for hiring and dismissing employees, determination of severance pay, annual leave, sick days, advance notice of termination of employment, equal opportunity and anti-discrimination laws and other conditions of employment. Subject to certain exceptions, Israeli law generally requires severance pay upon the retirement, death or dismissal of an employee, and requires us and our employees to make payments to the National Insurance Institute, which is similar to the U.S. Social Security Administration. Our employees have pension plans that comply with the applicable Israeli legal requirements and we make monthly contributions to severance pay funds for all employees, which cover potential severance pay obligations.

None of our employees is represented by a labor union or work under any collective bargaining agreements. Extension orders issued by the Israeli Ministry of Economy and Industry apply to us and affect matters such as cost of living adjustments to salaries, length of working hours and week, recuperation pay, travel expenses and pension rights.

We have never experienced labor-related work stoppages or strikes and believe that our relations with our employees are satisfactory.

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. "*Directors, Senior Management and Employees—Compensation—Share Option Plans.*"

F. Disclosure of a Registrant's Action to Recover Erroneously Awarded Compensation.

None.

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 February 17, 2025, by:

- each person or entity known by us to own beneficially more than 5% 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 that are currently exercisable or exercisable within 60 days of February 17, 2025, and restricted share units that shall vest within 60 days of February 17, 2025, to be outstanding and to be beneficially owned by the person holding the options or restricted share units 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 35,909,226 ordinary shares outstanding as of February 17, 2025.

All of our shareholders, including the shareholders listed below, have the same voting rights attached to their ordinary shares. Unless otherwise noted below, each shareholder's address is 8 Eliezer Kaplan St., Tel Aviv 6473409, Israel.

A description of any material relationship that our principal shareholders have had with us or any of our affiliates since January 1, 2024 is included under Item 7.B. "Major Shareholders and Related Party Transactions—Certain relationships and related party transactions."

Name of beneficial owner	Number	%
Principal Shareholders		
Wellington Management Group LLP ⁽¹⁾	2,880,478	8.0%
Directors and Executive Officers		
Micha Kaufman ⁽²⁾	3,025,305	8.2%
Ofer Katz ⁽³⁾	572,433	1.6%
Hila Klein	*	*
Gali Amon	*	*
Matti Yahav	*	*
Sharon Steiner	*	*
Yossi Levin	*	*
Adam Fisher	*	*
Yael Garten	*	*
Ron Gutler	*	*
Gili Iohan	*	*
Jonathan Kolber ⁽⁴⁾	2,633,612	7.3%
Nir Zohar	*	*
All executive officers and directors as a group (13 persons)	6,972,802	18.4%

* less than 1%

- (1) Based solely on a Schedule 13G filed on November 11, 2024, Wellington Management Group LLP, Wellington Group Holdings LLP and Wellington Investment Advisors Holdings LLP have shared voting power over 2,245,842 ordinary shares, and shared dispositive power over 2,880,478 ordinary shares. Wellington Management Company LLP has shared voting power over 2,222,367 ordinary shares, and shared dispositive power over 2,801,932 ordinary shares. The address of the reporting persons is c/o Wellington Management Company LLP, 280 Congress Street, Boston, MA 02210.
- (2) Based on information available to us, Mr. Kaufman holds 1,895,525 ordinary shares directly, 1,129,779 ordinary shares underlying options that are currently exercisable within 60 days of February 17, 2025, at a weighted-average exercise price of \$66.30, which expire between 2025 and 2030.
- (3) Based on information available to us, Mr. Katz holds 306,903 ordinary shares directly, 262,269 ordinary shares underlying options that are currently exercisable within 60 days of February 17, 2025, at a weighted-average exercise price of \$78.19, which expire between 2027 and 2030, and 3,258 restricted share units that shall vest within 60 days of February 17, 2025.
- (4) Based on information reported on a Schedule 13G/A filed on January 11, 2021 and information available to us, Mr. Kolber's holdings represent (a) 509,835 ordinary shares held by Mr. Kolber directly, (b) 1,939,665 ordinary shares held by Anfield Ltd., over which Mr. Kolber has sole voting power, and (c) 184,112 ordinary shares held by Artemis Asset Holding Limited, on behalf of the Jonathan Kolber Bare Trust, of which Mr. Kolber is the sole beneficiary. Mr. Kolber may be deemed to have beneficial ownership of all of these ordinary shares, and his business address is 12 Abba Even Blvd, Herzliya, Israel 4672530.

To our knowledge, other than with respect to the holdings of Wellington Management Group LLP, the Goldman Sachs Group, Inc. and BlackRock, Inc., and other holdings as reflected in our other filings with the SEC and this Annual Report, there has been no significant change in the percentage ownership held by any major shareholder since January 1, 2022. The major shareholders listed above do not have voting rights with respect to their ordinary shares that are different from the voting rights of other holders of our ordinary shares.

As the majority of our shares are held in book-entry form, we are not aware of the identity of all of our shareholders. As of February 17, 2025, we had 75,201 ordinary shares held by 12 U.S. resident shareholders of record, not including Cede & Co., the nominee of The Depository Trust Company.

B. Related Party Transactions

Our policy is to enter into transactions with related parties on terms that, on the whole, are no more or less favorable than those available from unaffiliated third parties. Based on our experience in the business sectors in which we operate and the terms of our transactions with unaffiliated third parties, we believe that all of the transactions described below met this policy standard at the time they occurred.

The following is a description of our related party transactions, as defined under Item 7.B of Form 20-F, since January 1, 2024.

Agreements with directors and officers

Employment agreements. We entered into employment agreements with each of our executive officers. The agreements provide for the terms of each individual's employment or service with the Company, as applicable.

Options and restricted share units. Since our inception, we have granted options to purchase our ordinary shares and restricted share units to our executive officers and granted options to purchase our ordinary shares to certain of our directors. We describe our share option plans under Item 6.B. "*Directors, Senior Management and Employees—Compensation—Share Option Plans.*"

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 of our 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 the IPO to the extent that these liabilities are not covered by insurance. See Item 6.C. "*Directors, Senior Management and Employees—Board Practices—Exculpation, insurance and indemnification of office holders.*"

C. Interests of Experts and Counsel

None.

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 may be involved in various claims and legal proceedings related to claims arising out of our operations. We are not currently a party to any material legal proceedings, including any such proceedings that are pending or threatened, of which we are aware.

Dividend Policy

We have never declared or paid any dividends on our ordinary shares. 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 and other factors that our directors may deem relevant.

The Companies Law imposes restrictions on our ability to declare and pay dividends.

Payment of dividends may be subject to Israeli withholding taxes. See Item 10.E. "*Taxation—Taxation and government programs—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 commenced trading on the New York Stock Exchange on June 13, 2019 under the trading symbol "FVRR." Prior to this, no public market existed for our ordinary shares.

B. Plan of Distribution

Not applicable.

C. Markets

Our ordinary shares commenced trading on the New York Stock Exchange on June 13, 2019 under the symbol "FVRR."

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 attached as Exhibit 2.1 to this Annual Report and is incorporated by reference into this Annual Report.

Share Capital

As of December 31, 2024, we had 35,844,114 ordinary shares outstanding.

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, or have been, in a state of war with Israel.

Shareholder meetings

Under Israeli law, we are required to hold an annual general meeting of our shareholders once every calendar year that must be held 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 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 upon the written request of (a) any two or more of our directors or such number of directors equal to one-quarter of the directors then at office; and/or (b) as a company listed on an exchange in the U.S., one or more shareholders holding, in the aggregate, (i) 10% or more of our outstanding issued shares and 1% or more of our outstanding voting power or (ii) 10% or more of our outstanding voting power.

Under the Companies Law, one or more shareholders holding at least 1% of the voting rights at the general meeting of shareholders may request that the board of directors include a matter in the agenda of a general meeting of 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.

Subject to the provisions of the Companies Law and the regulations promulgated thereunder, shareholders entitled to participate and vote at general meetings 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 our shareholders:

- amendments to our articles of association;
- appointment, termination or the terms of service of our auditors;
- appointment of 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 director's 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 the 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.

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.

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 \(incorporated by reference to Exhibit 4.1 to the Company's Annual Report on Form 20-F \(File No. 001-38929\) filed with the SEC on February 17, 2022\). See Item 6, "Directors, Senior Management and Employees" for more information about this document.](#)
- [Compensation Policy for Directors and Officers \(incorporated by reference to Exhibit 99.2 to the Company's Form 6-K \(File No. 001-38929\) filed with the SEC on October 27, 2023\). See Item 6, "Directors, Senior Management and Employees" for more information about this document.](#)
- [2011 Share Option Plan, as amended and restated \(incorporated by reference to Exhibit 10.3 to the Company's Registration Statement on Form F-1 \(File No. 333-231533\) filed with the SEC on May 16, 2019\). See Item 6, "Directors, Senior Management and Employees" for more information about this document.](#)
- [Amendment No. 2 to 2011 Share Option Plan \(incorporated by reference to Exhibit 10.4 to the Company's Registration Statement on Form F-1 \(File No. 333-231533\) filed with the SEC on May 16, 2019\). See Item 6, "Directors, Senior Management and Employees" for more information about this document.](#)

- [Amendment No. 3 to 2011 Share Option Plan \(incorporated by reference to Exhibit 10.5 to the Company's Registration Statement on Form F-1 \(File No. 333-231533\) filed with the SEC on May 16, 2019\). See Item 6, "Directors, Senior Management and Employees" for more information about this document.](#)
- [United States Sub-Plan to the 2011 Share Option Plan, as amended and restated \(incorporated by reference to Exhibit 10.6 to the Company's Registration Statement on Form F-1 \(File No. 333-231533\) filed with the SEC on May 16, 2019\). See Item 6, "Directors, Senior Management and Employees" for more information about this document.](#)
- [Amendment No. 2 to the United States Sub-Plan to the 2011 Share Option Plan \(incorporated by reference to Exhibit 10.7 to the Company's Registration Statement on Form F-1 \(File No. 333-231533\) filed with the SEC on May 16, 2019\). See Item 6, "Directors, Senior Management and Employees" for more information about this document.](#)
- [2019 Share Incentive Plan \(incorporated by reference to Exhibit 10.8 to the Company's Registration Statement on Form F-1 \(File No. 333-231533\) filed with the SEC on June 3, 2019\). See Item 6, "Directors, Senior Management and Employees" for more information about this document.](#)
- [2020 Employee Share Purchase Plan \(incorporated by reference to Exhibit 99.1 to the Company's Registration Statement on Form S-8 \(File No. 333-248580\) filed with the SEC on September 3, 2020\). See Item 6, "Directors, Senior Management and Employees" for more information about this document.](#)
- [2020 Employee Share Purchase Plan Israeli Appendix. See Item 6, "Directors, Senior Management and Employees" for more information about this document.](#)
- [Indenture, dated as of October 13, 2020, by and between Fiverr International Ltd. and U.S. Bank National Association, as Trustee, and Form of 0% Convertible Senior Note due 2025 \(incorporated by reference to Exhibits 4.1 and 4.2 to the Company's Form 6-K \(File No. 001-38929\) filed with the SEC on October 13, 2020\). See Item 5, "Operating and Financial Review and Prospects" for more information about this document.](#)
- [Letter Agreement, dated as of October 7, 2020, between JP Morgan Chase Bank, National Association and the Company regarding the Base Capped Call Transaction \(incorporated by reference to Exhibit 10.1 to the Company's Form 6-K \(File No. 001-38929\) filed with the SEC on October 13, 2020\). See Item 5, "Operating and Financial Review and Prospects" for more information about this agreement.](#)
- [Letter Agreement, dated as of October 7, 2020, between Bank of Montreal and the Company regarding the Base Capped Call Transaction \(incorporated by reference to Exhibit 10.2 to the Company's Form 6-K \(File No. 001-38929\) filed with the SEC on October 13, 2020\). See Item 5, "Operating and Financial Review and Prospects" for more information about this agreement.](#)
- [Letter Agreement, dated as of October 7, 2020, between Societe Generale and the Company regarding the Base Capped Call Transaction \(incorporated by reference to Exhibit 10.3 to the Company's Form 6-K \(File No. 001-38929\) filed with the SEC on October 13, 2020\). See Item 5, "Operating and Financial Review and Prospects" for more information about this agreement.](#)
- [Letter Agreement, dated as of October 7, 2020, between Goldman Sachs & Co. LLC and the Company regarding the Base Capped Call Transaction \(incorporated by reference to Exhibit 10.4 to the Company's Form 6-K \(File No. 001-38929\) filed with the SEC on October 13, 2020\). See Item 5, "Operating and Financial Review and Prospects" for more information about this agreement.](#)
- [Letter Agreement, dated as of October 7, 2020, between Morgan Stanley & Co. LLC and the Company regarding the Base Capped Call Transaction \(incorporated by reference to Exhibit 10.5 to the Company's Form 6-K \(File No. 001-38929\) filed with the SEC on October 13, 2020\). See Item 5, "Operating and Financial Review and Prospects" for more information about this agreement.](#)
- [Letter Agreement, dated as of October 8, 2020, between JP Morgan Chase Bank, National Association and the Company regarding the Additional Capped Call Transaction \(incorporated by reference to Exhibit 10.6 to the Company's Form 6-K \(File No. 001-38929\) filed with the SEC on October 13, 2020\). See Item 5, "Operating and Financial Review and Prospects" for more information about this agreement.](#)

- [Letter Agreement, dated as of October 8, 2020, between Bank of Montreal and the Company regarding the Additional Capped Call Transaction \(incorporated by reference to Exhibit 10.7 to the Company's Form 6-K \(File No. 001-38929\) filed with the SEC on October 13, 2020\). See Item 5, "Operating and Financial Review and Prospects" for more information about this agreement.](#)
- [Letter Agreement, dated as of October 8, 2020, between Societe Generale and the Company regarding the Additional Capped Call Transaction \(incorporated by reference to Exhibit 10.8 to the Company's Form 6-K \(File No. 001-38929\) filed with the SEC on October 13, 2020\). See Item 5, "Operating and Financial Review and Prospects" for more information about this agreement.](#)
- [Letter Agreement, dated as of October 8, 2020, between Goldman Sachs & Co. LLC and the Company regarding the Additional Capped Call Transaction \(incorporated by reference to Exhibit 10.9 to the Company's Form 6-K \(File No. 001-38929\) filed with the SEC on October 13, 2020\). See Item 5, "Operating and Financial Review and Prospects" for more information about this agreement.](#)
- [Letter Agreement, dated as of October 8, 2020, between Morgan Stanley & Co. LLC and the Company regarding the Additional Capped Call Transaction \(incorporated by reference to Exhibit 10.10 to the Company's Form 6-K \(File No. 001-38929\) filed with the SEC on October 13, 2020\). See Item 5, "Operating and Financial Review and Prospects" for more information about this agreement.](#)

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, or have been, in a state of war with Israel.

E. Taxation

Taxation and government programs

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 advisor 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 that benefit us. This section also contains a discussion of material Israeli tax consequences concerning the ownership and disposition of our ordinary shares. 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 new 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.

General corporate tax structure in Israel

Israeli companies are generally subject to corporate tax. The ordinary corporate tax rate is 23% (as of 2024). However, the effective tax rate payable by a company that derives income from an Approved Enterprise, a Preferred Enterprise, a Beneficiary Enterprise or a Technology Enterprise (as discussed below) may be considerably less. Capital gains derived by an Israeli company are generally subject to the ordinary 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, of which 90% or more of its income in any tax year, other than income from certain government loans, is derived from an "Industrial Enterprise" owned by it and located in Israel or in the "Area", in accordance with the definition under section 3A of the Israeli Income Tax Ordinance (New Version) 1961, or the Ordinance. An "Industrial Enterprise" is defined as an enterprise which is held by an Industrial Company 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 controlled 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, a tax deduction for expenditures, including capital expenditures, in scientific research in the fields of industry, agriculture, transportation or energy, 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, and the Israeli Innovation Authority;
- The research and development must be for the promotion of the company; and
- The research and development are 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 Ordinance. Expenditures that are unqualified under the conditions above are deductible in equal amounts over three years.

Every tax year, we apply to the National Authority for Technological Innovation, previously known as the Israeli Office of the Chief Scientist, to which we refer to as IIA, for approval to allow a tax deduction for all or most of 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 January 1, 2011, or the 2011 Amendment, and as of January 1, 2017, or the 2017 Amendment. 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.

The 2011 Amendment cancelled the availability of the benefits granted under the Investment Law prior to 2011 and, instead, introduced new benefits for income generated by a "Preferred Company" through its "Preferred Enterprise" (as such terms are defined in the Investment Law) as of January 1, 2011. The definition of a Preferred Company includes a company incorporated in Israel that is not fully owned by a governmental entity, and that has, among other things, Preferred Enterprise status and is controlled and managed from Israel. Pursuant to the 2011 Amendment, a Preferred Company was entitled to a reduced corporate tax rate of 16% and 7.5% (zone A), respectively, in 2017 and thereafter.

Dividends distributed to Israeli shareholders from income which is attributed to a "Preferred Enterprise" are generally subject to withholding tax at source at the rate of 20% (in the case of non-Israeli shareholders - subject to the receipt in advance of a valid certificate from the Israel Tax Authority allowing for a reduced tax rate, 20% or such lower rate as may be provided under the provisions of any applicable double tax treaty). However, if such dividends are paid to an Israeli company, no tax is required to be withheld (although, if such dividends are subsequently distributed to individuals or a non-Israeli company, the aforesaid will apply).

New tax benefits under the 2017 amendment that became effective on January 1, 2017

The 2017 Amendment was enacted as part of the Economic Efficiency Law that was published on December 29, 2016, and is effective as of January 1, 2017. 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 beneficial programs under the Investment Law.

The 2017 Amendment provides that a technology company satisfying certain conditions will qualify as a "Preferred Technology 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 Technology Enterprise located in development zone "A". 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 IIA.

The 2017 Amendment further provides that a technology company satisfying certain conditions (group turnover of at least NIS 10 billion) will qualify as a "Special Preferred Technology Enterprise" 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 Technology 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 Enterprise or acquired from a foreign company on or after January 1, 2017, and the sale received prior approval from IIA. A Special Preferred Technology 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 shareholders by a Preferred Technology Enterprise or a Special Preferred Technology Enterprise, paid out of Preferred Technology Income, are generally subject to withholding tax at source at the rate of 20% (in the case of non-Israeli shareholders - subject to the receipt in advance of a valid certificate from the Israel Tax Authority allowing for a reduced tax rate, 20% or such lower rate as may be provided in an applicable tax treaty). However, if such dividends are paid to an Israeli company, no tax is required to be withheld (although, if such dividends are subsequently distributed to individuals or a non-Israeli company, the aforesaid will apply). 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%.

We evaluated the impact of the 2017 Amendment and we generally meet the condition for tax benefits as a "Preferred Technological Enterprise.

Law for Encouragement of Knowledge-Intensive Industry (Temporary Order) — 2023

The Law for Encouragement of Knowledge-Intensive Industry (Temporary Order) — 2023, generally referred to as the "Angels Law", offers several incentives to promote investments in Israeli high-tech companies. Notably, it allows a five-year amortization period for the acquisition cost of an Israeli high-tech company. To qualify for this tax benefit, the following conditions must be met: (a) the acquiring entity must be an Israeli company with a Preferred Technological Enterprise ("PTE") status, (b) the target company must be an Israeli company that is either a PTE or a research and development company, as defined by the Angels Law.

In 2024, the company acquired AutoDS Ltd., an Israeli company that provides a leading all-in-one drop shipping tool for ecommerce sellers. The company expects that both itself and AutoDS Ltd., will meet the necessary criteria to benefit from the tax incentives under the Angel Law.

Taxation of our shareholders

Capital gains taxes applicable to non-Israeli resident shareholders. A non-Israeli resident who derives capital gains from the sale of shares in an Israeli resident company that were purchased after the company was listed for trading on a stock exchange outside of Israel, will be exempt from Israeli tax so long as the gain from the sale of such 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 such non-Israeli corporation or (ii) are the beneficiaries of, or are entitled to, 25% or more of the revenues or profits of such non-Israeli corporation, whether directly or indirectly. In addition, 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 the 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 U.S. 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: (i) the capital gain arising from such sale, exchange or disposition is attributed to real estate located in Israel; (ii) the capital gain arising from such sale, exchange or disposition is attributed to royalties; (iii) the capital gain arising from the such sale, exchange or disposition is attributed to a permanent establishment in Israel, under certain terms; (iv) 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 (v) such Treaty U.S. Resident is an individual and was present in Israel for 183 days or more during the relevant taxable year.

In some instances where our shareholders may be liable for Israeli tax on the sale of their ordinary shares, the payment of the consideration may be subject to the withholding of Israeli tax at source. 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 (i.e., resident certificate or other documentation). 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.

A detailed return, including a computation of the tax due, must be filed and an advance payment must be paid on January 31 and July 30 of each tax year for sales of securities traded on a stock exchange made within the previous six months. However, if all tax due was withheld at the source according to applicable provisions of the Ordinance and the regulations promulgated thereunder, the return does not need to be filed 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 an advance payment does not need to be made, and (iii) the taxpayer is not obligated to pay Surtax (as further explained below). Capital gains are also reportable on an annual income tax return.

Taxation of non-Israeli shareholders on receipt of dividends . Non-Israeli residents (either 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 treaty between Israel and the shareholder's country of residence (subject to the receipt in advance of a valid certificate from the Israel Tax Authority allowing for a reduced tax rate). With respect to a person who is a "substantial shareholder" at the time of receiving the dividend or at any time during the preceding twelve months, the applicable tax rate is 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. Such dividends are generally subject to Israeli withholding tax at a rate of 25% so long as the shares are registered with a nominee company (whether the recipient is a substantial shareholder or not) and, subject to the receipt in advance of a valid certificate from the Israel Tax Authority allowing for a reduced tax rate, 15% if the dividend is distributed from income attributed to an Approved Enterprise or a Beneficiary Enterprise and 20% if the dividend is distributed from income attributed to a Preferred Enterprise or Preferred Technology Enterprise or such lower rate as may be provided in an applicable tax treaty. 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 Enterprise or Beneficiary 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. Notwithstanding the foregoing, dividends distributed from income attributed to an Approved Enterprise, Beneficiary Enterprise or Preferred Enterprise are not entitled to such reduction under the tax treaty but are subject to a withholding tax rate of 15% for a shareholder that is a U.S. corporation, provided that the conditions related to 10% or more holding and to our gross income for the previous year (as set forth in the previous sentence) is met. If the dividend is attributable partly to income derived from an Approved Enterprise, Benefited Enterprise or Preferred 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 a way that will reduce shareholders' tax liability.

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 subject to 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, dividends, interest and capital gain) 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 effective as of January 1, 2025, an additional 2% surtax will be imposed on Capital-Sourced Income (defined as income from any source other than employment income, business income or income from "personal effort"), provided that the Individual's Capital Sourced Income exceeds the specified threshold of NIS 721,560. This new additional 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.

United States federal income taxation

The following is a description of the material U.S. federal income tax consequences of the acquisition, ownership and disposition of our ordinary shares. This description addresses only the U.S. federal income tax consequences to U.S. Holders (as defined below) that hold our ordinary shares as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended, or the Code, and that have the U.S. dollar as their functional currency. This discussion is based upon the Code, applicable U.S. Treasury regulations, administrative pronouncements and judicial decisions, in each case as in effect on the date hereof, all of which are subject to change (possibly with retroactive effect). No ruling will be requested from the Internal Revenue Service, or the IRS, regarding the tax consequences of the acquisition, ownership or disposition of the ordinary shares, and there can be no assurance that the IRS will agree with the discussion set out below. This summary does not address any U.S. tax consequences other than U.S. federal income tax consequences (e.g., the estate and gift tax or the Medicare tax on net investment income) and does not address any state, local or non-U.S. tax consequences.

This description does not address tax considerations applicable to holders that may be subject to special tax rules, including, without limitation:

- banks, financial institutions or insurance companies;
- real estate investment trusts or regulated investment companies;
- dealers or brokers;
- traders that elect to mark to market;

- tax exempt entities or organizations;
- holders subject to alternative minimum tax;
- “individual retirement accounts” and other tax deferred accounts;
- certain former citizens or long term residents of the United States;
- persons that are resident or ordinarily resident in or have a permanent establishment in a jurisdiction outside the United States;
- persons that acquired our ordinary shares pursuant to the exercise of any employee share option or otherwise as compensation for the performance of services;
- persons holding our ordinary shares as part of a “hedging,” “integrated” or “conversion” transaction or as a position in a “straddle” for U.S. federal income tax purposes;
- partnerships or other pass through entities and persons holding the ordinary shares through partnerships or other pass through entities;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- persons holding ordinary shares in connection with a trade or business outside the United States;
- holders of Convertible Notes or ordinary shares acquired upon a conversion of Convertible Notes; or
- holders that own directly, indirectly or through attribution 10% or more of the total voting power or value of all of our outstanding shares.

For purposes of this description, a “U.S. Holder” is a beneficial owner of our ordinary shares that, for U.S. federal income tax purposes, is:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any state thereof, including the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if such trust has validly elected to be treated as a United States person for U.S. federal income tax purposes or if (1) a court within the United States is able to exercise primary supervision over its administration and (2) one or more United States persons have the authority to control all of the substantial decisions of such trust.

If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds our ordinary shares, the tax treatment of a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. Such a partner or partnership should consult its tax advisor as to the particular U.S. federal income tax consequences of acquiring, owning and disposing of our ordinary shares in its particular circumstance.

You should consult your tax advisor with respect to the U.S. federal, state, local and foreign tax consequences of acquiring, owning and disposing of our ordinary shares.

Passive Foreign Investment Company considerations

There can be no assurance that we will not 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.

If a non-U.S. company is classified as a PFIC in any taxable year, a U.S. Holder of such PFIC's shares will be subject to special rules generally intended to reduce or eliminate any benefits from the deferral of U.S. federal income tax that such U.S. Holder could derive from investing in a non-U.S. company that does not distribute all of its earnings on a current basis.

In general, a non-U.S. corporation will be classified as a PFIC for any taxable year if at least (i) 75% of its gross income is classified as "passive income" or (ii) 50% of its gross assets (generally determined on the basis of a quarterly average) produce or are held for the production of passive income, or the asset test. For these purposes, cash and other assets readily convertible into cash or that do or could generate passive income are considered passive assets and the value of goodwill and other unbooked intangible assets is generally taken into account. Passive income generally includes, among other things, rents, dividends, interest, royalties, gains from disposition of passive assets and gains from commodities and securities transactions. In making this determination, the non-U.S. corporation is treated as earning its proportionate share of any income and owning its proportionate share of any assets of any corporation in which it directly or indirectly holds 25% or more (by value) of the stock.

The legislative history of the relevant Code provisions indicates that the total value of a publicly-traded foreign corporation's assets generally will be treated as equal to the sum of the aggregate value of its outstanding stock plus its liabilities for purposes of the asset test, and publicly-traded foreign corporations often employ such market capitalization method to value their assets. However, the IRS has not issued guidance conclusively addressing how to value a publicly-traded foreign corporation's assets for PFIC purposes. The trading value of our ordinary shares has in the past, and is likely to continue to fluctuate. Considering the volatile market conditions, we believe it may be appropriate to employ alternative methods to determine the value of our assets other than the market capitalization method. After considering the total value of our assets determined under an alternative valuation method that takes into account, in addition to the trading value of our ordinary shares, a control premium, we believe that we were not a PFIC for the taxable year ended December 31, 2024. However, if the market capitalization method were determined to be the only appropriate method of valuing our assets, there is a significant risk that we would be treated as a PFIC for the taxable year ended December 31, 2024. There can be no certainty that the IRS will not challenge our position and determine that based on the IRS's interpretation of the asset test, we were a PFIC for the taxable year ended December 31, 2024.

Because PFIC status is based on our income, assets and activities for the entire taxable year, which are subject to change, it is not possible to determine whether we will be characterized as a PFIC for our current taxable year or future taxable years until after the close of the applicable taxable year.

In addition, we have a substantial balance of cash and other liquid investments, which are passive assets for purposes of the PFIC determination. Whether we are treated as a PFIC in the current taxable year or in future taxable years will depend in part on how, and how quickly, we spend or otherwise utilize these passive assets. Furthermore, the application of the PFIC rules is subject to uncertainty and the IRS or a court may disagree with our determinations, including the manner in which we determine the value of our assets and the percentage of our assets that are passive assets under the PFIC rules. Therefore, there can be no assurance regarding our PFIC status for our prior taxable year, our current taxable year or for any future taxable year.

Under the PFIC rules, if we were considered a PFIC at any time that you hold our ordinary shares, we would continue to be treated as a PFIC with respect to your investment in all succeeding years during which you own our ordinary shares (regardless of whether we continue to meet the tests described above) unless (i) we have ceased to be a PFIC and (ii) you have made a "deemed sale" election under the PFIC rules. If such election is made, you will be deemed to have sold your ordinary shares at their fair market value on the last day of the last taxable year in which we were a PFIC, and any gain from the deemed sale would be subject to the rules described in the following paragraph. After the deemed sale election, so long as we do not become a PFIC in a subsequent taxable year, the ordinary shares with respect to which such election was made will not be treated as shares in a PFIC. You should consult your own tax advisor as to the possibility and consequences of making a deemed sale election.

If we are considered a PFIC at any time that you hold ordinary shares, unless (i) we have ceased to be a PFIC and you have previously made the deemed sale election described above or (ii) you make one of the elections described below, any gain recognized by you on a sale or other disposition of the ordinary shares, as well as the amount of any "excess distribution" (defined below) received by you, would be allocated ratably over your holding period for the ordinary shares. The amounts allocated to the taxable year of the sale or other disposition (or the taxable year of receipt, in the case of an excess distribution) and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed. For purposes of these rules, an excess distribution is the amount by which any distribution received by you on your ordinary shares in a taxable year exceeds 125% of the average of the annual distributions on the ordinary shares during the preceding three taxable years or your holding period, whichever is shorter. Distributions below the 125% threshold are treated as dividends taxable in the year of receipt and are not subject to prior highest tax rates or the interest charge.

If we are treated as a PFIC with respect to you for any taxable year, you will be deemed to own shares in any entities in which we own equity that are also PFICs, or lower tier PFICs, and you may be subject to the tax consequences described above with respect to the shares of such lower tier PFIC you would be deemed to own.

Mark to market elections

If we are a PFIC for any taxable year during which you hold ordinary shares, then in lieu of being subject to the tax and interest charge rules discussed above, you may make an election to include gain on the ordinary shares as ordinary income under a mark to market method, provided that such ordinary shares are "marketable." The ordinary shares will be marketable if they are "regularly traded" on a qualified exchange or other market, as defined in applicable U.S. Treasury regulations, such as the New York Stock Exchange (or on a foreign 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. However, because a mark to market election cannot be made for any lower tier PFICs that we may own, you will generally continue to be subject to the PFIC rules discussed above with respect to your indirect interest in any investments we own that are treated as an equity interest in a PFIC for U.S. federal income tax purposes. As a result, it is possible that any mark to market election with respect to the ordinary shares will be of limited benefit.

If you make an effective mark to market election, in each year that we are a PFIC, you will include in ordinary income the excess of the fair market value of your ordinary shares at the end of the year over your adjusted tax basis in the ordinary shares. You will be entitled to deduct as an ordinary loss in each such year the excess of your adjusted tax basis in the ordinary shares over their fair market value at the end of the year, but only to the extent of the net amount previously included in income as a result of the mark to market election. If you make an effective mark to market election, in each year that we are a PFIC, any gain that you recognize upon the sale or other disposition of your ordinary shares will be treated as ordinary income and any loss will be treated as ordinary loss, but only to the extent of the net amount of previously included income as a result of the mark to market election.

Your adjusted tax basis in the ordinary shares will be increased by the amount of any income inclusion and decreased by the amount of any deductions under the mark to market rules discussed above. If you make an effective mark to market election, it will be effective for the taxable year for which the election is made and all subsequent taxable years unless the ordinary shares are no longer regularly traded on a qualified exchange or the IRS consents to the revocation of the election. You should consult your tax advisor about the availability of the mark to market election, and whether making the election would be advisable in your particular circumstances.

Qualified electing fund elections

In certain circumstances, a U.S. equity holder in a PFIC may avoid the adverse tax and interest charge regime described above by making a "qualified electing fund" election to include in income its share of the corporation's income on a current basis. However, you may make a qualified electing fund election with respect to the ordinary shares only if we agree to furnish you annually with a PFIC annual information statement as specified in the applicable U.S. Treasury regulations. We do not intend to provide the information necessary for you to make a qualified electing fund election if we are classified as a PFIC. Therefore, you should assume that you will not receive such information from us and would therefore be unable to make a qualified electing fund election with respect to any of our ordinary shares were we to be or become a PFIC.

Tax reporting

If you own ordinary shares during any year in which we are a PFIC, you generally will be required to file an IRS Form 8621 with respect to us, generally with your federal income tax return for that year. If we are a PFIC for a given taxable year, then you should consult your tax advisor concerning your annual filing requirements.

You should consult your tax advisor regarding whether we are a PFIC as well as the potential U.S. federal income tax consequences of holding and disposing of our ordinary shares if we are or become classified as a PFIC, including the possibility of making a mark to market election in your particular circumstances.

Distributions

Subject to the discussion under *"Passive Foreign Investment Company considerations"* above, the gross amount of any distribution made to you with respect to our ordinary shares, before reduction for any Israeli taxes withheld therefrom, generally will be includible in your income as dividend income on the date on which the dividends are actually or constructively received, to the extent such distribution is paid out of our current or accumulated earnings and profits as determined under U.S. federal income tax principles. To the extent that the amount of any distribution by us exceeds our current and accumulated earnings and profits as determined under U.S. federal income tax principles, it will be treated first as a tax free return of your adjusted tax basis in our ordinary shares and thereafter as capital gain. However, we do not expect to maintain calculations of our earnings and profits under U.S. federal income tax principles and, therefore, you should expect that the entire amount of any distribution generally will be reported as dividend income to you. If you are a non corporate U.S. Holder you may qualify for the lower rates of taxation with respect to dividends on ordinary shares applicable to long term capital gains (i.e., gains from the sale of capital assets held for more than one year), provided that we are not a PFIC (as discussed above under *"Passive Foreign Investment Company considerations"*) with respect to you in our taxable year in which the dividend was paid or in the prior taxable year and certain other conditions are met, including certain holding period requirements and the absence of certain risk reduction transactions. However, such dividends will not be eligible for the dividends received deduction generally allowed to corporate U.S. Holders.

The amount of any distribution paid in a currency other than U.S. dollars, or a foreign currency, including the amount of any withholding tax thereon, will be included in the gross income of a U.S. holder in an amount equal to the U.S. dollar value of the foreign currency calculated by reference to the exchange rate in effect on the date of receipt, regardless of whether the foreign currency is converted into U.S. dollars on the date of receipt. If the foreign currency is converted into U.S. dollars on the date of receipt, a U.S. holder generally should not be required to recognize foreign currency gain or loss in respect of the distribution. If the foreign currency received in the distribution is not converted into U.S. dollars on the date of receipt, a U.S. holder will have a basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any gain or loss on a subsequent conversion or other disposition of the foreign currency will be treated as ordinary income or loss.

Dividends paid to you with respect to our ordinary shares generally will be treated as foreign source income that is "passive category income", which may be relevant in calculating your foreign tax credit limitation. Subject to certain conditions and limitations, Israeli tax withheld on dividends may be credited against your U.S. federal income tax liability or, at your election, be deducted from your U.S. federal taxable income. An election to deduct creditable foreign taxes instead of claiming foreign tax credits applies to all such foreign taxes paid or accrued in the taxable year. Recently issued final U.S. Treasury regulations have imposed additional requirements that must be met for a foreign tax to be creditable. However, a recent notice from the IRS indicates that the U.S. Department of the Treasury and the IRS are considering proposing amendments to such regulations and allows, subject to certain conditions, taxpayers to defer the application of many aspects of such regulations for taxable years beginning on or after December 28, 2021 and ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). The rules relating to the determination of the foreign tax credit are complex, and you should consult your tax advisor to determine whether and to what extent you will be entitled to this credit.

Sale, exchange or other disposition of ordinary shares

Subject to the discussion under *"Passive Foreign Investment Company considerations"* above, you generally will recognize gain or loss on the sale, exchange or other disposition of our ordinary shares equal to the difference between the amount realized on such sale, exchange or other disposition and your adjusted tax basis in our ordinary shares, and such gain or loss will be capital gain or loss. If you are a non corporate U.S. Holder, capital gain from the sale, exchange or other disposition of ordinary shares is generally eligible for a preferential rate of taxation applicable to capital gains, if your holding period for such ordinary shares exceeds one year (i.e., such gain is long term capital gain). The deductibility of capital losses for U.S. federal income tax purposes is subject to limitations under the Code. Any such gain or loss that a U.S. Holder recognizes generally will be treated as U.S. source income or loss for foreign tax credit limitation purposes.

Backup withholding tax and information reporting requirements

Distributions on and proceeds paid from the sale or other taxable disposition of the ordinary shares may be subject to information reporting to the IRS. In addition, a U.S. Holder may be subject to backup withholding on cash payments received in connection with dividend payments and proceeds from the sale or other taxable disposition of ordinary shares made within the United States or through certain U.S. related financial intermediaries.

Backup withholding will not apply, however, to a U.S. Holder who furnishes a correct taxpayer identification number, provides other required certification and otherwise complies with the applicable requirements of the backup withholding rules or who is otherwise exempt from backup withholding (and, when required, demonstrates such exemption). Backup withholding is not an additional tax. Rather, any amount withheld under the backup withholding rules will be creditable or refundable against the U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Foreign asset reporting

Certain U.S. Holders are required to report their holdings of certain foreign financial assets, including equity of foreign entities, if the aggregate value of all of these assets exceeds certain threshold amounts, by filing IRS Form 8938 with their federal income tax return. Our ordinary shares are expected to constitute foreign financial assets subject to these requirements unless the ordinary shares are held in an account at certain financial institutions. U.S. Holders are urged to consult their tax advisors regarding their information reporting obligations, if any, with respect to their ownership and disposition of our ordinary shares and the significant penalties for non-compliance.

The above description is not intended to constitute a complete analysis of all tax consequences relating to acquisition, ownership and disposition of our ordinary shares. You should consult your tax advisor concerning the tax consequences of your particular situation.

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.

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 are required to make certain filings with the SEC. The SEC maintains an internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that site is www.sec.gov.

I. Subsidiary Information

Not applicable.

J. Annual Report to Securities Holders

Not applicable.

Item 11. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of foreign currency exchange rates and interest rates, which are discussed in detail below.

Foreign currency risk

The U.S. dollar is our functional currency. Substantially all of our revenue was denominated in U.S. dollars for the years ended 2024 and 2023, however certain expenses comprising our cost of revenue and operating expenses were denominated in NIS, mainly payroll and rent. We also have expenses in other currencies, in particular the EUR and GBP, although to a much lesser extent.

A decrease of 5% in the U.S. dollar/NIS exchange rate would have increased our cost of revenue and operating expenses by approximately 1.2% and 1.1% for the years ended December 31, 2024 and 2023, respectively. If the NIS fluctuates significantly against the U.S. dollar, it may have a negative impact on our results of operations.

During the years 2024 and 2023, we entered into forward, put and call option contracts to hedge certain forecasted payroll payments denominated in NIS, against exchange rate fluctuations of the U.S. dollar.

We had outstanding contracts that were designated as hedging instruments in cash flow hedges, in the aggregate notional amount of \$54.0 million and \$55.0 million as of December 31, 2024 and December 31, 2023, respectively. The fair value of the outstanding contracts amounted to an asset of \$1.4 million as of December 31, 2024 and an asset of \$1.0 million and a liability of \$0.1 million as of December 31, 2023, recorded under other receivables and other account payables and accrued expenses, respectively. Gains of \$0.2 million and losses of \$4.1 million were reclassified from accumulated other comprehensive income (loss) during the years ended December 31, 2024 and 2023, respectively. Such gains and losses were reclassified from accumulated other comprehensive income (loss) when the related expenses were incurred. In addition losses of \$0 million and \$0.4 million were reclassified from other comprehensive income (loss) to financial income (expenses), net in connection with forecasted transactions not probable of occurring during the years ended December 31, 2024 and December 31, 2023, respectively.

Interest rate risk

Our investments are subject to market risk due to changes in interest rates, which may affect our interest income and fair market value of our investments. To minimize this risk, we maintain our portfolio in a variety of high-grade securities, including treasury, corporate and municipal bonds. The primary objectives of our investment activities are to support liquidity, preserve principal and to maximize income without significantly increasing risk.

Item 12. Description of Securities Other than Equity Securities

Not applicable.

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

None.

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

Our management is responsible for establishing and maintaining adequate internal control over our financial reporting, as such term is defined in Rule 13a-15(f) under the Exchange Act. Our management conducted an assessment of the effectiveness of our internal control over financial reporting based on the criteria set forth in "Internal Control - Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, our management concluded that, as of December 31, 2024, our internal control over financial reporting was effective.

Attestation Report of the Registered Public Accounting Firm

Our independent registered public accounting firm, Kost Forer Gabbay & Kasierer, a member of EY Global, has audited the consolidated financial statements included in this Annual Report on Form 20-F, and as part of its audit, has issued its attestation report regarding the effectiveness of our internal control over financial reporting as of December 31, 2024. The report of Kost Forer Gabbay & Kasierer is included with our consolidated financial statements included elsewhere in this Annual Report and is incorporated herein by reference.

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 Mr. Gutler, Ms. Iohan and Mr. Zohar each satisfy the "independence" requirements set forth in Rule 10A-3 under the Exchange Act. Our board of directors has also determined that Mr. Gutler is an "audit committee financial expert" as defined in Item 16A of Form 20-F under the Exchange Act.

Item 16B. Code of Ethics

We have adopted a Code of Ethics and Conduct that applies to all our employees, officers and directors, including our principal executive, principal financial and principal accounting officer. Our Code of Ethics and Conduct addresses, among other things, competition and fair dealing, conflicts of interest, financial matters and external reporting, company funds and assets, confidentiality and corporate opportunity requirements and the process for reporting violations of the Code of Ethics and Conduct, employee misconduct, conflicts of interest or other violations. Our Code of Ethics and Conduct 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 Ethics and Conduct that applies to our directors or executive officers to the extent required under the rules of the SEC or the NYSE. Our Code of Ethics and Conduct is available on our website at investors.fiverr.com. The information contained on or through our website, or any other website referred to herein, is not incorporated by reference into this Annual Report. We granted no waivers under Code of Ethics and Conduct in 2024.

Item 16C. Principal Accountant Fees and Services

The consolidated financial statements of Fiverr International Ltd. at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, appearing in this Annual Report have been audited by Kost Forer Gabbay & Kasierer, a member of EY Global, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing. The current address of Kost Forer Gabbay & Kasierer is 144 Menachem Begin Road, Building A, Tel Aviv 6492102, Israel.

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, 2024 and 2023, and breaks down these amounts by category of service:

	2024	2023
	(in thousands)	
Audit Fees	\$ 770	\$ 701
Tax Fees	437	430
Audit-related fees	160	6
Total	\$ 1,367	\$ 1,137

Audit Fees

Audit fees for the years ended December 31, 2024 and 2023 include fees for the audit of our annual financial statements. This category also includes services that the independent accountant generally provides, such as consents and assistance with statutory and regulatory filings or engagements and review of documents filed with the SEC.

Tax Fees

Tax fees for the years ended December 31, 2024 and 2023 were related to ongoing tax advisory, tax compliance and tax planning services.

Audit-related fees

Audit-related fees for the years ended December 31, 2024 and 2023 relate to assurance and associated services that are performed by the independent auditor, which include due diligence investigations and audit services related.

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

During 2024, we repurchased 4,139,417 ordinary shares for an aggregate purchase price of \$100.0 million under our repurchase program authorized by our board of directors and announced in April 2024. The table below provides detailed information.

Period	(a) Total Number of Shares (or Units) Purchased (1)	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
January 1 – January 31	—	—	—	—
February 1 – February 29	—	—	—	—
March 1 – March 31	—	—	—	—
April 1 – April 30	—	—	—	—
May 1 – May 31	1,697,771	\$ 25.02	1,697,771	\$ 57,522,865
June 1 – June 30	1,522,475	\$ 23.75	1,522,475	\$ 21,358,129
July 1 – July 31	919,171	\$ 23.23	919,171	\$ 2,556
August 1 - August 31	—	—	—	—
September 1 - September 30	—	—	—	—
October 1 – October 31	—	—	—	—
November 1- November 30	—	—	—	—
December 1 – December 31	—	—	—	—
Total	4,139,417	\$ 24.16	4,139,417	\$ 2,556

(1) All ordinary shares were purchased pursuant to our publicly announced "distribution", as defined in the Israeli Companies Law, 1999, by way of repurchase (buyback) of the Company's ordinary shares in a total amount of up to \$100,000,000 that our board of directors authorized in April 2024 (the "Repurchase Program").

As of the date of this Annual Report, a balance of \$2,556 remained available for purchase under the Repurchase Program, however the Company has determined not to make any further purchases under the Repurchase Program.

Item 16F. Change in Registrant's Certifying Accountant

None.

Item 16G. Corporate Governance

We are a "foreign private issuer" (as such term is defined in Rule 3b-4 under the Exchange Act) and our ordinary shares are listed on the New York Stock Exchange (NYSE). We believe the following to be the significant differences between our corporate governance practices and those applicable to U.S. companies under the NYSE listing standards. Under the NYSE rules, listed companies that are foreign private issuers are permitted to follow home country practice in lieu of the corporate governance provisions specified by the NYSE with limited exceptions. We rely on this "home country practice exemption" with respect to the quorum requirement for shareholder meetings. As permitted under the Companies Law, pursuant to our amended and restated articles of association, the quorum required for an ordinary meeting of shareholders consists of at least two shareholders present in person, by proxy or by other voting instrument in accordance with the Companies Law, who hold at least 25% of the voting power of our shares (and in an adjourned meeting, with some exceptions, any number of shareholders), instead of 33 1/3% of the issued share capital required under the NYSE corporate governance rules.

We otherwise comply with and intend to continue to comply with the rules generally applicable to U.S. domestic companies listed on the NYSE. We may in the future, however, decide to use other foreign private issuer exemptions with respect to some or all of the other NYSE listing rules. Following our home country governance practices may provide less protection than is accorded to investors under the NYSE listing rules applicable to domestic issuers.

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 policy governing the purchase, sale, and other dispositions of our securities by directors, senior management, and employees. Our insider trading policy aims to promote compliance with applicable insider trading laws, rules and regulations, and the NYSE listing standards. A copy of our insider trading policy is attached as an exhibit 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 includes a cybersecurity incident response plan.

We have held an ISO/IEC 27001 certification since 2019 and ISO 27701 certification since 2021. Both of these certifications demonstrate our commitment to better protect our platform and user data. Our commitment also extends to maintaining a PCI DSS (Payment Card Industry Data Security Standards) certification for payment transaction security, risk assessments, training for employees, and other safeguards and controls.

Our cybersecurity risk management program includes:

- risk assessments designed to help identify material cybersecurity risks to our critical systems, information, networks, products, platform, 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;
- cybersecurity awareness training of our employees, incident response personnel, and senior management, including real-time problem-solving challenges in a safe environment that mimic cybersecurity incidents;
- 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.

For the year ended December 31, 2024, and as of the date of this report, we have not identified cybersecurity incidents that have materially affected us, including our operations, business strategy, results of operations, or financial condition. If we were to experience a material cybersecurity incident in the future, such incident may have a material effect, including on our business strategy, operating results, or financial condition.

Cybersecurity Governance

Our board of directors 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 our Chief Information Security Officer (CISO) on our cybersecurity risks. In addition, our CISO updates the audit committee, as necessary, regarding any material cybersecurity incidents, as well as any incidents with lesser impact potential.

The audit committee reports to the board of directors regarding its activities, including those related to cybersecurity and our cyber risk management program. The audit committee receives presentations on cybersecurity topics from our CISO or external experts as part of the committee's continuing education on topics that impact public companies.

Our management team, including our VP Business Technologies and CISO, is responsible for assessing and managing our material risks from cybersecurity threats. The team has primary responsibility for our overall cybersecurity risk management program and supervises both our internal cybersecurity personnel and our retained external cybersecurity consultants. Our management team has vast proven experience working in management roles related to cybersecurity, risk, and data privacy in various leading global companies.

Our cybersecurity steering committee meets on a regular basis and includes our CTO, COO, CISO, Data Protection Officer (DPO) and executives of our legal, product, R&D and finance. The cybersecurity steering committee reviews any incidents that have occurred, vulnerabilities identified, and ongoing risks as presented in our risk map.

Our management team and cybersecurity steering committee supervise 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 environment.

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 & Kasierer, a member of EY Global, an independent registered public accounting firm, is included herein preceding the audited consolidated financial statements.

Item 19. Exhibits

The following are filed as exhibits hereto:

Exhibit No.	Description	Incorporation by Reference				
		Form	File No.	Exhibit No.	Filing Date	Filed / Furnished
1.1	Amended and Restated Articles of Association of Fiverr International Ltd.	6-K	001-38929	99.1	10/27/2023	
2.1	Description of Securities					*
4.1¹	Form of Indemnification Agreement	20-F	001-38929	4.1	2/17/2022	
4.2¹	Compensation Policy for Directors and Officers					*
4.3¹	2011 Share Option Plan, as amended and restated	F-1	333-231533	10.3	5/16/2019	
4.4¹	Amendment No. 2 to 2011 Share Option Plan	F-1	333-231533	10.4	5/16/2019	
4.5¹	Amendment No. 3 to 2011 Share Option Plan	F-1	333-231533	10.5	5/16/2019	
4.6¹	United States Sub-Plan to the 2011 Share Option Plan, as amended and restated	F-1	333-231533	10.6	5/16/2019	
4.7¹	Amendment No. 2 to the United States Sub-Plan to the 2011 Share Option Plan	F-1	333-231533	10.7	5/16/2019	
4.8¹	2019 Share Incentive Plan	F-1/A	333-231533	10.8	6/3/2019	
4.9¹	2020 Employee Share Purchase Plan	S-8	333-248580	99.1	9/3/2020	
4.10¹	2020 Employee Share Purchase Plan Israeli Appendix	20-F	001-38929	4.10	2/18/21	
4.11	Indenture, dated as of October 13, 2020, by and between Fiverr International Ltd. and U.S. Bank National Association, as Trustee	6-K	001-38929	4.1	10/13/2020	

4.12	Form of 0% Convertible Senior Note due 2025	6-K	001-38929	4.2	10/13/2020	
4.13	Letter Agreement, dated as of October 7, 2020, between JP Morgan Chase Bank, National Association and the Company regarding the Base Capped Call Transaction	6-K	001-38929	10.1	10/13/2020	
4.14	Letter Agreement, dated as of October 7, 2020, between Bank of Montreal and the Company regarding the Base Capped Call Transaction	6-K	001-38929	10.2	10/13/2020	
4.15	Letter Agreement, dated as of October 7, 2020, between Societe Generale and the Company regarding the Base Capped Call Transaction	6-K	001-38929	10.3	10/13/2020	
4.16	Letter Agreement, dated as of October 7, 2020, between Goldman Sachs & Co. LLC and the Company regarding the Base Capped Call Transaction	6-K	001-38929	10.4	10/13/2020	
4.17	Letter Agreement, dated as of October 7, 2020, between Morgan Stanley & Co. LLC and the Company regarding the Base Capped Call Transaction	6-K	001-38929	10.5	10/13/2020	
4.18	Letter Agreement, dated as of October 8, 2020, between JP Morgan Chase Bank, National Association and the Company regarding the Additional Capped Call Transaction	6-K	001-38929	10.6	10/13/2020	
4.19	Letter Agreement, dated as of October 8, 2020, between Bank of Montreal and the Company regarding the Additional Capped Call Transaction	6-K	001-38929	10.7	10/13/2020	
4.20	Letter Agreement, dated as of October 8, 2020, between Societe Generale and the Company regarding the Additional Capped Call Transaction	6-K	001-38929	10.8	10/13/2020	
4.21	Letter Agreement, dated as of October 8, 2020, between Goldman Sachs & Co. LLC and the Company regarding the Additional Capped Call Transaction	6-K	001-38929	10.9	10/13/2020	
4.22	Letter Agreement, dated as of October 8, 2020, between Morgan Stanley & Co. LLC and the Company regarding the Additional Capped Call Transaction	6-K	001-38929	10.10	10/13/2020	

8.1	List of Subsidiaries.					*
11.1	Insider Trading Compliance Policy.					*
12.1	Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
12.2	Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
13.1	Principal Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					**
13.2	Principal Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					**
15.1	Consent of Kost Forer Gabbay & Kasierer, a member of EY Global, an independent registered public accounting firm.					*
97.1	Policy for Recovery of Erroneously Awarded Compensation.	20-F	001-38929	97.1	2/22/2024	
101.INS	Inline XBRL Instance Document – the instance document appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL 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.					*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					*

* Filed herewith.

** Furnished herewith.

† Indicates management contract or compensatory plan or arrangement.

Certain agreements filed as exhibits to this Annual Report contain representations and warranties that the parties thereto made to each other. These representations and warranties have been made solely for the benefit of the other parties to such agreements and may have been qualified by certain information that has been disclosed to the other parties to such agreements and that may not be reflected in such agreements. In addition, these representations and warranties may be intended as a way of allocating risks among parties if the statements contained therein prove to be incorrect, rather than as actual statements of fact. Accordingly, there can be no reliance on any such representations and warranties as characterizations of the actual state of facts. Moreover, information concerning the subject matter of any such representations and warranties may have changed since the date of such agreements.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

FIVERR INTERNATIONAL LTD.

Date: February 19, 2025

By: /s/ Micha Kaufman
Name: Micha Kaufman
Title: Chief Executive Officer

Date: February 19, 2025

By: /s/ Ofer Katz
Name: Ofer Katz
Title: President and Chief Financial Officer

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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Fiverr International Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Fiverr International Ltd. and subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income (loss), 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.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 19, 2025, expressed an unqualified opinion thereon.

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 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. 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.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenue recognition

Description of the Matter	<p>As disclosed in Note 2v to the consolidated financial statements, the Company's revenue is mainly derived from marketplace commissions paid by buyers and sellers. The Company's revenue recognition process involves several applications responsible for the initiation, processing and recording of transactions, and the calculation of revenue is in accordance with the Company's accounting policy. The processing and recognition of revenue are highly automated and involve capturing and processing significant volumes of data.</p> <p>Auditing the Company's marketplace commission revenue was challenging and complex due to the high volume of individually-low-monetary-value transactions and the dependency on multiple applications, some of which are custom-made for the Company's business, and data sources associated with the revenue recognition process. Given the complex automated systems utilized to capture, process, and ultimately record revenues, performing procedures to audit revenues from marketplace commission required a high degree of auditor judgment and extensive audit effort.</p>
How We Addressed the Matter in Our Audit	<p>We obtained an understanding, evaluated the design, and tested the operating effectiveness of internal controls over the Company's revenue recognition process in the Company's core platform as it related to marketplace commission. For example, with the assistance of IT professionals, we tested the controls over the initiation and recognition of transactions. We also tested the controls related to the key application interfaces between the Company's self-developed systems, which included controls related to access to the relevant applications and data, changes to the relevant systems and interfaces, as well as controls over the configuration of the relevant applications.</p> <p>Our substantive audit procedures included, among others, testing the completeness and accuracy of the underlying data within the Company's accounting system, performing, with the assistance of our IT professionals, a recalculation of marketplace commission revenue recorded through the Company's core platform, and comparing the results to the Company's recorded revenues. We performed, on a sample basis, transactions testing by agreeing the amounts recognized in the accounting system to third-party documentation. We also evaluated the Company's disclosures included in Note 2v to the consolidated financial statements.</p>

Business combination - Valuation of technology acquired in a business combination and fair value of contingent consideration liability

Description of the Matter	<p>As disclosed in Note 3 to the consolidated financial statements, during 2024, the Company completed the acquisition of Auto DS Ltd. (Auto DS) for a total consideration of \$55.6 million, which included a contingent consideration liability (the "earn-out") of \$14.1 million (the "Auto DS Acquisition"). The Auto DS Acquisition was accounted for as a business combination.</p> <p>Auditing the Company's accounting for the Auto DS Acquisition was complex due to the significant estimations required by management to determine the fair value of certain identified intangible assets, principally consisting of technology of \$26.5 million, and the fair value of the earn-out of \$14.1 million. The significant estimation uncertainty was primarily due to the complexity of the valuation models used by management to measure the fair value of the technology and the earn-out and the sensitivity of the respective fair values to changes in the significant underlying assumptions.</p> <p>The Company used a multi-period excess earnings method to measure the technology. The significant assumptions used to estimate the value of the technology included certain assumptions that form the basis of the forecasted results (e.g., revenue growth rates, EBITDA margins and discount rate). These significant assumptions are forward looking and could be affected by future economic and market conditions.</p> <p>The Company used a Monte Carlo simulation to measure the earn-out. The significant assumptions used in the Monte Carlo simulation included volatility and projected financial information. These significant assumptions are forward looking and could be affected by future economic and market conditions.</p>
How We Addressed the Matter in Our Audit	<p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the internal controls over the Company's accounting of the Auto DS Acquisition. This included testing controls over the estimation process supporting the recognition and measurement of the technology and the earn-out, and management's judgment and evaluation of underlying assumptions and estimates with regards to the fair values of the technology and the earn-out.</p> <p>To test the Company's estimated fair value of the technology and the earn-out, our audit procedures included, among others, involving our internal valuation specialists to assist in evaluating the Company's selection of the valuation methodologies and significant assumptions used by the Company. We tested the completeness and accuracy of the underlying data supporting the significant assumptions and estimates. We compared revenue growth rates and EBITDA margins to historical financial information, comparable companies and market and economic trends. We also performed a sensitivity analysis of revenue growth rates, EBITDA margins, discount rate and volatility to evaluate the change in the fair value resulting from changes in these significant assumptions. In addition, we evaluated the appropriateness of the related disclosures in relation to the Auto DS acquisition.</p>

/s/ KOST FORER GABBAY & KASIERER

A Member of EY Global

We have served as the Company's auditor since 2011.

Tel-Aviv, Israel
February 19, 2025

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Fiverr International Ltd.

Opinion on Internal Control Over Financial Reporting

We have audited Fiverr International Ltd. and subsidiaries' internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Fiverr International Ltd. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income (loss), shareholders' equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes, and our report dated February 19, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's 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 risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KOST FORER GABBAY & KASIERER
A Member of EY Global
Tel-Aviv, Israel
February 19, 2025

Fiverr International Ltd. and subsidiaries
Consolidated balance sheets
U.S. dollars (in thousands, except share and per share data)

	December 31,	
	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 133,472	\$ 183,674
Marketable securities	288,947	147,806
User funds	153,309	151,602
Short-term bank deposits	144,843	85,893
Restricted deposit	1,315	1,284
Other receivables	34,198	24,217
Total current assets	756,084	594,476
Long-term assets:		
Marketable securities	122,009	328,332
Property and equipment, net	4,271	4,735
Operating lease right-of-use assets	5,122	6,720
Intangible assets, net	41,882	10,722
Goodwill	110,218	77,270
Other non-current assets	30,388	1,349
Total long-term assets	313,890	429,128
Total assets	\$ 1,069,974	\$ 1,023,604
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Trade payables	\$ 5,533	\$ 5,494
User accounts	141,691	142,203
Deferred revenue	20,090	11,047
Other account payables and accrued expenses	57,167	44,110
Operating lease liabilities	2,608	2,571
Convertible notes, net	457,860	-
Total current liabilities	684,949	205,425
Long-term liabilities:		
Convertible notes, net	-	455,305
Operating lease liabilities	2,747	4,482
Other non-current liabilities	19,628	2,618
Total long-term liabilities	22,375	462,405
Total liabilities	\$ 707,324	\$ 667,830
Commitments and contingencies (see note 13)		
Shareholders' equity:		
Shares authorized: 127,400,000 ordinary shares with no par value as of December 31, 2024 and 2023. Shares issued and outstanding: 35,844,114 and 38,653,958 ordinary shares as of December 31, 2024 and 2023, respectively		
Additional paid-in capital	727,176	640,846
Accumulated deficit	(366,193)	(284,358)
Accumulated other comprehensive income (loss)	1,667	(714)
Total shareholders' equity	362,650	355,774
Total liabilities and shareholders' equity	\$ 1,069,974	\$ 1,023,604

The accompanying notes are an integral part of the consolidated financial statements

Fiverr International Ltd. and subsidiaries
Consolidated statements of operations
U.S. dollars (in thousands, except share and per share data)

	Year ended December 31,		
	2024	2023	2022
Revenue	\$ 391,481	\$ 361,375	\$ 337,366
Cost of revenue	70,566	61,846	65,948
Gross profit	320,915	299,529	271,418
Operating expenses:			
Research and development	90,241	90,720	92,563
Sales and marketing	171,678	161,208	174,599
General and administrative	74,814	62,710	51,161
Impairment of intangible assets	-	-	27,629
Total operating expenses	336,733	314,638	345,952
Operating loss	(15,818)	(15,109)	(74,534)
Financial income (expenses), net	27,706	20,163	3,624
Income (loss) before taxes on income	11,888	5,054	(70,910)
Tax benefit (taxes on income)	6,358	(1,373)	(577)
Net income (loss)	\$ 18,246	\$ 3,681	\$ (71,487)
Basic net income (loss) per share attributable to ordinary shareholders	\$ 0.49	\$ 0.10	\$ (1.94)
Basic weighted average ordinary shares	36,984,757	38,066,203	36,856,140
Diluted net income (loss) per share attributable to ordinary shareholders	\$ 0.48	\$ 0.09	\$ (1.94)
Diluted weighted average ordinary shares	37,840,154	39,151,047	36,856,140

The accompanying notes are an integral part of the consolidated financial statements

Fiverr International Ltd. and subsidiaries
Consolidated statements of comprehensive income (loss)
U.S. dollars (in thousands, except share and per share data)

	Year ended December 31,		
	2024	2023	2022
Net income (loss)	\$ 18,246	\$ 3,681	\$ (71,487)
Marketable securities:			
Unrealized gain (loss)	2,020	9,179	(8,865)
Derivatives:			
Unrealized income (loss)	578	(2,311)	(7,060)
Amounts reclassified from accumulated other comprehensive income (loss)	(217)	4,481	4,957
Other comprehensive income (loss), net of taxes of \$ 226 , \$ 0 and \$ 0 for 2024, 2023 and 2022, respectively	2,381	11,349	(10,968)
Comprehensive income (loss)	\$ 20,627	\$ 15,030	\$ (82,455)

The accompanying notes are an integral part of the consolidated financial statements

Fiverr International Ltd. and subsidiaries
Consolidated statements of shareholders' equity
U.S. dollars (in thousands, except share and per share data)

	Number of ordinary shares and protected ordinary shares	Share capital and additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Total shareholders' equity
Balance as of December 31, 2021	36,761,108	\$ 585,548	\$ (237,585)	\$ (1,095)	\$ 346,868
Share-based compensation	-	72,029	-	-	72,029
Exercise of share options, vested RSUs and ESPP	776,455	7,447	-	-	7,447
Cumulative effect of adopting ASU 2020-06	-	(99,190)	21,033	-	(78,157)
Net loss	-	-	(71,487)	-	(71,487)
Other comprehensive loss, net	-	-	-	(10,968)	(10,968)
Balance as of December 31, 2022	37,537,563	\$ 565,834	\$ (288,039)	\$ (12,063)	\$ 265,732
Share-based compensation	-	68,698	-	-	68,698
Exercise of share options, vested RSUs and ESPP	1,116,395	6,314	-	-	6,314
Net income	-	-	3,681	-	3,681
Other comprehensive income, net	-	-	-	11,349	11,349
Balance as of December 31, 2023	38,653,958	\$ 640,846	\$ (284,358)	\$ (714)	\$ 355,774
Share-based compensation	-	73,672	-	-	73,672
Exercise of share options, vested RSUs and ESPP	1,329,573	6,821	-	-	6,821
Repurchases of ordinary shares	(4,139,417)	-	(100,081)	-	(100,081)
Equity award assumed for acquisition	-	649	-	-	649
Deferred Tax Asset related to Capped Call Transaction	-	5,188	-	-	5,188
Net income	-	-	18,246	-	18,246
Other comprehensive income, net	-	-	-	2,381	2,381
Balance as of December 31, 2024	35,844,114	\$ 727,176	\$ (366,193)	\$ 1,667	\$ 362,650

The accompanying notes are an integral part of the consolidated financial statements

Fiverr International Ltd. and subsidiaries
Consolidated statements of cash flows
U.S. dollars (in thousands, except share and per share data)

	Year ended December 31,		
	2024	2023	2022
Cash flows from operating activities:			
Net Income (loss)	\$ 18,246	\$ 3,681	\$ (71,487)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	10,476	5,987	10,185
Amortization of premium and accretion of discount on marketable securities, net	(4,753)	(730)	6,385
Amortization of discount and issuance costs of convertible notes	2,555	2,541	2,527
Share -based compensation	73,942	68,698	71,755
Exchange rate fluctuations and other items, net	226	71	5
Impairment of intangible assets	-	-	27,629
Impairment of lease ROU asset	-	211	-
Revaluation of earn-out	3,202	(570)	(12,249)
Changes in assets and liabilities:			
User funds	(1,707)	(8,582)	(15,307)
Operating lease ROU assets and liabilities	(104)	(205)	(1,485)
Other receivables	(18,316)	(2,877)	(4,847)
Trade payables	(409)	(3,195)	(113)
Deferred revenue	2,275	(306)	(792)
User accounts	(512)	9,171	14,416
Payment of earn-out	(843)	-	(504)
Escrow Payment for contingent consideration	(12,168)	-	-
Account payables, accrued expenses and other	7,967	8,232	3,994
Non-current liabilities	2,991	1,059	-
Net cash provided by operating activities	83,068	83,186	30,112
Investing activities:			
Investment in marketable securities	(87,340)	(309,155)	(141,701)
Proceeds from maturities of marketable securities	159,216	273,186	130,701
Investment in short-term bank deposits	(66,357)	-	-
Proceeds from short-term bank deposits	8,213	46,858	-
Acquisition of business, net of cash acquired	(39,738)	-	-
Acquisition of intangible asset	(1,106)	-	(175)
Purchase of property and equipment	(1,303)	(1,053)	(1,198)
Capitalization of internal-use software	(103)	(60)	(1,000)
Other receivables and non-current assets	(300)	-	(1,251)
Net cash provided by (used in) investing activities	(28,818)	9,776	(14,624)
Financing activities:			
Repurchases of ordinary shares	(100,081)	-	-
Proceeds from exercise of share options	3,349	2,765	3,765
Payment of earn-out	(4,357)	-	(1,105)
Proceeds from (payments of) withholding tax related to employees' exercises of share options and RSUs	859	87	(2,028)
Repayment of debt to previous shareholder of the acquired business	(3,992)	-	-
Repayment of long-term loan	-	-	(2,269)
Net cash provided by (used in) financing activities	(104,222)	2,852	(1,637)
Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash	(230)	(29)	(32)
Increase (decrease) in cash, cash equivalents and restricted cash	(50,202)	95,785	13,819
Cash, cash equivalents and restricted cash at the beginning of the year	183,674	87,889	74,070
Cash, cash equivalents and restricted cash at the end of the year	\$ 133,472	\$ 183,674	\$ 87,889
Supplemental non-cash disclosure:			
Purchase of property and equipment	\$ 129	\$ 153	\$ 208
Share-based compensation capitalized in internal-use software	\$ 32	\$ -	\$ 274
Other expenses capitalized in internal-use software	\$ 335	\$ -	\$ 50
Lease liabilities arising from obtaining right-of-use assets	\$ 1,236	\$ 465	\$ 359
Supplemental cash flow disclosure:			
Cash paid for income taxes	\$ 5,726	\$ 589	\$ 235
Cash paid for interest	\$ 118	\$ 145	\$ 246
Reconciliation of cash, cash equivalents and restricted cash:			
Cash and cash equivalents	\$ 133,472	\$ 183,674	\$ 86,752
Restricted cash	\$ -	\$ -	\$ 1,137
Total cash, cash equivalents and restricted cash	133,472	183,674	87,889

The accompanying notes are an integral part of the consolidated financial statements

Note 1: - General

Fiverr International Ltd. was incorporated on April 29, 2010, under the laws of Israel, and commenced operations on the same date.

Fiverr International Ltd. and its subsidiaries (the "Company") operates a worldwide online marketplace for sellers to sell their services and buyers to buy them. The Company's platform features an extensive catalog of digital services that spans over hundreds of categories. Buyers can purchase digital services ranging from simple services such as logo design and blog post writing, to complex services such as video creation, website development and social media marketing.

Commencing June 13, 2019, the ordinary shares of the Company are traded on the New York Stock Exchange.

Note 2: - Significant accounting policies

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the U.S. ("U.S. GAAP"). The significant accounting policies followed in the preparation of the consolidated financial statements, are as follows:

a. Use of estimates:

The preparation of consolidated financial statements, in conformity with generally accepted accounting principles, U.S. GAAP, requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes.

The accounting estimates that require management's subjective judgments include but are not limited to revenue recognition, the valuation of deferred tax assets and uncertain tax position, share-based compensation, purchase price allocation (PPA) including determination of fair value, useful lives impairment of goodwill and intangible assets and the fair value of earn-out and contingent liabilities. The Company evaluates its estimates and judgments on an ongoing basis and revises them when necessary. Actual results may differ from the original or revised estimates.

b. Principles of consolidation:

The consolidated financial statements include the accounts of the Company. Intercompany transactions and balances were eliminated upon consolidation.

c. Functional currency:

The functional currency of the Company is the U.S. dollar, as it is the currency of the primary economic environment in which the Company is operating. Foreign currency transactions and balances have been re-measured to U.S. dollars in accordance with Accounting Standard Codification ("ASC") Topic 830, "Foreign Currency Matters." All transaction gains and losses from re-measurement of monetary balance sheet items denominated in foreign currencies are recorded under financial income (expenses), net within the consolidated statements of operations.

d. Cash and cash equivalents:

The Company considers all investments with an original maturity of three months or less at the time of purchase to be cash equivalents including amounts related to payment processing companies.

e. Restricted cash:

Restricted cash includes cash that is legally restricted as to withdrawal or usage with an original maturity of three months or less at the time of purchase. Restricted cash subject to legal or contractual restrictions on its use. These restrictions may arise from agreements such as obligations for leasehold improvements, rent payments, and other lease-related expenses or regulatory requirements.

f. Marketable securities:

The Company accounts for marketable securities in accordance with ASC Topic 320, "Investments – Debt Securities". The Company's investments in marketable securities consist of high-grade treasury, corporate and municipal bonds.

Investments in marketable securities are classified as available for sale at the time of purchase. Available for sale securities are carried at fair value based on quoted market prices, with unrealized gains and losses, reported in accumulated other comprehensive income (loss) in shareholders' equity. Realized gains and losses including interest and amortization of discount arising from the acquisition of marketable securities were recorded under financial income (expenses), net.

The Company classifies its marketable securities as either short-term or long-term based on each instrument's underlying contractual maturity date as well as the intended time of realization. Marketable securities with maturities of 12 months or less are classified as short-term and marketable securities with maturities greater than 12 months are classified as long-term.

On each reporting period the Company determines whether a decline in fair value below the amortized cost basis of an available for sale debt security is due to credit related factors or noncredit related factors. A credit related impairment would be recognized as an allowance on the balance sheet with a corresponding adjustment to earnings, however, if the Company would intend to sell an impaired available-for-sale debt security or more likely than not would be required to sell such a security before recovering its amortized cost basis, the entire impairment amount would be recognized in earnings with a corresponding adjustment to the security's amortized cost basis.

The Company has not recorded credit losses for the years ended December 31, 2024, 2023 and 2022.

g. Bank deposits:

Deposits with maturities of more than three months but less than one year are classified as short term. Such deposits are presented at their cost.

h. Restricted deposit:

Restricted deposit is restricted as to withdrawal or use with maturities of up to one year and are used as security for the rental of premises. Restricted deposits are presented at their cost.

i. Long-lived assets:

The Company's long-lived assets to be held and used are comprised of property and equipment, and Right-Of-Use ("ROU") asset (Note 2u).

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets.

Computers and peripheral equipment is amortized at an annual rate of 33 %, office furniture and equipment is amortized at annual rate ranges from 7 %- 15 % and leasehold and improvements amortized over the shortest of the term of the lease or the useful life of the asset.

j. Intangible assets:

Intangible assets that are considered to have definite useful life are amortized using the straight-line basis over their estimated weighted average useful lives as follows:

Technology	5 years
Capitalized internal-use software	3 years
Customer Relationships	1 - 4 years
Creative Relationships	10 years
Talent Relationships	1 year
Trade name	5 years
Courses	2 years
Workforce	2 years

k. Internal-use software:

Costs incurred to develop internal-use software are capitalized and amortized over the estimated useful life of the software, which is generally three years. In accordance with ASC Topic, 350-40, "Internal-Use Software", the Company capitalizes costs related to 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. Capitalization begins when the preliminary project stage is completed, and it is probable that the software will be completed and used for its intended function. Capitalization ceases when the software is substantially complete and ready for its intended use. Maintenance costs are expensed as incurred.

The Company periodically reviews internal-use software costs to determine whether the projects will be completed, placed in service, removed from service, or replaced by other internally developed or third-party software. If an asset is determined not to provide any future economic benefit after conducting an impairment test, the asset is retired, and any unamortized cost is expensed.

Capitalized internal-use software costs are recorded under intangible assets, net.

l. Impairment of long-lived assets and intangible assets with definite useful life:

Long lived assets that are considered to have definite useful life are tested for impairment in accordance with ASC Topic 360, "Property, Plant and Equipment" whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company's evaluation of recoverability is performed at the lowest level to which identifiable cash flows are largely independent of the cash flows of other assets and liabilities and represent an asset group. Recoverability of this asset group is measured by a comparison of the aggregate undiscounted projections of future cash flows the asset group is expected to generate to the carrying amounts of the asset group. If such evaluation indicates that the carrying amount of the asset group is not recoverable, an impairment is measured by the amount which the carrying amount of the asset group exceeds their fair value.

During 2023 the Company recorded an impairment of ROU asset in the amount of \$ 211 .

During 2022 due to an adverse change in macro-economic conditions the Company recorded an impairment of intangible assets in the amount of \$ 27,629 mainly in connection with the asset group related to Stoke acquisition, asset group related to CreativeLive acquisition and internal use software capitalization. In determining the estimated fair value of the asset group, the Company utilized a discounted cash flow model. The key assumptions within the model related to forecasting of future revenue, appropriate discount rate and appropriate terminal value based on the nature of the asset group.

No impairment was recorded for the year ended December 31, 2024.

m. Business combinations:

The results of an acquired business in a business combination are included in the Company's consolidated financial statements from the date of acquisition according to the guidance of ASC Topic 805, "Business Combinations." The Company allocates the purchase price, which is the sum of the consideration provided and may consist of assets and liabilities incurred, including contingent consideration obligations and equity or a combination of them, to the identifiable assets and 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.

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. The fair value of the contingent consideration, which was initially recorded as asset or 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 transferred but are accounted for as an expense in the period in which the costs are incurred.

n. Goodwill:

Goodwill represents the excess of the aggregate fair value of the consideration transferred in a business combination over the fair value of the assets acquired, net of liabilities assumed. Under ASC Topic 350, "Intangible—Goodwill and other," goodwill is not amortized, but rather is subject to impairment test. ASC 350 allows an entity to first assess qualitative factors to determine whether it is necessary to perform a quantitative goodwill impairment test. If the qualitative assessment does not result in a more likely than not indication of impairment, no further impairment testing is required. If it does result in a more likely than not indication of impairment, a quantitative impairment test is performed. Alternatively, ASC 350 permits an entity to bypass the qualitative assessment for any reporting unit and proceed directly to performing the quantitative goodwill impairment test.

The Company operates in one reporting segment, and this segment comprises its only reporting unit.

The Company elected to perform an annual impairment test of goodwill as of October 1st of each year, or more frequently if impairment indicators are present.

No goodwill impairment was recorded for the years ended December 31, 2024, 2023 and 2022.

o. Derivatives and hedging:

Derivatives are recognized at fair value as either assets or liabilities in the consolidated balance sheets in accordance with ASC Topic 815, "Derivatives and Hedging." The gain or loss of derivatives which are designated and qualify as hedging instruments in a cash flow hedge, is recorded under accumulated other comprehensive income (loss) and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. The gain or loss in connection with forecasted transactions not probable of occurring is recorded under financial income (expenses), net.

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.

The Company entered into foreign currency cash flow hedges using forward, put and call option contracts to hedge certain forecasted payroll and other related payments denominated in NIS, to hedge against exchange rate fluctuations of the U.S. dollar. The Company recorded the cash flows associated with these derivatives under operating activities.

p. Fair value of financial instruments:

The Company measures and discloses the fair value of financial assets and liabilities in accordance with ASC Topic 820, "Fair Value Measurement." 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 must maximize the use of observable inputs and minimize the use of unobservable inputs.

The accounting standard 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.

q. Concentrations of credit risks:

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, investment in marketable securities, bank deposits, restricted deposit and derivatives, which are placed in major banks in Israel, Germany and the U.S.

User funds are held by a payment service provider which, pursuant to the agreement, was engaged to hold the user funds on behalf of buyers and sellers in an account segregated from the payment service provider's operating bank account.

Concentration of credit risk with respect to trade receivables is limited by credit limits, ongoing credit evaluation and account monitoring procedures. The Company performs ongoing credit evaluations of its accounts receivables and establishes an allowance for expected losses as necessary.

The Company does not have off-balance sheet concentration of credit risks.

r. Convertible notes:

Prior to January 1, 2022 the Company accounts for convertible notes in accordance with ASC Topic 815, "Derivatives and Hedging" and ASC Topic 470, "Debt". The Company separately accounted for debt and equity components of convertible notes that may be settled in cash. The carrying amount of the debt component was based on the fair value of a similar hypothetical debt instrument excluding the conversion option.

The equity component was based on the excess of the principal amount of the convertible notes over the fair value of the debt component after adjustment for an allocation of issuance costs. The equity component is recorded under additional paid in capital and is not remeasured as long as it continues to meet the criteria for equity classification.

The difference between the principal amount of the convertible notes and the amount allocated to the debt component was considered to be debt discount, which is subsequently amortized through interest expenses over the expected life of the convertible notes using the effective interest method.

Issuance costs were allocated to the debt and equity components in proportion to the allocation of proceeds to those components.

Commencing January 1, 2022 after the adoption of ASU 2020-06 the Company accounted for the convertible notes as a single liability and did not present the equity component separately.

s. Employee related obligations:

The Company accounts for employee related obligations in accordance with ASC Topic 715, "Compensation—retirement benefits." The Israeli Severance Pay Law, 1963 ("Severance Pay Law"), specifies that employees are entitled to severance payment, following the termination of their employment. Under the Severance Pay Law, the severance payment is calculated as one-month salary for each year of employment, or a portion thereof. The Company's liability for severance pay is covered by the provisions of Section 14 of the Severance Pay Law ("Section 14"). Under Section 14 employees are entitled to monthly deposits, at a rate of 8.33 % of their monthly salary, contributed on their behalf to their insurance funds. Payments made in accordance with Section 14 release the Company from any future severance payments in respect of those employees.

As a result, the Company does not recognize any asset or liability in connection with severance pay. Severance costs amounted to \$ 5,038 , \$ 4,734 and \$ 4,567 for the years ended December 31, 2024, 2023 and 2022, respectively.

The Company's U.S. Subsidiaries have a 401(K) defined contribution plan covering certain employees in the U.S. The expenses recorded by the U.S. subsidiaries for matching contributions for the years ended December 31, 2024, 2023 and 2022 were immaterial.

t. User funds and user accounts:

The Company has an arrangement with an existing payment service provider to hold funds on behalf of buyers and sellers ("users"). User funds consist of buyers' prepayments that would be earned when an order is completed, credits issued upon cancellations and seller fees that have not yet been withdrawn. User accounts represent the corresponding liability to the users.

The Company does not have ownership over the funds and does not have the right to direct the funds to be used at will or for its own benefit other than those funds related to transaction commissions owed to the Company after control has been obtained by the customers.

u. Leases:

The Company determines if an arrangement meets the definition of a lease at the inception of the lease.

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 asset is measured based on the discounted present value of the remaining lease payments, initial direct costs incurred and prepaid lease payments, excluding lease incentives. The lease liability is measured based on the discounted present value of the remaining lease payments. The discounted present value of remaining lease payments is computed using IBR based on the information available at the inception of the lease. The Company's IBR was estimated to approximate the interest rate for collateralized borrowing with similar terms and payments and in economic environments where the leased asset was located.

Lease term may include options to extend or terminate the lease when it is reasonably certain that the Company would exercise that option. The Company elected the practical expedient for lease agreements with a term of twelve months or less and does not recognize ROU assets and lease liabilities in respect of those agreements.

Payments under the Company's lease agreements are primarily fixed, however, certain lease agreements contain variable costs such as common area maintenance, real estate taxes, and insurance are not included in the lease liability and are recognized as they are incurred.

Certain lease agreements include rental payments that are adjusted periodically for the consumer price index ("CPI"). The ROU and lease liability were calculated using the CPI as of the commencement date and will not be subsequently adjusted, unless the liability is reassessed for other reasons.

The Company subleases a specific section or certain square footage, for a fixed term, of its office space to one or more subtenants (third parties) while retaining the remaining space for its own use. The sublease agreement may include renewal options, allowing the subtenant to extend the sublease term based on mutually agreed-upon conditions. Sublease income is recognized over the term of the agreement. The Company recognizes sublease income as an offset to lease expenses.

The Company elected the practical expedient to not separate lease and non-lease components for its leases.

v. Revenue recognition:

The Company's revenue is generated from marketplace revenue and other services revenue that the Company provides to its customers to help them grow their business and empower their work.

Revenue is recognized in accordance with ASC No. 606 "Revenue from Contractors with Customers". The Company recognizes revenue by applying the following steps: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when a performance obligation is satisfied.

A contract with a customer exists only when: the parties to the contract have approved it and are committed to perform their respective obligations, the Company can identify each party's rights regarding the distinct services to be transferred ("performance obligations"), the Company can determine the transaction price for the services to be transferred, the contract has commercial substance and it is probable that the Company will collect the consideration to which it will be entitled in exchange for the services that will be transferred to the customer.

Marketplace revenue:

The Company's marketplace enables businesses, or buyers, to connect and engage with freelancers, or sellers, globally. The Company earns various fees for enabling orders and providing other services to cover administrative fees. These fees include transaction commissions based on the transaction value and foreign transaction fees.

Fiverr sellers receive the benefit of marketplace activities, including listing their freelance services for purchase, engaging with customers via communication and collaboration tools provided by the marketplace, as well as the security and convenience of payment processing on the platform. Fiverr buyers enjoy the access to a global talent tool, as well as the communication and collaboration tools, and payment processing benefits similar to sellers. For these benefits, Fiverr sellers and buyers pay a commission for each completed transaction.

The Company's customers are the users on its platform. Users accept the Company's terms of service upon registration to the platform. Gross order amount including transaction commission is collected from the buyer upfront by a third-party payment provider. The prepaid amounts from buyers are simultaneously recorded as an asset under user funds with a corresponding liability to buyers under user accounts and deferred revenue until the order is completed or canceled.

The Company's marketplace revenue is primarily comprised of one distinct performance obligation which is to arrange services to be provided on its marketplace platform by the sellers to the buyers.

The Company earns transaction commissions that are based on the total value of transactions ordered through the platform once the buyer obtains control of the service, which occurs at a point in time upon the completion of each order.

Revenue is recognized in the amount of consideration to which the Company expects to be entitled, in exchange for satisfying the related performance obligations by transferring control to the customer, excluding amounts collected on behalf of other third parties and indirect taxes.

Revenue is recognized on a net basis since the Company has concluded that it acts as an agent on its platform, mainly since it does not take responsibility for the sellers' services and therefore it is not responsible for fulfilling the promise to provide the service and does not have discretion in price establishment. Therefore, the Company does not obtain control of the services before they are transferred to the customer.

The Company also charges foreign transaction fees for buyers who choose to pay in their local currencies. Foreign transaction fees are variable consideration and are recognized as earned for each transaction processed, which is when the Company has the contractual right to bill for the services.

The Company recognizes revenue from unused user accounts balances once the likelihood of the users exercising their unused accounts balances becomes remote and the Company is not required to remit such unused account balances to a third party in accordance with applicable unclaimed property laws. The amounts recognized for the year ended December 31, 2024, 2023 and 2022 were immaterial.

Service revenue:

Services revenue is derived from optional services offered to our customers, which primarily include advertising services, subscription services, and others.

Advertising services: Fiverr Ads allows sellers to advertise their services on the Company's platform. Sellers bid and win prime locations on the platform through an auction mechanism which is based on cost-per-click. Sellers are charged only when their ads are viewed and clicked by the buyer, at which time revenue is recognized.

Subscription services: Revenue from subscriptions primarily include revenue from seller tools and dropshipping automation tools. The Company charges monthly or annual subscription fees to users for subscription services. These subscription fees are fixed consideration and are recognized over the period of the subscription on a straight-line basis.

Other services: Other services include revenues from additional products and services provided to our community as well as fees earned on user funds. The Company earns fees on user funds while they are held by a payment service provider. The fee is considered variable consideration and is recognized when it is earned from the payment service provider.

Contract liabilities:

The Company's contract liabilities mainly consist of deferred revenues and primarily include payments from marketplace activities and other service received in advance for services of the Company's performance under the contract for which control has not been yet obtained by the customers. Deferred revenues balance amounted to \$ 20,090 and \$ 11,047 , for the years ended 2024 and 2023, respectively. The change in the deferred revenues balances during the period primarily consisted of increases due to payments received in advance of performance, which were offset by decreases due to revenues recognized in the period. As part of a business combination, the Company acquired contract liabilities related to deferred revenues, which contributed to the overall increase in the balance. During the year ended December 31, 2024, the company recognized all of the revenue that was included in the current deferred revenues balance at the beginning of the period.

Practical expedients:

The Company elected to use the practical expedient and recognize the incremental costs of obtaining contracts as an expense since the amortization period of the assets that the Company otherwise would have recognized is one year or less. The Company also does not disclose the value of unsatisfied performance obligations since the original expected duration of the contracts is one year or less. Additionally, the Company has elected to apply the practical expedient such that it does not evaluate payment terms of one year or less for the existence of a significant financing component.

Disaggregated revenue:

See note 19 for the Company's revenue disaggregated by type of service and geographic area

w. Cost of revenue:

Cost of revenue is mainly comprised of expenses related to payment processing fees, server hosting fees, costs of customer support personnel, contractors services, amortization expenses associated with acquired intangible assets and capitalized internal-use software. Cost of revenue also consists of personnel and the related overhead costs, including share-based compensation.

x. Research and development expenses:

Research and development expenses are primarily comprised of costs of the Company's research and development personnel, related overhead costs, including share-based compensation, development related activities expenses including new initiatives, professional services and other business technology services. Research and development costs are expensed as incurred, except to the extent that such costs are associated with internal-use software that qualifies for capitalization.

y. Sales and marketing expenses:

Sales and marketing expenses are primarily comprised of costs of the Company's marketing personnel and the related overhead costs, including share-based compensation for employees engaged in sales, marketing, advertising and promotional activities. A significant component is performance marketing investments such as user acquisition costs, branding costs, marketing campaigns and other media advertisements costs, and amortization of acquired intangible assets. Sales and marketing expenses are expensed as incurred.

Advertising costs were \$ 122,020 , \$ 112,796 and \$ 119,519 for the years ended December 31, 2024, 2023 and 2022, respectively.

z. General and administrative expenses:

General and administrative expenses primarily include overhead related costs, including share-based compensation of the Company's executive, finance, legal, human resources and other administrative personnel. General and administrative expenses also include legal, accounting and other professional service fees, earn-out revaluation, other corporate expenses, as well as chargeback expenses and costs associated with fraud risk reduction, expenses related to allowance for doubtful accounts in the event of uncollectible account receivables balances and others. General and administrative expenses are expensed as incurred.

aa. Share based compensation:

The Company accounts for share-based compensation in accordance with ASC Topic 718, "Compensation—Stock Compensation." Share based awards are mainly granted to employees and members of the Company's board of directors and measured at fair value at each grant date. The Company calculates the fair value of share options and Employee Share Purchase Plans ("ESPP") on the date of grant using the Black-Scholes option-pricing model and the expense is recognized over the requisite service period for awards expected to vest using the straight-line method. The Company recognizes the fair value of Restricted Share Units ("RSUs") on the grant date based on the market value of the underlying share and the expense is recognized over the requisite service period for awards using the straight-line method. The Company recognizes the fair value of the Performance Share Units ("PSUs") on the grant date based on the market value of the underlying share and the expense is recognized based both on the implicit service period of the award and the achievement of specified performance targets. Expense for awards with performance conditions is estimated and adjusted on a quarterly basis based upon the assessment of the probability that the performance condition will be met and is recognized on a graded vesting basis, using the accelerated method.

The requisite service period for share options is generally four years . The Company recognizes forfeitures as they occur.

Fiverr International Ltd. and subsidiaries
Notes to consolidated financial statements
U.S. dollars (in thousands, except share and per share data)

The Black-Scholes option-pricing model requires the Company to make a number of assumptions, including expected volatility, expected term, risk-free interest rate and expected dividends. The Company evaluates the assumptions used to value share options and ESPP upon each grant date.

Expected volatility of share options was calculated based on the Company's volatility as well as the implied volatilities from market comparisons of certain publicly traded companies and other factors. Expected volatility for ESPP was calculated based upon the Company's share prices.

Expected term of options granted was calculated based on the simplified method, which uses the midpoint between the vesting date and the contractual term, as the Company does not have sufficient historical data to develop an estimate based on participant behavior.

The risk-free interest rate was based on the U.S. treasury bonds yield with an equivalent term.

The Company has not paid dividends and has no foreseeable plans to pay dividends.

ab. Income taxes:

The Company accounts for income taxes in accordance with ASC Topic 740, *Income Taxes* ("ASC 740"), using the liability method, whereby deferred tax assets and liabilities account balances are determined based on the differences between financial reporting and the tax basis for assets and liabilities and for carry-forward tax losses, and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company recognizes a valuation allowance, if necessary, to reduce deferred tax assets to their estimated realizable value, and if it is more likely than not that some portion of the entire deferred tax asset will not be realized.

Deferred tax assets and liabilities are classified as long-term assets and liabilities in the consolidated balance sheets.

The Company recognizes uncertain tax positions based on its estimate of whether, and the extent to which, additional taxes will be due. These liabilities are established utilizing a two-step approach when the Company believes that certain positions might be challenged despite its belief that its tax return positions are fully supportable. The first step requires the Company to determine if the weight of available evidence indicates a tax position is more likely than not to be sustained upon audit. The second step is based on the largest amount of benefit, which is more likely than not to be realized on ultimate settlement.

Any interest and penalties related to unrecognized tax benefits are recorded as income tax expense. The Company adjusts these liabilities in light of changing facts and circumstances, such as the outcome of a tax audit or changes in the tax law.

ac. 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. Our Chief Executive Officer is our chief operating decision maker 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 revenues, sales and marketing, research and development, and general and administrative) at the consolidated level to manage the Company's operations, evaluate return on total assets in deciding whether to invest in the development and expansion of our consolidated operations or into strategic transactions, such as acquisitions and capital repurchases.

ad. Basic and diluted net income (loss) per share:

The Company computes basic net income (loss) per share in accordance with ASC Topic 260, "Earnings per Share" by dividing the net income (loss) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted net income (loss) per share is computed by taking into account the potential dilution that could occur upon the exercise of share options and ESPP and vesting of RSUs and PSUs granted under share-based compensation plans using the treasury stock method and the potential dilution that could occur upon conversion of the convertible notes (including adding back amortization of issuance costs related to the convertible notes) using the if converted method.

In 2024, 2023 and 2022, the number of potentially dilutive RSUs and PSUs, share options to purchase ordinary shares and potentially dilutive ordinary shares from conversion of convertible notes that were excluded from the computation due to the anti-dilutive effect amounted to 5,835,398, 5,792,535 and 6,386,203 respectively.

ae. Repurchases of Ordinary shares:

The Company repurchases its ordinary shares. The Company presents the cost to repurchases as a reduction of shareholders' equity.

af. Contingencies:

The Company accrues for loss contingencies when losses become probable and are reasonably estimable. If the reasonable estimate of the loss is a range and no amount within the range is a better estimate, the minimum amount of the range is recorded as a liability. The Company does not accrue for contingent losses that, in its judgment, are considered to be reasonably possible, but not probable; however, it discloses the range of such reasonably possible losses.

ag. Recently adopted accounting pronouncements:

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires public entities to disclose information about their reportable segments' significant expenses and other segment items on an annual basis. Public entities with a single reportable segment are required to apply the disclosure requirements in ASU.

2023-07, as well as all existing segment disclosures and reconciliation requirements in ASC 280 on an annual basis. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, with early adoption permitted. The Company adopted ASU 2023-07 during the year ended December 31, 2024, refer to note 19.

ah. Recently not yet adopted accounting pronouncements:

In November 2024, the FASB issued Accounting Standards Update No. 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures: Disaggregation of Income Statement Expenses. This ASU requires to disclose disaggregated information about certain income statement expense line items. Entities are required to disclose purchases of inventory, employee compensation, depreciation, intangible asset amortization and depletion for each income statement line item that contains those expenses. Specified expenses, gains or losses that are already disclosed under existing US GAAP are required to be included in the disaggregated income statement expense line-item disclosures, and any remaining amounts need to be described qualitatively. Separate disclosures of total selling expenses and an entity's definition of those expenses are also required. This ASU is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The Company is currently assessing the impact of the adoption of this standard on its consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires public entities, on an annual basis, to provide disclosure of specific categories in the rate reconciliation, as well as disclosure of income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2023-09.

ai. Certain comparative figures have been reclassified to conform to the current year presentation.

Note 3: - Certain transactions

a. Praetolia Limited acquisition:

In April 2024, the Company acquired all the outstanding shares of Praetolia Limited, a software talent platform for total consideration of \$ 10,248 in cash.

In addition, the agreement stipulated contingent payments which are not included in the total consideration to the shareholders of Praetolia Limited in an aggregate amount of up to \$ 8,000 subject to service and certain performance conditions of Praetolia Limited, out of which the Company has not recorded a liability as of December 31, 2024.

The acquisition was accounted for as a business combination. This method requires, among other things, that assets acquired, and liabilities assumed in the business combination be recognized at their fair values as of the acquisition date.

The table below summarizes the fair value of the acquired assets and assumed liabilities and the goodwill as of the acquisition date:

	Fair value	Amortization period
Cash and cash equivalents	\$ 1,085	
Assets acquired (1)	909	
Identified intangible assets (2):		
Talent Relationships	1,438	1 year
Customer Relationships	2,553	4 years
Other Customer Relationships	898	1 year
Goodwill	4,722	
Total assets acquired	11,605	
Total assumed liabilities (3)	(1,357)	
Net assets acquired	\$ 10,248	

(1) Assets acquired include trade receivables and other receivables.

(2) Information regarding the identifiable intangible assets acquired is as follows:

Fair value of talent relationships was determined by using the With-and-Without Method.

Fair value of customer relationships was determined by using the Multi-period Excess Earning Method.

(3) Total assumed liabilities includes accounts payable, deferred income tax liabilities, net and other liabilities assumed.

Goodwill generated from the above business combination is attributed to synergies between the Company's and the acquired businesses' services, and is not deductible for income tax purposes.

The Company incurred approximately \$ 119 in acquisition expenses for the year ended December 31, 2024 recorded under general and administrative expenses.

The results of operations of Praetolia Limited were included in the Company's consolidated financial statements commencing the date of acquisition and are not material.

Pro forma results of operations related to this acquisition have not been presented because they are not material to the Company's consolidated statements of operations.

b. AutoDS Ltd. acquisition:

In July 2024, the Company acquired all of the outstanding shares of AutoDS Ltd. ("AutoDS"), a leading platform of end-to-end solution for dropshippers for a total consideration of \$ 55,658 .

The agreement stipulated an earn-out consideration of up to \$ 36,000 , in both cash and shares based on obtaining certain financial results in the three years following the acquisition. The earn-out consideration was measured at fair value utilizing a Monte Carlo simulation depending on the achievement objective. The earn-out consideration fair value as of the acquisition date was \$ 14,116 . Changes in the earn-out consideration fair value are recorded in the consolidated statements of operations under general and administrative expenses.

The following table summarizes the fair value of the consideration transferred to AutoDS shareholders as of the acquisition date:

Cash paid	\$	39,339
Fair value of Earn-out		14,116
Accrued payment		1,556
Fair value of unvested options		647
Total fair value of consideration transferred	\$	55,658

In addition to the purchase consideration and pursuant to hold-back agreements with certain AutoDS employees, the Company transferred \$ 12,168 in cash which will be released to the employees over three years from the acquisition date. The payouts of the hold-back are subject to continued employment, and therefore recognized as compensation expense over the requisite service period. As of December 31, 2024 the Company recorded compensation expenses in the amount of \$ 1,711 under sales and marketing expenses.

The table below summarizes the preliminary fair value of the acquired assets and assumed liabilities and the goodwill as of the acquisition date:

	Fair value	Amortization period
Cash and cash equivalents	9,147	
Assets acquired (4)	2,691	
Identified intangible assets (5):		
Users' Relationships	4,211	1
Technology	26,453	5
Trademark	2,730	5
Goodwill	28,226	
Total assets acquired	73,458	
Total assumed liabilities (6)	(17,800)	
Net assets acquired	<u>\$ 55,658</u>	

(4) Assets acquired include deposits, trade receivable and other identifiable assets acquired.

(5) Information regarding the identifiable intangible assets acquired is as follows:

Fair value of users' relationships was determined by using the With-and-Without Method.

Fair value of technology was determined by using the income approach method.

Fair value of trademark was determined by using the relief from royalty method.

(6) Total assumed liabilities includes accounts payable, deferred revenue, deferred income tax liabilities, net and other liabilities assumed.

Goodwill generated from the above business combination is attributed to synergies between the Company's and the acquired businesses' services and is not deductible for income tax purposes.

The Company incurred approximately \$ 357 in acquisition expenses for the year ended December 31, 2024 recorded under general and administrative expenses.

The results of operations of AutoDS were consolidated in the Company's financial statements commencing the date of acquisition and are not material.

Pro forma results of operations related to this acquisition have not been presented because they are not material to the Company's consolidated statements of operations.

Note 4: - Fair value of financial instruments

The following tables set forth the fair value of the Company's financial assets and liabilities measured at fair value as of:

	December 31, 2024		
	Level 1	Level 2	Level 3
Cash and cash equivalents:			
Cash	\$ 59,732	\$ -	\$ -
Money market funds	69,144	-	-
Deposits	4,596	-	-
Short-term Bank deposits	144,843	-	-
Restricted deposits	1,330	-	-
Marketable securities	-	410,956	-
Asset derivatives (included in other receivables)	-	1,413	-
Earn-out	-	-	(12,118)
Total	\$ 279,645	\$ 412,369	\$ (12,118)

The following table sets forth a summary of the changes in the fair value of the earn-out:

	Fair value
Fair value as of December 31, 2023	\$ -
Acquisition of AutoDS (Note 3)	(14,116)
Payment	5,200
Change in fair value	(3,202)
Fair value as of December 31, 2024	\$ (12,118)

The inputs and assumptions that were used in the earn-out valuations as of the acquisition date related to volatility ranged from 10 % to 19 %.

The following tables set forth the fair value of the Company's financial assets and liabilities measured at fair value as of:

	December 31, 2023		
	Level 1	Level 2	Level 3
Cash and cash equivalents:			
Cash	\$ 99,293	\$ -	\$ -
Money market funds	79,621	-	-
Deposits	4,760	-	-
Bank deposits	85,893	-	-
Restricted deposits	1,299	-	-
Marketable securities	-	476,138	-
Asset derivatives (located in other receivables)	-	971	-
Liability derivatives (located in other account payables and accrued expenses)	-	(87)	-
Total	\$ 270,866	\$ 477,022	\$ -

The fair value of other financial instruments included in working capital and other non-current assets and liabilities approximate their carrying value.

As of December 31, 2024, the total estimated fair value of the convertible notes was approximately \$ 437,575 . The fair value of the convertible notes is considered to be Level 2 within the fair value hierarchy and was determined based on the quoted price of the convertible notes in an over-the-counter market.

Note 5: - Other receivables

Other receivables consisted of the following as of:

	December 31,	
	2024	2023
Trade receivables	\$ 16,277	\$ 13,230
Interest receivables	6,696	4,789
Hold-back payment in connection with AutoDS acquisition	4,056	-
Prepaid expenses	3,694	3,662
Hedging outstanding contracts	1,413	971
Other current assets	2,062	1,565
Total	\$ 34,198	\$ 24,217

Note 6: - Marketable securities

As of December 31, 2024, the amortized cost, unrealized holding gains and losses and fair value of marketable securities were as follows:

	Amortized Cost	Unrealized gains	Unrealized losses	Fair Value
U.S. Treasury and other U.S. government agencies	\$ 117,876	\$ 210	\$ (81)	\$ 118,006
Corporate bonds	292,601	534	(184)	292,950
Total	\$ 410,477	\$ 744	\$ (265)	\$ 410,956

As of December 31, 2023, the amortized cost, unrealized holding gains and losses and fair value of marketable securities were as follows:

	Amortized Cost	Unrealized gains	Unrealized losses	Fair Value
U.S. Treasury and other U.S. government agencies	\$ 99,745	\$ 302	\$ (805)	\$ 99,242
Corporate bonds	377,991	985	(2,080)	376,896
Total	\$ 477,736	\$ 1,287	\$ (2,885)	\$ 476,138

The following table summarizes the amortized cost, unrealized holding gains and losses and fair value of marketable securities by contractual maturity as of December 31, 2024:

	Amortized Cost	Unrealized gains	Unrealized losses	Fair Value
Due within one year	\$ 288,842	\$ 281	\$ (176)	\$ 288,947
Due after one year through two years	121,635	463	(89)	122,009
Total	\$ 410,477	\$ 744	\$ (265)	\$ 410,956

The following table summarizes the amortized cost, unrealized holding gains and losses and fair value of marketable securities by contractual maturity as of December 31, 2023:

	Amortized Cost	Unrealized gains	Unrealized losses	Fair Value
Due within one year	\$ 149,188	\$ 42	\$ (1,424)	\$ 147,806
Due after one year through two years	328,548	1,245	(1,461)	328,332
Total	\$ 477,736	\$ 1,287	\$ (2,885)	\$ 476,138

From the total of \$ 265 and \$ 2,885 unrealized losses as of December 31, 2024 and 2023, \$ 250 and \$ 2,477 were in continuous unrealized loss for more than 12 months, respectively. The unrealized losses are mainly driven by the higher interest rate environment and the recent interest rate hikes by global central banks during 2023-2024, which was due mainly to elevated inflation rates, therefore negatively impacted the fair value of securities in the Company's portfolio.

As of December 31, 2024 and 2023, interest receivable amounted to \$ 3,492 and \$ 3,354 , respectively, and is included within other receivables in the balance sheet.

Note 7: - Property and equipment, net

Property and equipment, net consisted of the following as of:

	December 31,	
	2024	2023
Leasehold improvements	\$ 6,430	\$ 6,358
Computers and peripheral equipment	6,770	5,986
Office furniture and equipment	1,668	1,591
	14,868	13,935
Less-accumulated depreciation	(10,597)	(9,200)
Total	\$ 4,271	\$ 4,735

Depreciation expenses were \$ 1,778 , \$ 1,879 and \$ 2,032 for the years ended December 31, 2024, 2023 and 2022, respectively.

Note 8: - Intangible assets, net

Acquired intangible assets consisted of the following as of December 31, 2024:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Technology	\$ 43,337	\$ (12,808)	\$ 30,529
Capitalized internal-use software	6,292	(5,714)	578
Customer Relationships	11,998	(7,152)	4,846
Creatives Relationships	4,252	(1,676)	2,576
Talents Relationships	1,438	(894)	544
Trade Name	4,765	(1,982)	2,783
Courses	968	(942)	26
Workforce	1,250	(1,250)	-
Total	\$ 74,300	\$ (32,418)	\$ 41,882

Acquired intangible assets consisted of the following as of December 31, 2023:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Technology	\$ 15,778	\$ (9,111)	\$ 6,667
Capitalized internal-use software	5,842	(5,367)	475
Customer Relationships	4,335	(4,267)	68
Creatives Relationships	4,252	(1,250)	3,002
Trade Name	2,035	(1,640)	395
Courses	950	(835)	115
Workforce	1,250	(1,250)	-
Total	\$ 34,442	\$ (23,720)	\$ 10,722

In connection with internal-use software, the Company capitalized \$ 469 , \$ 0 and \$ 953 for the years ended December 31, 2024, 2023 and 2022, respectively. The capitalized amount included share-based compensation of \$ 32 , \$ 0 and \$ 274 for the years ended December 31, 2024, 2023 and 2022, respectively.

Amortization expenses amounted to \$ 8,698 , \$ 4,108 and \$ 8,153 for the years ended December 31, 2024, 2023 and 2022, respectively.

The estimated future amortization of intangible assets as of December 31, 2024 was as follows:

2025	\$ 12,273
2026	8,898
2027	8,825
2028	7,637
2029	3,799
2030 and thereafter	450
Total	\$ 41,882

Note 9: - Other non-current assets

Other non-current assets consisted of the following as of:

	December 31,	
	2024	2023
Deferred tax assets (refer to note 18)	\$ 22,517	\$ -
Hold-back payment in connection with AutoDS acquisition	6,401	-
Other	1,470	1,349
Total	\$ 30,388	\$ 1,349

Note 10: - Derivatives and hedging

The Company had outstanding contracts designated as hedging instruments in the aggregate notional amount of \$ 54,000 and \$ 55,000 as of December 31, 2024 and 2023, respectively.

The fair value of the Company's outstanding contracts amounted to an asset of \$ 1,413 as of December 31, 2024, and an asset of \$ 971 and a liability of \$ 87 as of December 31, 2023.

These assets and liabilities were recorded under other receivables and other account payables and accrued expenses, respectively.

Gains of \$ 217 and losses of \$ 4,085 and \$ 4,082 were reclassified from accumulated other comprehensive income (loss) during the years ended December 31, 2024, 2023 and 2022, respectively.

Such gains and losses were reclassified from accumulated other comprehensive income (loss) when the related expenses were incurred. These gains and losses were recorded in the consolidated statements of operations as follows:

	December 31,		
	2024	2023	2022
Cost of revenue	\$ (15)	\$ 336	\$ 123
Research and development	(142)	2,015	2,640
Sales and marketing	(25)	826	1,025
General and administrative	(35)	908	294
Total	\$ (217)	\$ 4,085	\$ 4,082

In addition, for the years ended December 31, 2024, 2023 and 2022 losses of \$ 0 , \$ 395 and \$ 875 , respectively, were reclassified from other comprehensive loss to financial income (expenses), net in connection with forecasted transactions not probable of occurring.

Note 11: - Other account payables and accrued expenses

Other payable and accrued expenses consisted of the following as of:

	December 31,	
	2024	2023
Accrued expenses	\$ 33,880	\$ 26,709
Accrued payroll and government authorities	19,045	16,906
Earn-out	2,975	-
Proceeds from (payments of) withholding tax related to employees' exercises of share options and RSUs	1,267	408
Derivatives	-	87
Total	\$ 57,167	\$ 44,110

Note 12: - Leases

The Company leases office spaces under non-cancellable operating lease agreements in Israel and the U.S. The initial term for the operating lease of the Company's office space in Israel was until December 2021, however, the Company utilized a five-year renewal option such that the agreement will expire in December 2026. The operating lease for the office space in the U.S expires in April 2027 and has no renewal option. The Company subleases a portion of its Israel office space.

The components of operating lease cost recorded under operating expenses were as follows for the years ended:

	December 31,		
	2024	2023	2022
Fixed cost and variable cost that depend on an index	\$ 3,121	\$ 2,689	\$ 3,312
Impairment of lease ROU asset	-	211	-
Short term lease cost	63	76	23
Sublease income	(204)	(1,293)	(434)
Total	\$ 2,980	\$ 1,683	\$ 2,901

Weighted average remaining lease term as of December 31, 2024	2.06 years
Weighted average discount rate	3.07 %

Cash payments related to operating lease liabilities for the years ended December 31, 2024, 2023 and 2022, were \$ 3,331 , \$ 3,374 , and \$ 3,624 , respectively

The minimum lease payments for the Company's ROU assets over the remaining lease periods as of December 31, 2024, were as follows:

2025	\$ 2,647
2026	2,733
2027	157
Total undiscounted lease payments	5,537
Less: imputed interest	(182)
Present value of lease liabilities	\$ 5,355

Note 13: - Commitments and contingencies

From time to time, the Company may be involved in various claims and legal proceedings.

The Company reviews the status of each matter and assesses its potential financial exposure. If the potential loss from any claim or legal proceeding is considered probable and the amount can be reasonably estimated the Company would accrue a liability for the estimated loss.

As of December 31, 2024 and 2023, the Company is not involved in any material claims or legal proceedings that would require an accrual of liability for the estimated loss.

Note 14: - Convertible notes

a. Convertible notes

In October 2020, the Company issued \$ 460,000 aggregate principal amount, 0 % coupon rate of convertible notes due on November 1, 2025 (inclusive of an additional \$ 60,000 aggregate principal amount of such notes pursuant to the exercise in full of the over allotment option of the initial purchasers). The convertible notes are convertible based upon an initial conversion rate of 4.6823 of the Company's ordinary shares, per share per \$ 1 principal amount of convertible notes (equivalent to a conversion price of approximately \$ 213.57 per ordinary share). The conversion rate is subject to adjustment upon the occurrence of certain specified events. The convertible notes are senior unsecured obligations of the Company. The convertible notes mature on November 1, 2025 , unless earlier repurchased, redeemed or converted.

Prior to May 15, 2025, a holder may convert all or a portion of its convertible notes only under the following circumstances: (i) during any calendar quarter commencing after the calendar quarter ending on December 31, 2020 (and only during such calendar quarter), if the last reported sale price of the Company's ordinary shares for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (ii) during the five business day period after any 10 consecutive trading day period in which the trading price, determined pursuant to the terms of the convertible notes, per \$1 principal amount of convertible notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the ordinary shares and the conversion rate on each such trading day; (iii) if the Company calls such convertible notes for redemption in certain circumstances, at any time prior to the close of business on the third scheduled trading day immediately preceding the redemption date; or (iv) upon the occurrence of specified corporate events.

On or after May 15, 2025 until the close of business on the third scheduled trading day immediately preceding the maturity date, a holder may convert its convertible notes at any time, regardless of the foregoing circumstances.

Upon conversion, the Company can pay or deliver cash, ordinary shares or a combination of cash and ordinary shares, at the Company's election.

The Company may, at any time and from time to time, redeem for cash all or any portion of the convertible notes, at the Company's option, if the last reported sale price of the Company's ordinary shares has been at least 130 % of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which it delivers notice of redemption at a redemption price equal to 100 % of the principal amount of the convertible notes to be redeemed.

Upon the occurrence of a fundamental change as defined in the indenture, holders may require the Company to repurchase for cash all or any portion of their convertible notes at a fundamental change repurchase price equal to 100% of the principal amount of the convertible notes to be repurchased (plus accrued and unpaid special interest payable under certain circumstances set forth in the terms of the convertible notes (if any) to, but excluding, the fundamental change repurchase date. In addition, in connection with a make-whole fundamental change as defined in the indenture or following the Company's delivery of a notice of redemption, the company will, in certain circumstances, increase the conversion rate for a holder who elects to convert its convertible notes in connection with such a corporate event or redemption, as the case may be. Issuance costs attributable to the debt and equity components prior to the adoption of ASU 2020-06 were \$ 9,969 and \$ 2,842 , respectively. The effective borrowing rate of the debt component of the convertible notes was 5.1 %. This borrowing rate was based on the Company's synthetic credit risk rating determined by a third-party appraiser.

The annual effective interest rate of the debt component following the adoption of ASU 2020-06 is 5.8 %.

The net carrying amount of convertible notes as of December 31, 2024 and 2023 was as follows:

	December 31,	
	2024	2023
Principal amounts	\$ 460,000	\$ 460,000
Unamortized issuance costs	2,140	4,695
Net carrying amount	\$ 457,860	\$ 455,305

Financial expenses related to the convertible notes for the years ended December 31, 2024, 2023 and 2022 were \$ 2,555 , \$ 2,541 and \$ 2,527 , respectively.

b. Capped call

In connection with the pricing of the convertible notes and the exercise of the over allotment option, the Company entered into privately negotiated capped call transactions with certain financial institutions. The capped call transactions cover, collectively, the number of the Company's ordinary shares underlying the convertible notes, subject to anti-dilution adjustments substantially similar to those applicable to the convertible notes. The capped call has an initial strike price of \$ 213.57 per ordinary share, subject to certain adjustments, which corresponds to the approximate initial conversion price of the convertible notes. The cap price of the capped call is initially \$ 305.1 per ordinary share and is subject to certain adjustments under the terms of the capped call.

The capped call transactions were considered to be freestanding instruments as they were entered into separately and apart from the convertible notes and since the conversion or redemption of the convertible notes does not automatically result in the exercise of the capped call. The capped call transactions are indexed to the Company's own shares and meet the criteria for equity classification. The cost of the capped call transactions was approximately \$ 43,240 recorded as a reduction to additional paid in capital with no subsequent measurement.

Note 15: - Other non-current liabilities

Other non-current liabilities consisted of the following as of:

	December 31,	
	2024	2023
Deferred tax liabilities (refer to note 18)	\$ 3,822	\$ 1,805
Uncertain tax positions (refer to note 18)	5,531	-
Earn-out	9,143	-
Other	1,132	813
Total	\$ 19,628	\$ 2,618

Note 16: - Shareholders' equity

a. Share Repurchase Program:

During 2024, the Company's board of directors authorized a share buyback program for the repurchase of up to \$ 100,000 of the Company's outstanding Ordinary shares. As of December 31, 2024, the Company repurchased 4,139,417 ordinary shares for \$ 99,997 , excluding \$ 84 broker fees, at an average price of \$ 24.16 per share. The ordinary shares purchased were cancelled subsequent to their purchase, returned to the unallocated share pool and are no longer outstanding.

b. Holders of ordinary shares are entitled to one vote per share and dividends whenever funds are legally available and when, as, and if declared by the Company's board of directors.

c. Share options, RSUs and PSUs:

In 2011, the board of directors adopted the 2011 share option plan for employees, officers, directors and consultants (the "2011 Plan"). Each share option granted under the 2011 Plan expires no later than ten years from the date of grant. The vesting period of the share options is generally four years. As of December 31, 2019, the Company is no longer granting any awards under the 2011 Plan.

In 2019, the board of directors adopted the 2019 share incentive plan (the "2019 Plan") for employees, officers, directors and consultants. The 2019 Plan provides for the grant of share options (including incentive share options and non-qualified share options), ordinary shares, restricted shares, RSUs and other share-based awards.

The maximum number of ordinary shares available for issuance under the 2019 Plan is equal to the sum of (i) 560,807 shares, (ii) any shares subject to awards under the 2011 Plan which will expire or become un-exercisable without having been exercised, and (iii) an annual increase on the first day of each year beginning in 2020 and ending in and including 2029, equal to the lesser of (A) 14,259,677 shares, (B) 5% of the outstanding shares on the last day of the immediately preceding calendar year on a fully diluted basis and (C) such amount as determined by our board of directors if so determined, prior to January 1 of a calendar year; provided, however, that no more than 14,820,484 shares may be issued upon the exercise of incentive stock options, or ISOs.

Each share option granted under the 2019 Plan expires no later than seven years from the date of grant. The vesting period of the share options is generally four years .

As of December 31, 2024, 2,308,771 RSUs and PSUs were outstanding under the 2019 Plan and the total of 2,489,312 ordinary shares was available for future grants under the 2019 Plan.

The following table summarizes the status of the share options granted under our 2019 Plan and 2011 Plan as of and for the year ended:

	December 31, 2024		
	Number of share options	Weighted- average exercise price	Weighted- average remaining contractual term (in years)
Outstanding at the beginning of the year	3,412,281	\$ 52.52	4.66
Granted	-	-	-
Exercised	(332,461)	9.97	-
Forfeited	(103,771)	68.66	-
Outstanding at the end of the year	2,976,049	\$ 56.78	3.73
Exercisable at the end of the year	2,388,754	\$ 56.91	3.43

The weighted-average grant-date fair value of share options granted was \$ 18.17 and \$ 25.24 per share for the years ended 2023 and 2022, respectively.

The weighted-average grant-date fair value of share options exercised was \$ 26.15 , \$ 25.09 and \$ 20.30 per share for the years ended December 31, 2024, 2023 and 2022, respectively.

The fair value of these share options was estimated on the grant date based on the following weighted average assumptions for the years ended:

	December 31,		
	2024	2023	2022
Volatility	-	56 % – 58 %	54 % – 57 %
Expected term in years	-	3.78 – 5.23	3.78 – 4.56
Risk-free interest rate	-	3.37 % – 4.22 %	1.87 % – 4.4 %
Estimated fair value of underlying ordinary shares	-	20.5 – 39.35	27.55 – 81.03
Dividend yield	-	0 %	0 %

Intrinsic value represents the potential amount receivable by the option holders had all option holders exercised their share options as of such date.

The aggregate intrinsic value of the exercised share options was \$ 5,366 , \$ 8,146 and \$ 10,873 for the years ended December 31, 2024, 2023 and 2022, respectively.

The grant-date fair value of vested share options was \$ 19,122 , \$ 20,802 and \$ 23,346 for the years ended December 31, 2024, 2023 and 2022, respectively.

The following table summarizes the status of RSUs and PSUs granted under our 2019 Plan as of and for the year ended:

	December 31, 2024	
	Number of RSUs and PSUs	Weighted- average grant date fair value
Outstanding at the beginning of the year	1,476,818	\$ 57.76
Granted	2,052,292	27.83
Vested	(833,722)	55.91
Forfeited	(386,617)	47.34
Outstanding at the end of the year	2,308,771	\$ 33.14

h. Employee Share Purchase Plan:

In August 2020, the Company adopted the 2020 Employee Share Purchase Plan (the “ESPP”). As of December 31, 2024, a total of 1,303,663 shares were reserved for issuance under the ESPP.

The maximum aggregate number of ordinary shares that may be purchased initially under the ESPP was 410,000 shares, subject to adjustment as provided for in the ESPP. In addition, on the first day of each calendar year beginning on January 1, 2022 and ending on and including January 1, 2030, the number of shares available for issuance under the ESPP will be increased by the lesser of 1 % of the shares outstanding on the final day of the immediately preceding calendar year, as determined on a fully diluted basis, and such smaller number of shares as determined by the Company’s board of directors. According to the ESPP, eligible employees may use up to 15 % of their salaries to purchase ordinary shares. The price of an ordinary share purchased under the ESPP is equal to 85 % of the lower of the fair market value of the ordinary share on the beginning of each offering period or on the purchase date.

During 2024, 163,390 ordinary shares had been issued under the ESPP. The ESPP is compensatory and, as such, results in recognition of compensation cost.

The fair value of ESPP was estimated on the grant date based on the following weighted average assumptions for the years ended:

	December 31,		
	2024	2023	2022
Volatility	46.15 - 97.6 %	66.4 - 97.6 %	86.4 - 97.6 %
Expected term in years	0.5	0.5	0.5
Risk-free interest rate	4.24 - 5.26 %	4.24 - 4.96 %	0.08 - 4.24 %
Estimated fair value of underlying ordinary shares	26.40 - 206.07	26.40 - 206.07	35.36 - 206.07
Dividend yield	0 %	0 %	0 %

Share-based compensation costs are recorded in the consolidated statements of operations for the years ended:

	December 31,		
	2024	2023	2022
Cost of revenue	\$ 2,136	\$ 2,497	\$ 2,520
Research and development	23,569	24,310	23,828
Sales and marketing	13,592	13,304	17,196
General and administrative	34,645	28,587	28,211
Total	\$ 73,942	\$ 68,698	\$ 71,755

The total unrecognized share-based compensation cost as of December 31, 2024 was \$ 87,027 , which will be recognized over a weighted-average period of 2.37 years.

Note 17: - Financial income (expenses), net

	Year ended December 31,		
	2024	2023	2022
Bank charges and other financial expenses	\$ (138)	\$ (185)	\$ (596)
Amortization of discount of convertible notes	(2,555)	(2,541)	(2,527)
Derivatives and hedging	-	(395)	(875)
Exchange rate gain (loss), net	(859)	131	1,141
Amortization of premium and accretion of discount on marketable securities, net	4,753	730	(6,385)
Interest income, net	26,505	22,423	12,866
Total	\$ 27,706	\$ 20,163	\$ 3,624

Note 18: - Income taxes

Fiverr International Ltd.'s subsidiaries are separately taxed under the domestic tax laws of the jurisdiction of incorporation of each entity.

a. Corporate tax in Israel:

Ordinary taxable income is subject to a corporate tax rate of 23 % for the years 2022-2024. Refer to Note 18g for tax benefits in Israel.

b. Income (loss) before income taxes:

The following are the domestic and foreign components of the Company's income (loss) before income taxes for the years ended:

	December 31,		
	2024	2023	2022
Domestic income (loss)	\$ 15,004	\$ 9,034	\$ (62,905)
Foreign loss	(3,116)	(3,980)	(8,005)
Total	\$ 11,888	\$ 5,054	\$ (70,910)

c. Tax benefit (Income taxes) are comprised as follows:

	December 31,		
	2024	2023	2022
Current taxes	\$ (10,269)	\$ (1,373)	\$ (577)
Deferred taxes	16,627	-	-
Total	\$ 6,358	\$ (1,373)	\$ (577)

	December 31,		
	2024	2023	2022
Domestic	\$ 6,487	\$ (1,025)	\$ (632)
Foreign	(129)	(348)	55
Total	\$ 6,358	\$ (1,373)	\$ (577)

d. Deferred income taxes:

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 principal components of the Company's deferred tax assets are as follows for the years ended:

	December 31,	
	2024	2023
Deferred tax assets:		
Net operating loss carryforwards	\$ 10,015	\$ 12,800
Research and development expenses carryforward	3,200	6,624
Accrued and other	2,545	1,730
Share-based compensation	14,129	10,514
Capped call transaction	5,188	-
Operating lease liabilities	758	903
Acquired Intangible assets	392	-
Total deferred tax asset before valuation allowance	\$ 36,227	\$ 32,571
Valuation allowance	(10,061)	(30,718)
Total deferred tax asset after valuation allowance	\$ 26,166	\$ 1,853
Deferred tax liabilities:		
Operating lease ROU assets	(732)	(853)
Acquired Intangible assets	(5,244)	(879)
Accrued and other	(1,495)	(121)
Total deferred tax liability	\$ (7,471)	\$ (1,853)
Net deferred taxes	\$ 18,695	\$ -

In assessing the realization of deferred tax assets, management considers whether it is more likely than not that all or some portion of the deferred tax assets will not be realized in each tax jurisdiction. The ultimate realization of the deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences are deductible and net operating losses are utilized. Based on consideration of these factors, as of December 31, 2024, the Company recorded a tax asset of \$ 15,863 reflecting tax benefit in Israel mainly due to share-based compensation and utilization of net operating losses in future years.

The reconciliation of the Company's theoretical income tax expense to actual income tax expense is as follows:

	Year ended December 31,		
	2024	2023	2022
Income (loss) before income taxes	\$ 11,888	\$ 5,054	\$ (70,910)
Statutory tax rate	23%	23%	23%
Theoretical tax benefit (expense)	(2,734)	(1,162)	16,309
Increase (decrease) in effective tax rate due to:			
Change in valuation allowance	15,460	15,885	(4,491)
Effect of technological preferred enterprise status (TPE)	1,650	-	-
Effect of entities with different tax rates	(203)	(51)	(145)
Non-deductible expenses	(4,607)	(6,296)	(11,840)
Write-off of NOL due to limitation on utilization	-	(8,305)	-
Uncertain tax provision	(2,532)	(1,111)	(302)
Other	(676)	(333)	(108)
Effective income taxes	\$ 6,358	\$ (1,373)	\$ (577)

e. Net operating loss carryforward:

As of December 31, 2024, the Company had approximately \$ 16,826 Net Operating Losses ("NOL") attributed to the Israeli entity to be utilized over a period of 5 years. Also, the Company had approximately \$ 33,518 NOL carryforward attributed to the U.S. subsidiaries federal tax. NOLs for U.S. Federal income tax purposes ("Federal NOLs") generated in the years ended December 31, 2014 through 2017 will begin to expire in 2035 for federal income tax purposes. Federal NOL's originating before January 1, 2018, are eligible to offset taxable income, if not otherwise limited under Internal Revenue Code ("IRC") 382 limitations. Federal NOL's generated after December 31, 2017, have an infinite carryforward period and are subject to 80% deduction limitation based upon pre-NOL deduction taxable income. All of the federal NOL's of the Company are expected to be subject to certain limitations under 382 following that change in control that occurred upon acquisition of ClearVoice, Working Not Working, Inc. and CreativeLive. Additionally, the Company had approximately \$ 14,567 NOLs carryforward attributed to the U.S. subsidiaries state income tax. NOLs for U.S. State income tax purposes ("State NOLs") generated in the years ended December 31, 2013 through 2017 will begin to expire in 2034 for state income tax purposes. State NOL's originating before January 1, 2018, are eligible to offset taxable income. In some states, State NOL's generated after December 31, 2017, have an infinite carryforward period.

f. Basis of taxation:

Israel:

In December 2016, the Israeli Knesset passed Amendment 73 to the Investment Law which included a number of changes to the Investment Law regimes through regulations approved on May 1, 2017 and that have come into effect from January 1, 2017.

Applicable benefits under the new regime include:

- Introduction of a benefit regime for "Preferred Technology Enterprises" ("PTE") granting a 12 % tax rate in central Israel – on qualified income deriving from Benefited Intellectual Property, subject to a number of conditions being fulfilled, 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.
- A withholding tax rate of 20 % for dividends paid from PTE income (with an exemption from such withholding tax applying to dividends paid to an Israeli company). Such rate may be reduced to 4 % on dividends paid to a foreign resident company, subject to certain conditions regarding percentage of foreign ownership of the distributing entity.

The Company evaluated the effect of the adoption of the Amendment 73 and it generally meets the conditions for tax benefits as a "Preferred Technological Enterprise."

United States:

On December 22, 2017, the Tax Cuts and Jobs Act (the "Act") was enacted into law. The legislation represents fundamental and dramatic modifications to the U.S. tax system. The Act contains several key tax provisions that will impact the Company's U.S. subsidiaries, including the reduction of the maximum U.S. federal corporate income tax rate from 35 % to 21 %, effective January 1, 2018. Other significant changes under the Act include, among others, a one-time repatriation tax on accumulated foreign earnings, a limitation of net operating loss deduction to 80 % of taxable income, and indefinite carryover of post-2017 net operating losses. The Act also repeals the corporate alternative minimum tax for tax years beginning after December 31, 2017. Losses generated prior to January 1, 2018 will still be subject to the 20-year carryforward limitation and the alternative minimum tax. Other potential impacts due to the Act include the repeal of the domestic manufacturing deduction, modification of taxation of controlled foreign corporations, a base erosion anti-abuse tax, modification of interest expense limitation rules, modification of limitation on deductibility of excessive executive compensation, and taxation of global intangible low-taxed income.

g. Tax benefits under the Law for the Encouragement of Industry (Taxation), 1969:

Management believes that the Company currently qualifies as an "industrial company" under the above law and as such, is entitled to certain tax benefits including accelerated depreciation, deduction of public offering expenses in three equal annual installments and amortization of other intangible property rights for tax purposes.

h. Tax assessments:

As of December 31, 2024, the Company had open tax years for the periods between 2019 and 2023 in Israel and for the periods between 2020 and 2023 for the U.S. subsidiaries. In Israel, the Company is under the Israeli Tax Authorities audit for the years 2019-2022. The Company has NOL in Israel and the U.S. and R&D credit in the U.S. from prior tax periods which may be subject to examination in future periods. NOLs are subject to tax in future periods.

i. Uncertain tax positions:

A reconciliation of the opening and closing amounts of total unrecognized tax positions is as follows:

	December 31,	
	2024	2023
Opening balance	\$ 2,711	\$ 1,433
Decrease related to previous years tax positions	-	-
Increase related to previous years tax positions	203	251
Increase related to current year tax positions	2,617	1,027
Closing balance	\$ 5,531	\$ 2,711

As of December 31, 2023 unrecognized tax benefit in the amount \$ 1,148 was presented net from deferred tax assets.

Note 19: - Segment and geographic information

Revenue attributable to the Company's domicile and other geographic areas based on the location of the buyers was as follows for the years ended:

	December 31,		
	2024	2023	2022
U.S.	\$ 191,705	\$ 178,450	\$ 172,704
Europe	104,319	95,593	84,484
Asia Pacific	60,912	54,400	48,585
Rest of the world	30,959	29,664	28,153
Israel	3,586	3,268	3,440
Total	\$ 391,481	\$ 361,375	\$ 337,366

The following table summarizes disaggregated revenue by marketplace revenue and services revenue for the years ended:

	December 31,		
	2024	2023	2022
Marketplace Revenue	\$ 303,069	\$ 306,981	\$ 296,263
Services Revenue	88,412	54,394	41,103
Total	\$ 391,481	\$ 361,375	\$ 337,366

Property and equipment, net and ROU assets by geographical areas was as follows:

	December 31,	
	2024	2023
Israel	\$ 8,045	\$ 10,622
U.S. and other	1,348	833
Total	\$ 9,393	\$ 11,455

**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, Fiverr International Ltd. had one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: our ordinary shares. References herein to "we," "us," "our" and the "Company" refer to Fiverr International Ltd. and not to any of its subsidiaries. The following description may not contain all of the information that is important to you, and we therefore refer you to our amended and restated articles of association, a copy of which was filed on October 27, 2023, with the Securities and Exchange Commission ("SEC") as an exhibit 99.1 to Form 6-K (file no. 001-38929).

Share capital

Our authorized share capital consists of 127,400,000 ordinary shares, no par value.

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.

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.

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 a stock exchange on which the ordinary shares are listed for trade. 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 ten directors. 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 at an annual general meeting of our shareholders, provided that in the event of a contested election directors shall be elected by a plurality of the votes cast. 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 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 allow our board of directors to fill vacancies on the board of directors or to appoint new directors up to the maximum number of directors permitted under our amended and restated articles of association. Any director so appointed serves for a term of office equal to the remaining period of the term of office of the director whose office has been vacated (or in the case of any new director, for a term of office according to the class to which such director was assigned upon appointment).

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. 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. 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 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 have identical voting and other rights in all respects.

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. The quorum required for our general meetings of shareholders consists of at least two shareholders present in person, by proxy or written ballot who hold or represent between them at least 25% of the total outstanding voting rights, within half an hour of the time fixed for the commencement of the meeting. A meeting adjourned for lack of a quorum shall be adjourned 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."

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 a special majority, including: (i) the approval of an extraordinary transaction with a controlling shareholder or in which the controlling shareholder has a personal interest, (ii) 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 (iii) approval of certain compensation-related matters require specific approval. 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) may require 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 the ordinary majority vote of all classes of shares voting together as a single class at a shareholder meeting. Our amended and restated articles of association also provide that the removal of any director from office or the amendment of such provision, or certain other provisions regarding our staggered board, shareholder proposals, the size of our board and plurality voting in contested elections require the vote of at least 65% of the total voting power of our shareholders. 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 a majority of the 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 Companies Registrar or the Israeli 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 commercial 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 and 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 two percent (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 the 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 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 voting rights or the issued and outstanding share capital of the company (or the applicable class) from shareholders who accepted the tender offer.

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% or more of the voting rights in the company. This rule 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 in a public company must be made by means of a 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 the acquisition (i) 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 acquirer at least 25% 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 acquirer 45% of the voting rights in the company, if there is no person who holds 45% or more of the voting rights in the company, (ii) was from a shareholder holding 25% or more of the voting rights in the company and resulted in the acquirer becoming a holder of 25% or more of the voting rights in the company, or (iii) was from a holder of more than 45% of the voting rights in the company and resulted in the acquirer 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 (i) at least 5% of the voting power attached to the company's outstanding shares will be acquired by the offeror and (ii) 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 shall 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 where the purpose of which is to cause the failure of an existing or foreseeable special tender offer or is 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 to 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, at the time of the offer, or under common control with the purchaser or such controlling person or entity 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.

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, by a majority of each party's shareholders. 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 a person or entity holding 25% or more of the voting rights at the general meeting or 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 shareholders meeting (excluding 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 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 any of the parties to the merger, 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. As of December 31, 2023, 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 attaching to our issued and outstanding shares at a general meeting. The convening of the meeting, the shareholders entitled to participate and the majority 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 "—Voting Rights." In addition, as disclosed under "—Election of Directors" we have a classified board structure, which will effectively limit the ability of any investor or potential investor or group of investors or potential investors to gain control of our board of directors.

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 by voting on such change in the capital. 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.

Exclusive forum

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. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both U.S. state and federal courts have jurisdiction to entertain such claims. This choice of forum provision may limit a shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees and may increase the costs associated with such lawsuits, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find these provisions of our amended and restated articles of association inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business and financial condition. This provision would 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 (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a breach of a fiduciary duty owed by any of our directors, officers or other employees 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.

Any person or entity purchasing or otherwise acquiring any interest in our share capital shall be deemed to have notice of and to have consented to the choice of forum provisions of our amended and restated articles of association described above.

Transfer agent and registrar

The transfer agent and registrar for our ordinary shares is Computershare Trust Company, N.A, at its principal office in Canton, Massachusetts.

Listing

Our ordinary shares are listed on the New York Stock Exchange under the symbol "FVRR."

COMPENSATION POLICY

FIVERR INTERNATIONAL LTD.

Compensation Policy for Executive Officers and Directors

(As adopted on October 28, 2024)

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A. Overview and Objectives**1. Introduction**

This document sets forth the Compensation Policy for Executive Officers and Directors (this “**Compensation Policy**” or “**Policy**”) of Fiverr International Ltd. (“**Fiverr**” or the “**Company**”), in accordance with the requirements of the Companies Law, 5759-1999 (the “**Companies Law**”).

Compensation is a key component of Fiverr’s overall human capital strategy to attract, retain, reward, and motivate highly skilled individuals that will enhance Fiverr’s value and otherwise assist Fiverr to reach its business and financial long-term goals. Accordingly, the structure of this Policy is established to tie the compensation of each officer to Fiverr’s goals and performance.

For purposes of this Policy, “Executive Officers” shall mean “Office Holders” as such term is defined in Section 1 of the Companies Law, excluding, unless otherwise expressly indicated herein, Fiverr’s directors.

This policy is subject to applicable law and is not intended, and should not be interpreted as limiting or derogating from, provisions of applicable law to the extent not permitted.

This Policy shall apply to compensation agreements and arrangements which will be approved after the date on which this Policy is adopted and shall serve as Fiverr's Compensation Policy for three (3) years, commencing as of its adoption.

The Compensation Committee and the Board of Directors of Fiverr (the "**Compensation Committee**" and the "**Board**", respectively) shall review and reassess the adequacy of this Policy from time to time, as required by the Companies Law.

2. Objectives

Fiverr's objectives and goals in setting this Policy are to attract, motivate and retain highly experienced leaders who will contribute to Fiverr's success and enhance shareholder value, while demonstrating professionalism in a highly achievement-oriented culture that is based on merit and rewards excellent performance in the long term, and embedding Fiverr's core values as part of a motivated behavior. To that end, this Policy is designed, among others:

- 2.1. To closely align the interests of the Executive Officers with those of Fiverr's shareholders in order to enhance shareholder value;
- 2.2. To align a significant portion of the Executive Officers' compensation with Fiverr's short and long-term goals and performance;
- 2.3. To provide the Executive Officers with a structured compensation package, including competitive salaries, performance-motivating cash and equity incentive programs and benefits, and to be able to present to each Executive Officer an opportunity to advance in a growing organization;
- 2.4. To strengthen the retention and the motivation of Executive Officers in the long term;
- 2.5. To provide appropriate awards in order to incentivize superior individual excellency and corporate performance; and
- 2.6. To maintain consistency in the way Executive Officers are compensated.

3. Compensation Instruments

Compensation instruments under this Policy may include the following:

- 3.1. Base salary;
- 3.2. Benefits;
- 3.3. Cash bonuses;

- 3.4. Equity based compensation;
- 3.5. Change of control terms; and
- 3.6. Retirement and termination terms.

4. Overall Compensation - Ratio Between Fixed and Variable Compensation

- 4.1. This Policy aims to balance the mix of "Fixed Compensation" (comprised of base salary and benefits) and "Variable Compensation" (comprised of cash bonuses and equity-based compensation) in order to, among other things, appropriately incentivize Executive Officers to meet Fiverr's short and long-term goals while taking into consideration the Company's need to manage a variety of business risks.
- 4.2. The total annual target bonus and equity-based compensation per vesting annum (based on the fair market value at the time of grant calculated on a linear basis) of each Executive Officer shall not exceed 97% of such Executive Officer's total compensation package for such year.

5. Inter-Company Compensation Ratio

- 5.1. In the process of drafting and updating this Policy, Fiverr's Board and Compensation Committee have examined the ratio between employer cost associated with the engagement of the Executive Officers, including directors, and the average and median employer cost associated with the engagement of Fiverr's other employees (including contractor employees as defined in the Companies Law) (the "**Ratio**").
- 5.2. The possible ramifications of the Ratio on the daily working environment in Fiverr were examined and will continue to be examined by Fiverr from time to time in order to ensure that levels of executive compensation, as compared to the overall workforce will not have a negative impact on work relations in Fiverr.

B. Base Salary and Benefits

6. Base Salary

- 6.1. A base salary provides stable compensation to Executive Officers and allows Fiverr to attract and retain competent executive talent and maintain a stable management team. The base salary varies among Executive Officers, and is individually determined according to the educational background, prior vocational experience, qualifications, company's role, business responsibilities and the past performance of each Executive Officer.
- 6.2. Since a competitive base salary is essential to Fiverr's ability to attract and retain highly skilled professionals, Fiverr will seek to establish a base salary that is competitive with base salaries paid to Executive Officers in a peer group of other companies operating in technology sectors which are similar in their characteristics to Fiverr's, as much as possible, while considering, among others, such companies' size and characteristics including their revenues, profitability rate, growth rates, market capitalization, number of employees and operating arena (in Israel or globally), the list of which shall be reviewed and approved by the Compensation Committee at least every two years. Such list shall include at least 15 companies. To that end, Fiverr shall utilize as a reference, comparative market data and practices, which will include a compensation survey that compares and analyses the level of the overall compensation package offered to an Executive Officer of the Company with compensation packages in similar positions to that of the relevant officer) in such companies. Such compensation survey may be conducted internally or through an external independent consultant.

- 6.3. The Compensation Committee and the Board may periodically consider and approve base salary adjustments for Executive Officers. The main considerations for salary adjustment are similar to those used in initially determining the base salary, but may also include change of role or responsibilities, recognition for professional achievements, regulatory or contractual requirements, budgetary constraints or market trends. The Compensation Committee and the Board will also consider the previous and existing compensation arrangements of the Executive Officer whose base salary is being considered for adjustment. Any limitation herein based on the annual base salary shall be calculated based on the monthly base salary applicable at the time of consideration of the respective grant or benefit.

7. Benefits

- 7.1. The following benefits may be granted to the Executive Officers in order, among other things, to comply with legal requirements:
- 7.1.1. Vacation days in accordance with market practice;
 - 7.1.2. Sick days in accordance with market practice;
 - 7.1.3. Convalescence pay according to applicable law;
 - 7.1.4. Monthly remuneration for a study fund, as allowed by applicable law and with reference to Fiverr's practice and the practice in peer group companies (including contributions on bonus payments);
 - 7.1.5. Fiverr shall contribute on behalf of the Executive Officer to an insurance policy or a pension fund, as allowed by applicable law and with reference to Fiverr's policies and procedures and the practice in peer group companies (including contributions on bonus payments); and
 - 7.1.6. Fiverr shall contribute on behalf of the Executive Officer towards work disability insurance, as allowed by applicable law and with reference to Fiverr's policies and procedures and to the practice in peer group companies.

- 7.2. Non-Israeli Executive Officers may receive other similar, comparable or customary benefits as applicable in the relevant jurisdiction in which they are employed. Such customary benefits shall be determined based on the methods described in Section 6.2 of this Policy (with the necessary changes and adjustments).
- 7.3. In events of relocation or repatriation of an Executive Officer to another geography, such Executive Officer may receive other similar, comparable or customary benefits as applicable in the relevant jurisdiction in which he or she is employed or additional payments to reflect adjustments in cost of living. Such benefits shall include reimbursement for out of pocket one-time payments and other ongoing expenses, such as housing allowance, car allowance, and home leave visit, etc.
- 7.4. Fiverr may offer additional benefits to its Executive Officers, which will be comparable to customary market practices, such as, but not limited to: cellular and land line phone benefits, company car and travel benefits, reimbursement of business travel including a daily stipend when traveling and other business related expenses, insurances, other benefits (such as newspaper subscriptions, academic and professional studies), etc., provided, however, that such additional benefits shall be determined in accordance with Fiverr's policies and procedures.

C. Cash Bonuses

8. Annual Cash Bonuses - The Objective

- 8.1. Compensation in the form of an annual cash bonus is an important element in aligning the Executive Officers' compensation with Fiverr's objectives and business goals. Therefore, a pay-for-performance element, as payout eligibility and levels are determined based on actual financial and operational results, as well as individual performance.
- 8.2. An annual cash bonus may be awarded to Executive Officers upon the attainment of pre-set periodical objectives and individual targets determined by the Compensation Committee (and, if required by law, by the Board) at the beginning of each calendar year, or upon engagement, in case of newly hired Executive Officers, taking into account Fiverr's short and long-term goals, as well as its compliance and risk management policies. The Compensation Committee and the Board shall also determine applicable minimum thresholds that must be met for entitlement to the annual cash bonus (all or any portion thereof) and the formula for calculating any annual cash bonus payout, with respect to each calendar year, for each Executive Officer. In special circumstances, as determined by the Compensation Committee and the Board (e.g., regulatory changes, significant changes in Fiverr's business environment, a significant organizational change, a significant merger and acquisition events etc.), the Compensation Committee and the Board may modify the objectives and/or their relative weights during the calendar year.

8.3. In the event the employment of an Executive Officer is terminated prior to the end of a fiscal year, the Company may (but shall not be obligated to) pay such Executive Officer an annual cash bonus (which may or may not be pro-rated).

8.4. The actual annual cash bonus to be awarded to Executive Officers shall be approved by the Compensation Committee and the Board.

9. Annual Cash Bonuses - The Formula

Executive Officers other than the CEO

9.1. The annual cash bonus of Fiverr's Executive Officers, other than the chief executive officer (the "**CEO**"), will be based on performance objectives and a discretionary evaluation of the Executive Officer's overall performance by the CEO and subject to minimum thresholds. The performance objectives will be approved by Fiverr's CEO at the commencement of each calendar year (or upon engagement, in case of newly hired Executive Officers or in special circumstances as indicated in Section 8.2 above) on the basis of, but not limited to, company, division and individual objectives. The performance measurable objectives, which include the objectives and the weight to be assigned to each achievement in the overall evaluation, will be based on overall company performance measures, which are based on actual financial and operational results, such as revenues, operating income and cash flow (at least 25% of the annual cash bonus will be based on overall company performance measures) and may further include, divisional or personal objectives which may include operational objectives, such as market share, initiation of new markets and operational efficiency, customer focused objectives, project milestones objectives and investment in human capital objectives, such as employee satisfaction, employee retention and employee training and leadership programs. The Company may also grant annual cash bonuses to Fiverr's Executive Officers, other than Fiverr's CEO, on a discretionary basis.

9.2. The target annual cash bonus that an Executive Officer, other than the CEO, will be entitled to receive for any given calendar year, will not exceed 100% of such Executive Officer's annual base salary.

9.3. The maximum annual cash bonus including for overachievement performance that an Executive Officer, other than the CEO, will be entitled to receive for any given calendar year, will not exceed 200% of such Executive Officer's annual base salary.

CEO

9.4. The annual cash bonus of Fiverr's CEO will be mainly based on performance measurable objectives and subject to minimum thresholds as provided in Section 8.2 above. Such performance measurable objectives will be determined annually by Fiverr's Compensation Committee (and, if required by law, by Fiverr's Board) at the commencement of each calendar year (or upon engagement, in case of newly hired CEO or in special circumstances as indicated in Section 8.2 above) on the basis of, but not limited to, company and personal objectives. These performance measurable objectives, which include the objectives and the weight to be assigned to each achievement in the overall evaluation, will be based on overall company performance measures, which are based on actual financial and operational results, such as revenues, sales, operating income, cash flow or Company's annual operating plan and long-term plan.

- 9.5. The less significant part of the annual cash bonus granted to Fiverr's CEO, and in any event not more than 30% of the annual cash bonus, may be based on a discretionary evaluation of the CEO's overall performance by the Compensation Committee and the Board based on quantitative and qualitative criteria.
- 9.6. The target annual cash bonus that the CEO will be entitled to receive for any given calendar year, will not exceed 100% of his or her annual base salary.
- 9.7. The maximum annual cash bonus including for overachievement performance that the CEO will be entitled to receive for any given calendar year, will not exceed 200% of his or her annual base salary.

10. Other Bonuses

- 10.1. Special Bonus. Fiverr may grant its Executive Officers a special bonus as an award for special achievements (such as in connection with mergers and acquisitions, offerings, achieving target budget or business plan under exceptional circumstances or special recognition in case of retirement) or as a retention award at the CEO's discretion (and in the CEO's case, at the Board's discretion), subject to any additional approval as may be required by the Companies Law (the "**Special Bonus**"). The Special Bonus will not exceed 100% of the Executive Officer's annual base salary. Special Bonus can be paid, in whole or in part, in equity in lieu of cash and the value of any such equity component of a Special Bonus shall be determined in accordance with Section 13.3 below.
- 10.2. Signing Bonus. Fiverr may grant a newly recruited Executive Officer a signing bonus at the CEO's discretion (and in the CEO's case, at the Board's discretion), subject to any additional approval as may be required by the Companies Law (the "**Signing Bonus**"). The Signing Bonus will not exceed 200% of the Executive Officer's annual base salary.
- 10.3. Relocation/ Repatriation Bonus. Fiverr may grant its Executive Officers a special bonus in the event of relocation or repatriation of an Executive Officer to another geography (the " **Relocation Bonus**"). The Relocation bonus will include customary benefits associated with such relocation and its monetary value will not exceed 100% of the Executive Officer's annual base salary.

11. Compensation Recovery ("Clawback")

- 11.1. In the event of an accounting restatement, Fiverr shall be entitled to recover from its Executive Officers the bonus compensation or performance-based equity compensation in the amount in which such compensation exceeded what would have been paid under the financial statements, as restated, provided that a claim is made by Fiverr prior to the second anniversary of fiscal year end of the restated financial statements or per Fiverr's clawback policy adopted by the Company from time to time under the applicable stock exchange rules, as applicable.
- 11.2. Notwithstanding the aforesaid, the compensation recovery will not be triggered in the following events:
 - 11.2.1. The financial restatement is required due to changes in the applicable financial reporting standards; or
 - 11.2.2. The Compensation Committee has determined that Clawback proceedings in the specific case would be impossible, impractical or not commercially or legally efficient.
- 11.3. Nothing in this Section 11 derogates from any other "Clawback" or similar provisions regarding disgorging of profits imposed on Executive Officers by virtue of applicable securities laws, the clawback policy adopted by the Company from time to time under the applicable stock exchange rules, or contractual obligations.

D. Equity Based Compensation

12. The Objective

- 12.1. The equity-based compensation for Fiverr's 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 the long-term interests of Fiverr and its shareholders, and to strengthen the retention and the motivation of Executive Officers in the long term. In addition, since equity-based awards are structured to vest over several years, their incentive value to recipients is aligned with longer-term strategic plans.
- 12.2. The equity-based compensation offered by Fiverr is intended to be in a form of share options and/or other equity-based awards, such as restricted shares, PSUs or RSUs, in accordance with the Company's equity incentive plan in place as may be updated from time to time.
- 12.3. All equity-based incentives granted to Executive Officers (other than bonuses paid in equity in lieu of cash) shall be subject to vesting periods in order to promote long-term retention of the awarded Executive Officers. Unless determined otherwise in a specific award agreement approved by the Compensation Committee and the Board, grants to Executive Officers other than non-employee directors shall vest gradually over a period of between three (3) to five (5) years or based on performance. The exercise price of options shall be determined in accordance with Fiverr's policies, the main terms of which shall be disclosed in the annual report of Fiverr.
- 12.4. All other terms of the equity awards shall be in accordance with Fiverr's incentive plans and other related practices and policies. Accordingly, the Board may, following approval by the Compensation Committee, extend the period of time for which an award is to remain exercisable and make provisions with respect to the acceleration of the vesting period of any Executive Officer's awards, including, without limitation, in connection with a corporate transaction involving a change of control, subject to any additional approval as may be required by the Companies Law.

13. General Guidelines for the Grant of Awards

- 13.1. 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.
- 13.2. In determining the equity-based compensation granted to each Executive Officer, the Compensation Committee and Board shall consider the factors specified in Section 13.1 above, and in any event the total fair market value of an annual equity-based compensation at the time of grant shall not exceed: (i) with respect to the CEO - the higher of (w) 15 million USD or (x) 1.5% of the Company's fair market value at the time of grant; and (ii) with respect to each of the other Executive Officers - the higher of (y) 8 million USD or (z) 0.5% of the Company's fair market value at the time of grant.
- 13.3. The fair market value of the equity-based compensation for the Executive Officers will be determined by multiplying the number of shares underlying the grant by the market price of Fiverr's ordinary shares on or around the time of the grant or according to other acceptable valuation practices at the time of grant, in each case, as determined by the Compensation Committee and the Board.
- 13.4. The Company may satisfy tax withholding obligations related to equity-based compensation by net issuance, sale to cover or any other mechanism as determined by the Board from time to time.

E. Retirement and Termination of Service Arrangements

14. Advanced Notice Period

Fiverr may provide an Executive Officer, other than the CEO, according to his/her seniority in the Company, his/her contribution to the Company's goals and achievements and the circumstances of retirement and the CEO a prior notice of termination of up to twelve (12) months in the case of the CEO and six (6) months in the case of other Executive Officers, during which the Executive Officer may be entitled to all of the compensation elements, and to the continuation of vesting of his/her equity-based compensation.

15. **Adjustment Period**

Fiverr may provide an additional adjustment period of up to six (6) months to an Executive Officer, other than the CEO, according to his/her seniority in the Company, his/her contribution to the Company's goals and achievements and the circumstances of retirement and to the CEO, during which the Executive Officer may be entitled to all of the compensation elements, and to the continuation of vesting of his/her equity-based compensation.

16. **Additional Retirement and Termination Benefits**

Fiverr may provide additional retirement and terminations benefits and payments as may be required by applicable law (e.g., mandatory severance pay under Israeli labor laws), or which will be comparable to customary market practices.

17. **Non-Compete Grant**

Upon termination of employment and subject to applicable law, Fiverr may grant to its Executive Officers a non-compete grant as an incentive to refrain from competing with Fiverr for a defined period of time. The terms and conditions of the non-compete grant shall be decided by the Board and shall not exceed such Executive Officer's monthly base salary multiplied by twelve (12).

18. **Limitation Retirement and Termination of Service Arrangements**

The total non-statutory payments under Section 14-17 above shall not exceed the Executive Officer's monthly base salary multiplied by eighteen (18).

F. Exculpation, Indemnification and Insurance

19. **Exculpation**

Fiverr may exempt its directors and Executive Officers in advance for all or any of his/her liability for damage in consequence of a breach of the duty of care, to the fullest extent permitted by applicable law.

20. **Insurance and Indemnification**

20.1. Fiverr may indemnify its directors and Executive Officers to the fullest extent permitted by applicable law, for any liability and expense that may be imposed on the director or the Executive Officer, as provided in the indemnity agreement between such individuals and Fiverr, all subject to applicable law and the Company's articles of association. Fiverr may adopt arrangements to secure such indemnification obligations to its directors and Executive Officers.

20.2. Fiverr will provide directors' and officers' liability insurance (the "**Insurance Policy**") for its directors and Executive Officers as follows:

20.2.1. The limit of liability of the insurer shall not exceed the greater of \$150 million or 50% of the Company's shareholders equity based on the most recent financial statements of the Company at the time of approval by the Compensation Committee; and

- 20.2.2. The Insurance Policy, as well as the limit of liability and the premium for each extension or renewal shall be approved by the Compensation Committee (and, if required by law, by the Board) which shall determine that the sums are reasonable considering Fiverr's exposures, the scope of coverage and the market conditions and that the Insurance Policy reflects the current market conditions, and it shall not materially affect the Company's profitability, assets or liabilities.
- 20.3. Upon circumstances to be approved by the Compensation Committee (and, if required by law, by the Board), Fiverr shall be entitled to enter into a "run off" Insurance Policy of up to seven (7) years, with the same insurer or any other insurance, as follows:
- 20.3.1. The limit of liability of the insurer shall not exceed the greater of \$150 million or 50% of the Company's shareholders equity based on the most recent financial statements of the Company at the time of approval by the Compensation Committee; and
- 20.3.2. The Insurance Policy, as well as the limit of liability and the premium for each extension or renewal shall be approved by the Compensation Committee (and, if required by law, by the Board) which shall determine that the sums are reasonable considering the Company's exposures covered under such policy, the scope of cover and the market conditions, and that the Insurance Policy reflects the current market conditions and that it shall not materially affect the Company's profitability, assets or liabilities.
- 20.4. Fiverr may extend the Insurance Policy in place to include cover for liability pursuant to a future public offering of securities. The Insurance Policy, as well as the additional premium shall be approved by the Compensation Committee (and if required by law, by the Board) which shall determine that the sums are reasonable considering the exposures pursuant to such public offering of securities, the scope of cover and the market conditions and that the Insurance Policy reflects the current market conditions, and it does not materially affect the Company's profitability, assets or liabilities.

G. Arrangements upon Change of Control

21. The following benefits may be granted to the Executive Officers (in addition to, or in lieu of, the benefits applicable in the case of any retirement or termination of service) upon or in connection with a "Change of Control" or, where applicable, in the event of a "Change of Control" following which the employment of the Executive Officer is terminated or adversely adjusted in a material way (a "Change of Control" as shall be defined in the respective incentive plan or employment agreement):
- 21.1. Vesting acceleration of outstanding options or other equity-based awards;

- 21.2. Extension of the exercising period of equity-based compensation for Fiverr's Executive Officer for a period of up to one (1) year in case of an Executive Officer other than the CEO and two (2) years in case of the CEO, following the date of employment termination; and
- 21.3. Up to an additional six (6) months of continued base salary and benefits following the date of employment termination (the "**Additional Adjustment Period**"). For avoidance of doubt, such additional Adjustment Period shall be in addition to the advance notice and adjustment periods pursuant to Sections 14 and 15 of this Policy, but subject to the limitation set forth in Section 18 of this Policy.
- 21.4. A cash bonus not to exceed 150% of the Executive Officer's annual base salary in case of an Executive Officer other than the CEO and 200% in case of the CEO.

H. Board of Directors Compensation

22. The following benefits may be granted to Fiverr's Board members:

- 22.1. All Fiverr's non-employee Board members may be entitled to an annual cash fee retainer of up to \$100,000, and up to \$150,000 for the chairperson of Fiverr's Board or lead independent director. In addition, all Fiverr's non-employee Board members, who serve on a Board committee (including as the chairperson of a committee), may be entitled to a committee membership annual cash fee retainer of up to \$30,000 and committee chairperson annual cash fee retainer of up to \$60,000 (it is being clarified that the payment for the chairpersons is in lieu of (and not in addition) to the payments referenced above for committee membership).
- 22.2. The compensation of the Company's external directors, if elected, shall be in accordance with the Companies Regulations (Rules Regarding the Compensation and Expenses of an External Director), 5760-2000, as amended by the Companies Regulations (Relief for Public Companies Traded in Stock Exchange Outside of Israel), 5760-2000, as such regulations may be amended from time to time.
- 22.3. Notwithstanding the provisions of Sections 22.1 above, in special circumstances, such as in the case of a professional director, an expert director or a director who makes a unique contribution to the Company, such director's compensation may be different than the compensation of all other directors and may be greater than the maximal amount allowed under Section 22.1.

- 22.4. Each non-employee member of Fiverr's Board may be granted with equity-based compensation. The value of a "welcome" grant or an annual equity-based compensation, granted at a certain year shall not exceed \$500,000. The equity-based compensation may be accelerated in the event of a change of control.
- 22.5. All other terms of the equity awards shall be in accordance with Fiverr's incentive plans and other related practices and policies. Accordingly, the Board may, following approval by the Compensation Committee, extend the period of time for which an award is to remain exercisable and make provisions with respect to the acceleration of the vesting period of any awards, including, without limitation, in connection with a corporate transaction involving a change of control, subject to any additional approval as may be required by the Companies Law.
- 22.6. In addition, members of Fiverr's Board may be entitled to reimbursement of expenses in connection with the performance of their duties. In addition, the Company may satisfy tax withholding obligations related to equity-based compensation granted to directors by net issuance, sale to cover or any other mechanism as determined by the Board from time to time.
- 22.7. It is hereby clarified that the compensation (and limitations) stated under Section H will not apply to directors who serve as Executive Officers.

I. Miscellaneous

23. Nothing in this Policy shall be deemed to grant any of Fiverr's Executive Officers or employees or any third party any right or privilege in connection with their employment by the Company. Such rights and privileges shall be governed by the respective personal employment agreements. The Board may determine that none or only part of the payments, benefits and perquisites detailed in this Policy shall be granted, and is authorized to cancel or suspend a compensation package or part of it.
24. An Immaterial Change in the Terms of Employment of an Executive Officer other than the CEO may be approved by the CEO, provided that the amended terms of employment are in accordance with this Policy. An "Immaterial Change in the Terms of Employment" means a change in the terms of employment of an Executive Officer with an annual total cost to the Company not exceeding an amount equal to three (3) monthly base salaries of such employee.
25. In the event that new regulations or law amendment in connection with Executive Officers' and directors' compensation will be enacted following the adoption of this Policy, Fiverr may follow such new regulations or law amendments, even if such new regulations are in contradiction to the compensation terms set forth herein.

This Policy is designed solely for the benefit of Fiverr and none of the provisions thereof are intended to provide any rights or remedies to any person other than Fiverr.

Subsidiaries of the Registrant

Legal Name of Subsidiary	Jurisdiction of Organization
AutoDS, Inc.	Delaware, United States
AutoDS Ltd.	Israel
ClearVoice, Inc.	Delaware, United States
CreativeLive, Inc.	Delaware, United States
Digis Programming Solutions Limited	Cyprus
Do It Programming Solutions (Cyprus) Limited	Cyprus
Fiverr, Inc.	Delaware, United States
Fiverr Germany GmbH	Germany
Fiverr Limited	Cyprus
Macea Investments Limited	Cyprus
Praetolia Ltd	Cyprus
Sharon Lee Thony Consulting, LLC	New York, United States
Working Not Working, Inc.	Delaware, United States

**Fiverr International Ltd.
Insider Trading Compliance Policy**

Effective February 17, 2025

Fiverr International Ltd. (the “Company”) seeks to promote a culture that encourages ethical conduct and a commitment to compliance with the law. We require our personnel to comply at all times with federal laws and regulations governing insider trading. This policy sets forth procedures designed to help comply with these laws and regulations.

Persons Covered

You must comply with this policy if you are:

- a director, officer or employee;
- an entity controlled by a director, officer or employee; or
- a contractor, consultant, or other person designated by the Company.

Individuals subject to this policy are responsible for ensuring that members of their household comply with this policy.

Policy Statement

Unless otherwise permitted by this policy, you must not:

- purchase, sell, gift or otherwise transfer any security of the Company while you possess material nonpublic information about the Company;
- purchase, sell, gift or otherwise transfer any security of any other company, while you possess material nonpublic information about the other company that you obtained in connection with your employment by or service to the Company;
- directly or indirectly communicate material nonpublic information to anyone outside the Company unless you follow Company policy regarding confidential information; or
- directly or indirectly communicate material nonpublic information to anyone within the Company except on a need-to-know basis.

For this purpose:

- *securities* includes shares, bonds, notes, debentures, options, warrants, equity and other convertible securities, as well as derivative instruments;
 - *purchase* includes not only the actual purchase of a security, but also any contract to purchase or otherwise acquire a security;
 - *sale* includes not only the actual sale of a security, but also any contract to sell or otherwise dispose of a security;
-

- *material* means likely to have a significant effect on the market price of the security (also understood to mean a substantial likelihood that a reasonable investor would consider the information important in making an investment decision); and
- *nonpublic* means not broadly disseminated to the general public so that investors have been able to factor the information into the market price of the security.

To understand how these terms apply to specific circumstances, or for any other questions about this policy, you should ask the Company's General Counsel or its designee (the "Compliance Officer").

Quarterly Blackout Periods

The Compliance Officer will designate a list of persons who (with their controlled entities and household members) must not purchase, sell, gift or otherwise transfer any security of the Company during any blackout period, except as otherwise permitted by this policy.

The quarterly blackout period:

- begins on the 17th day of the last month of each fiscal quarter; and
- ends after completion of one trading day after the earnings release for that quarter.

Additional Blackout Periods

From time to time, the Compliance Officer may determine that an additional blackout period is appropriate. Persons subject to an additional blackout period must not purchase, sell, gift or otherwise transfer any security of the Company, except as otherwise permitted by this policy, and must not disclose that an additional blackout period is in effect.

Pre-Clearance of Transactions

The Compliance Officer will designate a list of persons who (with their controlled entities and household members) must pre-clear each transaction in any security of the Company.

To submit a pre-clearance request, you must follow the procedures established by the Compliance Officer.

Pre-clearance approval:

- may be granted or withheld in the sole discretion of the Compliance Officer (or the Chief Executive Officer or EVP Finance for transactions by the Compliance Officer);
- remains valid for five business days for transactions without a proposed transaction date;
- remains subject to your independent obligation to confirm that you do not possess material nonpublic information at the time of your transaction;
- will not constitute legal advice that a proposed transaction complies with applicable law;

- will not result in liability to the Company or any other person, including the Compliance Officer, if delayed or withheld; and
- is not required for "sell-to-cover" transactions pursuant to a policy adopted by the Company or transactions under a previously approved Rule 10b5-1 plan.

Exempt Transactions

This policy, except for provisions set forth in the Prohibited Transactions section below, does not apply to:

- transactions directly with the Company;
- gift transactions for family or estate planning purposes, where securities are gifted to a person or entity subject to this policy, except that gift transactions involving Company securities are subject to pre-clearance;
- transactions relating to equity incentive awards without any open-market sale of securities (e.g. cash exercises of options to purchase ordinary shares or the "net settlement" of restricted stock units but not broker-assisted cashless exercises or open-market sales to cover taxes upon the vesting of restricted stock units);
- "sell-to-cover" transactions pursuant to a non-discretionary policy adopted by the Company that is intended to facilitate the payment of withholding taxes associated with vesting of equity awards (other than stock options); or
- transactions under a pre-cleared Rule 10b5-1 plan.

Trading Plans

The restrictions in this policy, except for provisions set forth in the Prohibited Transactions section below, do not apply to transactions under a trading plan that satisfies either:

- the conditions of Rule 10b5-1; or
- the elements of a non-Rule 10b5-1 trading arrangement as defined in Item 408(c) of Regulation S-K; and
- the Compliance Officer has pre-approved.

A trading plan may be modified outside of a blackout period when you do not possess material nonpublic information. Modifications to and terminations of a trading plan must be pre-approved by the Compliance Officer.

Prohibited Transactions

You may not engage in:

- short sales (i.e. sales of shares that you do not own at the time of sale);

- options trading, including puts, calls, or other derivative securities on an exchange, an over-the-counter market, or any other organized market;
- hedging transactions, such as prepaid variable forward contracts, equity swaps, collars, exchange funds, or other transactions that hedge or offset any decrease in market value of the Company's equity securities; and
- pledging Company securities as collateral for a loan, purchasing Company securities on margin (i.e., borrowing money to purchase the securities), or placing Company securities in a margin account.

Post-Termination Transactions

If you possess material nonpublic information when your employment by or service to the Company terminates, the restrictions set forth in "Policy Statement" above continue to apply until that information has become public or is no longer material.

Policy Administration

The Compliance Officer has authority to interpret, amend and implement this policy. This authority includes interpreting or waiving the terms of the policy, to the extent consistent with its general purpose and applicable securities laws. The EVP Finance will administer the policy as it applies to any trading activity by the Compliance Officer.

Certification of Compliance

You may be asked periodically to certify your compliance with the terms and provisions of this policy.

By: /s/ Micha Kaufman
Micha Kaufman
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATIONS

I, Ofer Katz, President and Chief Financial Officer, certify that:

1. I have reviewed this annual report on Form 20-F of Fiverr International Ltd.;
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(s) 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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(s) 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 19, 2025

By: Isi Ofer Katz
Ofer Katz
President and Chief Financial Officer
(Principal Financial Officer)

By: /s/ Micha Kaufman
Micha Kaufman
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The certification set forth below is being submitted in connection with the Annual Report on Form 20-F of Fiverr International Ltd. for the year ended December 31, 2024 (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, Ofer Katz, Chief Financial Officer, certify that to the best of my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 19, 2025

By: _____

/s/ Ofer Katz

Ofer Katz

President and Chief Financial Officer
(Principal Financial Officer)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements Form S-8 Nos. 333-232310, 333-237511, 333-253261, 333-248580, 333-262814, 333-262817, 333-270990, 333-270992, 333-277268 and 333-277270 pertaining to the 2019 Share Incentive Plan, 2011 Share Option Plan and the 2020 Employee Share Purchase Plan of Fiverr International Ltd., of our reports dated February 19, 2025, with respect to the consolidated financial statements of Fiverr International Ltd., and the effectiveness of internal control over financial reporting of Fiverr International Ltd., included in this Annual Report (Form 20-F) of Fiverr International Ltd. for the year ended December 31, 2024.

/s/ KOST FORER GABBAY & KASIERER

A Member of EY Global

Tel-Aviv, Israel
February 19, 2025
