Table of Contents

As filed with the U.S. Securities and Exchange Commission on June 7, 2021

Registration No. 333-256219

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

AMENDMENT NO. 1 TO
FORM F-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

WalkMe Ltd.
(Exact Name of Registrant as Specified in its Charter)

Not Applicable
(Translation of Registrant's name into English)

State of Israel	7372	Not Applicable
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

WalkMe Ltd.
1 Walter Moses St.
Tel Aviv 6789903, Israel
+972 (3) 763-0333
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

WalkMe, Inc.
71 Stevenson Street, Floor 20
San Francisco, CA 94105
(855) 492-5563
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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Approximate date of commencement of proposed sale to the public:
As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933. 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 7(a)(2)(B) of the Securities Act. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price Per Share (2)	Proposed Maximum Aggregate Offering Price (2)	Amount of Registration Fee (3)
Ordinary shares, no par value	10,637,500	$32.00	$340,400,000	$37,138

(1) Includes 1,387,500 ordinary shares that may be sold upon exercise of the underwriters' option to purchase additional ordinary shares. See "Underwriting."
(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(a) under the Securities Act of 1933, as amended.
(3) The registrant previously paid a total of $10,910 in connection with the prior filing of the registration statement.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS
(Subject to Completion) Issued June 7, 2021

9,250,000 Shares

Ordinary Shares

WalkMe Ltd. is offering 9,250,000 ordinary shares. This is the initial public offering, and no public market exists for our ordinary shares. We anticipate that the initial public offering price will be between $29.00 and $32.00 per share.

We have applied to list our ordinary shares on the Nasdaq Global Select Market under the symbol "WKME."

We are both an "emerging growth company" and a "foreign private issuer" as defined under the U.S. federal securities laws and, as such, may elect to comply with certain reduced public company reporting requirements. See "Summary—Implications of Being an Emerging Growth Company and a Foreign Private Issuer."

Investing in our ordinary shares involves risks. See "Risk Factors" beginning on page 16.

PRICE $ A SHARE

	Price to Public	*Underwriting Discounts and Commissions*	*Proceeds to Company(1)*
Per share	*$*	*$*	*$*
Total	*$*	*$*	*$*

(1) We have agreed to reimburse the underwriter for certain expenses in connection with this offering. See "Underwriting."

The underwriters have the option to purchase up to an additional 1,387,500 ordinary shares from us at the initial public offering price, less the underwriting discounts and commissions, for a period of 30 days after the date of this prospectus.

The Securities and Exchange Commission and state regulators have not approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the ordinary shares to purchasers on or about , 2021.

MORGAN STANLEY *GOLDMAN SACHS & CO. LLC* *CITIGROUP*

WELLS FARGO SECURITIES *BARCLAYS* *BMO CAPITAL MARKETS*

JMP SECURITIES *KEYBANC CAPITAL MARKETS* *NEEDHAM & COMPANY*

, 2021

Table of Contents

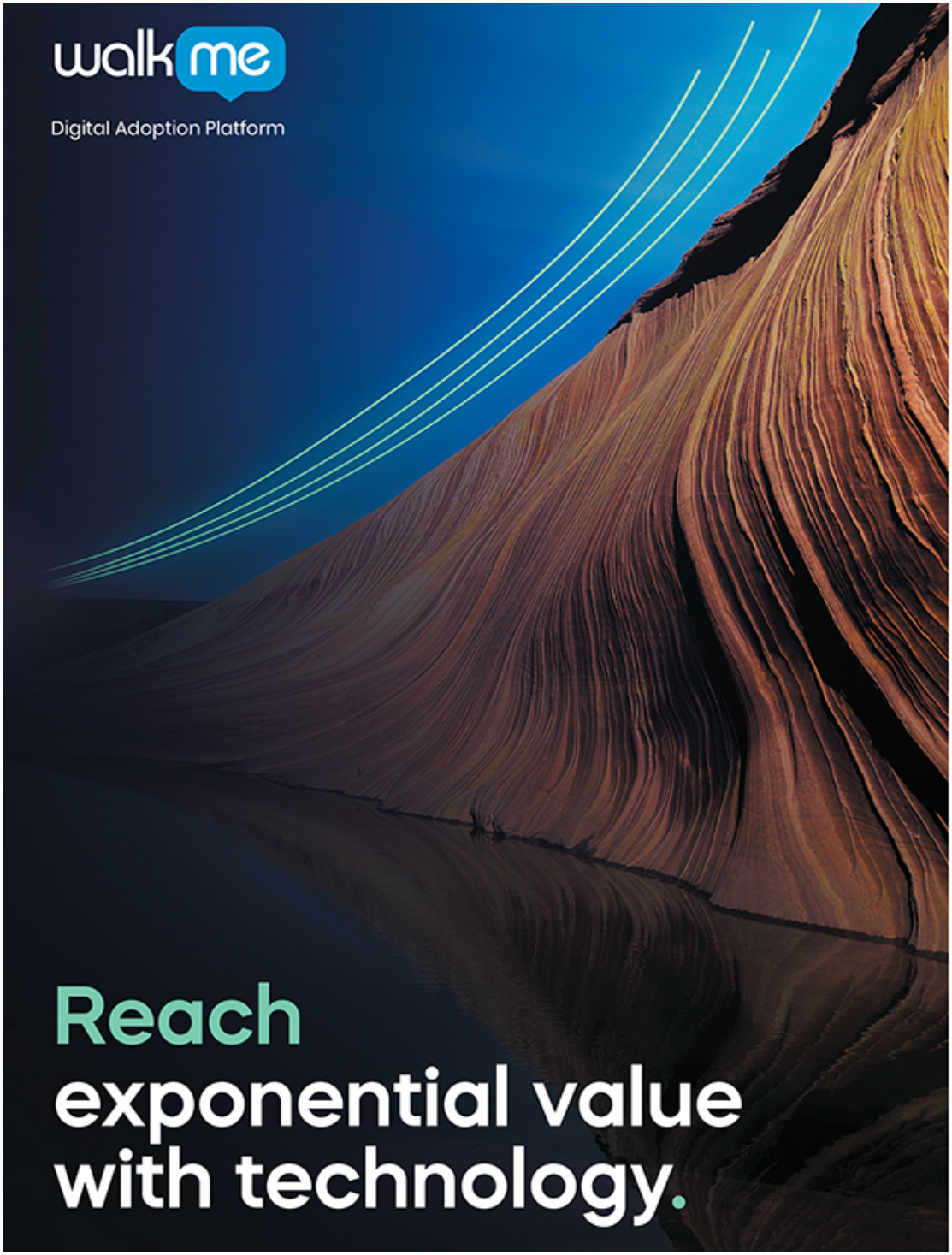
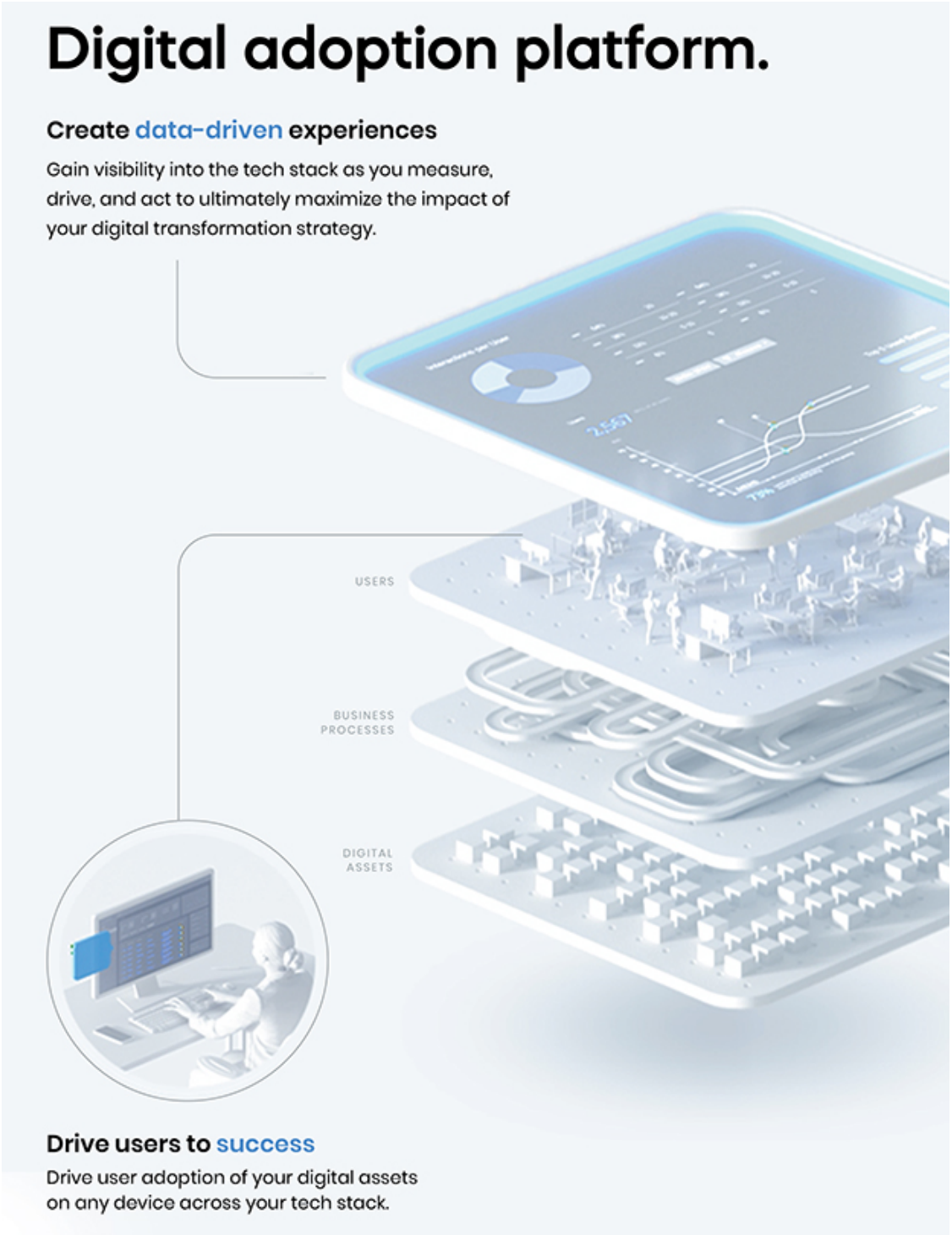


Table of Contents

Table of Contents




Financial highlights
$178M
ARR(1)
~2000
Serving Customers
34%/34%
LTM Total Revenue / LTM Subscription Revenue YoY Growth(2)
368
Customers with >$100K in ARR 31% YoY Growth(1)
22
Customers with >$1M in ARR 58% YoY Growth(1)
118%
Dollar Based Net Retention Rate >500 Employee Customers(1)
All data as of March 31, 2021 unless otherwise indicated.
(1) See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Business and Financial Metrics" for additional information regarding Annualized Recurring Revenue ("ARR") and Dollar Based Net Retention Rate, including how we define and use these metrics.
(2) Represents the twelve months ended March 31, 2021 compared to the twelve months ended March 31, 2020. During the twelve months ended March 31, 2020 and 2021, we had net losses of $49.6 million and $46.2 million, respectively.


Annualized Recurring Revenue
ARR (1)
$178M
$93M
$103M
$117M
$131M
$138M
$146M
$154M
$164M
Q1-19
Q2-19
Q3-19
Q4-19
Q1-20
Q2-20
Q3-20
Q4-20
Q1-21
We had net losses of $12.8 million, $12.2 million, $13.4 million and $11.7 million for the three months ended March 31, June 30, September 30 and December 31, 2019, respectively; $12.3 million, $3.5 million, $13.2 million and $16.0 million for the three months ended March 31, June 30, September 30 and December 31, 2020 respectively; and $13.4 million for the three months ended March 31, 2021.
(1) See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Business and Financial Metrics" for additional information regarding Annualized Recurring Revenue ("ARR"), including how we define and use this metric.

Table of Contents

Table of Contents

TABLE OF CONTENTS

Neither we nor the underwriters have authorized anyone to provide information different from that contained in this prospectus, any amendment or supplement to this prospectus or in any free writing prospectus prepared by us or on our behalf. Neither we nor the underwriters take any responsibility for, and can provide no assurance as to the reliability of, any information other than the information in this prospectus and any free writing prospectus prepared by us or on our behalf. Neither the delivery of this prospectus nor the sale of our ordinary shares means that information contained in this prospectus is correct after the date of this prospectus. This prospectus is not an offer to sell or the solicitation of an offer to buy our ordinary shares in any circumstances under which such offer or solicitation is unlawful.

For investors outside the United States: Neither we nor any of the underwriters have taken any action that would permit this offering or the possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus.

BASIS OF PRESENTATION

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. Certain amounts in this prospectus may not total due to rounding. All percentages have been calculated using unrounded amounts.

As used in this prospectus, unless otherwise noted or the context otherwise requires, references to "WalkMe," the "Company," "we," "us," "our company" and "our business" refer to WalkMe Ltd., together with its consolidated subsidiaries as a consolidated entity.

Throughout this prospectus, 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 the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Business and Financial Metrics." In this prospectus, we also present Free Cash Flow and Non-GAAP Operating Income (Loss), which are not recognized terms under GAAP. We define these terms as follows:

- "Free Cash Flow" is defined as net cash used in operating activities, less cash used for purchases of property and equipment and capitalized internal-use software costs.
- "Non-GAAP Operating Income (Loss)" is defined as net income (loss) from operations excluding share-based compensation and amortization of acquired intangible assets.

See "Prospectus Summary—Summary Consolidated Financial and Other Data" for a discussion regarding our use of Free Cash Flow and Non-GAAP Operating Income (Loss), including their limitations, and a reconciliation to the most directly comparable GAAP financial measures.

MARKET AND INDUSTRY DATA

Unless otherwise indicated, information in this prospectus concerning economic conditions, our industry, the markets in which we operate and our competitive position is based on a variety of sources, including information from independent industry analysts and publications, as well as our own estimates and research. Certain of these sources were published before the COVID-19 pandemic and therefore do not reflect any impact of COVID-19 on any specific market or globally. Our estimates are derived from publicly available information released by independent third-party sources, as well as data from our internal research, and are based on assumptions made by us upon reviewing such data and our knowledge of our industry and the markets in which we operate, which we believe to be reasonable. Although we believe the data from these third-party sources is reliable, we have not independently verified any such information, and these sources generally state that the information they contain has been obtained from sources believed to be reliable. In addition, projections, assumptions and estimates of the future performance of the industry in which we operate and our future performance are necessarily subject to uncertainty and risk due to a variety of factors, including those described in "Risk Factors" and "Special Note Regarding Forward-Looking Statements." These and other factors could cause results to differ materially from those expressed in the estimates made by independent third parties and by us.

In particular, certain information identified in this prospectus is contained in the following third-party industry sources:

- Accenture Research, *Leaders Wanted: Masters of Change at a Moment of Truth*, February 2021
- Blissfully, *SaaS Trends 2020*, October 2019
- Boston Consulting Group, *Flipping the Odds of Digital Transformation Success*, October 2020
- Everest Group, *Digital Adoption Platform (DAP) Products PEAK Matrix® Assessment with Technology Vendor Landscape 2020*, July 2020
- Gartner, Inc. ("Gartner"), *Improve Employee Usage, Engagement and Productivity With Digital Adoption Solutions*, November 2020
- Gartner, *Forecast Alert: IT Spending, Worldwide, 4Q20 Update*, January 2021
- IDC Research, Inc., *Worldwide Digital Transformation Spending Forecast, 2020–2024*, December 2020
- IDC Research, Inc., *Worldwide Black Book*, February 2021
- Insight Enterprises, *Is IT Failing the Cost Optimisation Challenge*, November 2020
- KPMG, *Going Digital Faster*, January 2021

We also identify certain information in this prospectus from the following third-party industry sources, each of which was commissioned by us (not in connection with this offering):

- Forrester Consulting, *The Total Economic Impact™ of WalkMe Digital Adoption Platform*, October 2020
- Harvard Business Review Analytic Services, *The State of Digital Adoption 2021*, March 2021

The Gartner content described herein (the "Gartner Content") represent(s) research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, and are not representations of fact. Gartner Content speaks as of its original publication date (and not as of the date of this prospectus), and the opinions expressed in the Gartner Content are subject to change without notice.

The Forrester Consulting study referred to above was based on information provided to Forrester Consulting during interviews they conducted with organizational decision-makers from four representative customers, selected by us, with experience using our Digital Adoption Platform as well as Forrester's assumptions based on its own research. In selecting customers to participate in the study, we sought to assemble a group of customers

that would provide a fulsome representation of our platform's capabilities. As a result, we selected customers from diverse industries, each with a diverse portfolio of use cases. All customers we selected to participate in the study agreed to participate. The information provided during these customer interviews was then used by Forrester Consulting to create a modeled composite of representative customers reflecting characteristics of the interviewed organizations in order to examine the return on investment that organizations may potentially realize from deploying our Digital Adoption Platform.

TRADEMARKS, TRADE NAMES AND SERVICE MARKS

This prospectus includes certain trademarks, trade names and service marks that are important to our business, which are protected under applicable intellectual property laws and are our property. This prospectus also contains trademarks, trade names and service marks of other companies, which are the property of their respective owners. Solely for convenience, trademarks, trade names and service marks referred to in this prospectus may appear without the "®", "™" or "SM" symbols, but such references are not intended to indicate, in any way, that we or the applicable owner will not assert, to the fullest extent possible under applicable law, our or its rights or the rights of any applicable licensor to these trademarks, trade names and service marks. 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.

SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all the information that you should consider before deciding to invest in our ordinary shares. You should read the entire prospectus carefully, including the "Risk Factors," "Business," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of this prospectus and our consolidated financial statements and notes to those consolidated financial statements included elsewhere in this prospectus before making an investment decision.

Our Vision

Our vision is to fundamentally transform the productivity of humanity by harnessing the power of technology.

In the modern global economy, nearly every industry has been disrupted by the power of technology. We are on a journey to help organizations accelerate their digital transformations by redefining how users interact with software and how organizations measure and execute their technology and business strategies.

Overview

WalkMe is the defining solution enabling organizations to better realize the value of their software investments. Using our cloud-based Digital Adoption Platform, users—employees and customers of organizations—can navigate websites, SaaS applications, and mobile apps through a digital, GPS-like experience to accomplish any task from simple, online transactions, to complex cross-application software processes, to fully autonomous experiences that require no manual clicks or entries.

Our Digital Adoption Platform overlays upon any application with a simple no-code implementation. Once overlaid, our platform provides immediate insights that enable a data-first approach to understand the gaps between user interactions and behavior with technology and an organization's business goals. With actionable insights, we then enable organizations to create and deliver elegant experiences that enable users to access the full functionality and value of the software, ensuring digital adoption, and ultimately fulfilling the promise of digital transformation.

With a digital adoption strategy powered by WalkMe, employees and customers of organizations can benefit from intuitive and unified technology experiences. Chief information officers ("CIO") and business leaders gain visibility and insights across the organization's enterprise technology stack. This allows organizations to become more results driven, agile and innovative, to better compete in today's ever-changing business environment and to ultimately achieve their objectives.

The digital revolution has fundamentally shifted the core competencies required of successful companies. From remote-first workforces leveraging virtual collaboration for seamless communications to new digitally-enabled business models, technology is impacting all of humanity. To compete in an increasingly digital world, organizations have amassed a patchwork of technologies, investing billions of dollars a year in software applications that promise specific business outcomes to elevate and exceed their key business metrics.

Organizations continue to acquire new technologies to achieve their digital transformation goals, but the more software they acquire, the more complex their enterprise technology stack is to manage, use and maintain. CIOs and business leaders lack visibility into what or how software is being utilized, and whether they are realizing value from their technology investments. Similarly, users—both employees and customers—struggle to navigate a growing number of applications with different interfaces to complete business processes. Users must

continuously relearn new technology functions that may have vastly different and evolving capabilities. Meanwhile, user expectations for digital interactions have also evolved as our day-to-day usage of technology has increased with the consumerization of software, causing users to increasingly demand frictionless and elegant digital experiences.

Our Digital Adoption Platform drives the success of digital transformation initiatives by empowering CIOs and business leaders with critical business insights to increase software adoption and improve user experiences for employees and customers.

- **For CIOs and business leaders**, our platform provides unified visibility and insights across the organization's software stack to improve key business processes and drive employees and customers to action. Our data-driven insights offer strategic perspective and provide a competitive advantage to CIOs.
- **For Employees**, our platform provides a contextual and unified experience that can be seamlessly delivered across any application (third party, proprietary, mobile or desktop) to provide personalized process workflow guidance and automation.
- **For Customers**, our platform can be deployed on any customer facing website or application to power self-service onboarding, feature engagement, support and more.

We serve a diverse set of customers across all major industries, including some of the world's largest and most sophisticated enterprises. As of March 31, 2021, we had approximately 2,000 customers including 155 of the Fortune 500 and 243 of the Global 2000, as well as 368 customers with annualized recurring revenue ("ARR") greater than $100,000 and 22 customers with ARR greater than $1,000,000. We deliver our cloud-native, Digital Adoption Platform on a subscription basis to facilitate broad-based adoption of our technology, and subscription revenue comprised approximately 88% of our total revenue for the year ended December 31, 2020 and 90% of our revenue for the three months ended March 31, 2021.

Our success in helping customers achieve their digital transformation strategies has enabled us to achieve significant growth. For the years ended December 31, 2019 and 2020, our revenue was $105.1 million and $148.3 million, respectively, representing year-over-year growth of 41%. For the three months ended March 31, 2020 and 2021, our revenue was $34.2 million and $42.7 million, respectively, representing year-over-year growth of 25%. For the years ended December 31, 2019 and 2020, our net loss was $50.1 million and $45.0 million, respectively, our operating cash flow was ($48.5) million and ($8.7) million, respectively, and our free cash flow was ($53.0) million and ($11.0) million, respectively. For the three months ended March 31, 2020 and 2021, our net loss was $12.3 million and $13.4 million, respectively, our operating cash flow was ($7.4) million and ($2.9) million, respectively, and our free cash flow was ($8.2) million and ($4.1) million, respectively. See the section titled "—Summary Consolidated Financial and Other Data" for additional information regarding free cash flow, a measure that is not calculated under GAAP.

Key Trends Driving the Need for a Digital Adoption Platform

Digital transformation is a priority for enterprise organizations. According to Gartner, enterprise software spend is expected to increase from $506 billion in 2021 to $715 billion by 2024, as enterprises invest in technology to increase productivity, better compete and grow their businesses. Moreover, global enterprise spend on digital transformation is projected to reach nearly $2.4 trillion within the next four years, representing over 57% of all business spending on technology, according to IDC. According to Gartner, by 2025, 70% of organizations will use digital adoption solutions across the entire technology stack to overcome still insufficient application user experiences.

Digital transformation is dependent on people adopting new software applications. Enterprises are not experiencing the promised returns on their digital transformation investments, largely because their employees are overwhelmed by the increasing number of software applications they are being asked to learn and utilize, and their customers are confused by new digital interactions that are constantly evolving as applications are updated.

Failure to adopt applications has significant costs for organizations. According to Insight Enterprises, over 20% of licensing spend is on software that is not utilized which represents $3.0 million a year in wasted investment for most organizations.

Users need a frictionless software application experience. Employees expect frictionless technology experiences, which is in turn critical for employee retention. Meanwhile, customers experience pain points along their digital journeys, such as difficult to navigate websites, which can lead to lost sales.

Business processes span multiple applications across organizational silos. Employees depend on a vast array of enterprise software applications that often span different departments to perform their job functions. As the number of applications employees must learn grows, a unified user experience becomes critical, especially for workflows that require multiple applications with disparate user interfaces that can be challenging to learn, thus reducing employee productivity and creating user frustration. Moreover, for department-level managers and CIOs overseeing entire organizations, multiple applications and workflows without centralization or machine learning ("ML")-based analytics do not provide the visibility required for insightful decision-making.

The role of the CIO is evolving from traditional to transformational. As digital transformation has risen in strategic importance, the modern CIO is increasingly expected to broadly influence business strategy across the organization. To be successful, CIOs require unified visibility into their digital portfolio, actionable insights and the ability to deliver frictionless, cross-platform user experiences across the enterprise.

WalkMe's Digital Adoption Platform

Key benefits of our platform include:

- ***Provides Insights to Help CIOs and Business Leaders Drive Business Outcomes Horizontally Across the Organization***. CIOs and business leaders use our Insights capabilities and integration center technology to gain visibility into the enterprise technology stack, including software usage and user experiences across business processes. This analytics suite delivers tactical and strategic metrics that can be leveraged by CIOs and business leaders.
- ***Delivers Immediate Value***. Our technology provides CIOs and business leaders with immediate visibility into their software stacks and business processes, consolidates user actions on applications and provides detailed guidance on how to use them effectively.
- ***Optimizes Software Usage and Technology Spend***. Our Digital Adoption Platform enables enterprises to make greater use of software more efficiently. With our Digital Adoption Platform, organizations can create easy-to-use business process workflows that facilitate and encourage employees to realize the full benefit of software applications.
- ***Increases Employee Productivity and Reduces Support Costs***. By engaging employees across software applications, employees are able to more easily use the software applications that the enterprise has deployed. This leads to improved productivity, increased data accuracy, reduced support costs and increased employee engagement.
- ***Improves Customer Engagement***. By simplifying the end user experience, our Digital Adoption Platform has been shown to drive an increase of approximately 35% in customer retention, 10% growth in upsell opportunities from existing customers over three years, and 50% savings in customer support call costs, according to a 2020 Forrester Consulting study, *The Total Economic Impact™ of WalkMe Digital Adoption Platform*, a study we commissioned.

Market Opportunity

We believe that digital adoption represents a vast, rapidly growing and under penetrated market opportunity today, and we estimate our total addressable market opportunity to be approximately $34 billion. As the pioneer

and market leader in this category, we believe that we are well-positioned to capture a substantial portion of this large opportunity over time.

What Sets Us Apart

We believe our proprietary user interface ("UI") technology and approach to architecting our platform provides us with several distinguishing advantages:

- ***Category-defining platform powering digital transformation.*** We pioneered the digital adoption category and our strong brand awareness increases our opportunities to win new customers and to expand our offerings within our existing customers.
- ***Broad, rich dataset and AI/ML capabilities provide valuable insights and continuous optimization.*** By leveraging our extensive user interaction data with machine learning technology, we deliver an integrated platform for discovering and implementing digital transformation to drive continuous optimization and increase our competitive advantage.
- ***Proprietary AI technology that recognizes user interfaces.*** Our patented UI recognition and artificial intelligence technology enables our customers to scale their digital transformation strategies by recognizing changes to underlying UI elements and automatically adapting the WalkMe navigation and automation experience.
- ***Growing ecosystem that positions WalkMe at the center of the digital transformation industry.*** We are investing to continue to grow our brand awareness and build out WalkMe Beyond, an ecosystem of users, partners, and collaborators with powerful network effects.
- ***Infrastructure agnostic and extensible technology.*** Our Digital Adoption Platform can be deployed across any type of application and operating system. Because our platform works everywhere, our customers are able to automate digital processes across their internally built and third-party applications from a single platform.

Our Growth Strategy

Key elements of our growth strategy include:

- ***Innovate and advance our platform.*** We will continue to invest in research and development to enhance our platform, including machine-learning, hyper-automation and process mining/discovery technologies.
- ***Acquire new customers.*** We intend to accelerate new customer acquisition to continue to grow our customer base across the markets that we serve as well as enter into new market segments by scaling our sales and marketing capabilities and channel relationships.
- ***Increase usage and spend from our existing customers.*** We believe our ease of use, depth, breadth of platform and rapid time to value will enable us to increase adoption by our existing customers across their entire organization.
- ***Expand internationally.*** We believe there is a global need for our Digital Adoption Platform and that there is a compelling opportunity to expand our offerings internationally.
- ***Expand our ecosystem and go-to-market partnerships.*** We intend to continue investing in our ecosystem and partner relationships to extend the functionality of our platform, support new use cases and add new go-to-market channels.

Risk Factors

Investing in our ordinary shares involves risks. You should carefully consider the risks described under the caption "Risk Factors" before making a decision to invest in our ordinary shares. If any of these risks actually occurs, our business, financial condition and results of operations could be materially and adversely affected. In such case, the trading price of our ordinary shares would likely decline, and you may lose all or part of your investment. The following is a summary of some of the principal risks we face:

- We have incurred operating losses in the past, expect to incur operating losses in the future and may never achieve or sustain profitability.
- Our business and operations have experienced rapid growth, and if we do not appropriately manage this growth and any future growth, or if we are unable to improve our systems, processes and controls, our business, financial condition, results of operations and prospects will be adversely affected.
- Our recent growth may not be indicative of our future growth, and we may not be able to sustain our revenue growth rate in the future. Our growth also makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful.
- The markets for our products are new and evolving and may develop more slowly or differently than we expect. Our future success depends on the growth and expansion of these markets and our ability to adapt and respond effectively to evolving market conditions.
- If we are not able to keep pace with technological and competitive developments or fail to develop or otherwise introduce new products and enhancements to our existing offerings, our products may become less marketable, less competitive, or obsolete, and our business, financial condition and results of operations may be adversely affected.
- If we do not maintain the interoperability of our offerings across devices, operating systems and third-party applications that we do not control, and if we are not able to maintain and expand our relationships with third-party technology partners to integrate our offerings with their products and solutions, our business, financial condition and results of operations may be adversely affected.
- The markets in which we compete are nascent and highly fragmented, and we may not be able to compete successfully against current and future competitors, some of which may have greater financial, technical, and other resources than we do. If we do not compete successfully our business, financial condition and results of operations could be harmed.
- Our Digital Adoption Platform is at the core of our business, and any decline in demand for our Digital Adoption Platform occasioned by malfunction, inferior performance, increased competition or otherwise, will impact our business, financial condition and results of operations.
- Our business depends in part on our existing customers expanding the value of their subscriptions over time and renewing their subscriptions at the end of the applicable subscription period. Any decline in our dollar-based net retention rate may harm our future operating results.
- If we are unable to attract new customers, our business, financial condition and results of operations will be adversely affected.
- We recognize subscription revenue over the term of the relevant subscription period, and as a result, downturns or upturns in sales are not immediately reflected in full in our results of operations.
- If we fail to maintain and enhance our brand, our ability to expand our customer base will be impaired and our business, financial condition and results of operations may suffer.
- If we are unable to manage our fixed and variable costs or expand the scale of our operations and generate a sufficient amount of revenue to offset the associated fixed and variable costs, our business, financial condition and results of operations may be materially and adversely affected.

- Our results of operations are likely to fluctuate from quarter to quarter, which could adversely affect our business, financial condition and results of operations.
- The ongoing COVID-19 pandemic could harm our business, financial condition and results of operations.
- We typically provide service-level commitments under our subscription agreements. If we fail to meet these contractual commitments, we could be obligated to provide credits for future service, extended subscription terms or refunds of prepaid amounts equivalent to the credits, any of which could lead to subscription termination or a decrease in customer renewals in future periods.
- If we or our third-party service providers experience a security breach or unauthorized parties otherwise obtain access to our customers' data, our data or our platform, our solution may be perceived as not being secure, our reputation and market position may be harmed, demand for our platform and products may be reduced, and we may incur significant liabilities.
- Failure to protect or enforce our rights in our proprietary technology, brand and intellectual property could substantially harm our business and results of operations.

Corporate Information

We were formed under the laws of the State of Israel in October 2011 under the name Make Tutorial Ltd. We changed our name to WalkMe Ltd. in March 2012. Our principal executive offices are located at 1 Walter Moses St., Tel Aviv, 6789903, Israel. Our website address is www.walkme.com, and our telephone number is +972-3-763-0333. Information contained on, or that can be accessed through, our website does not constitute a part of this prospectus and is not incorporated by reference herein. We have included our website address in this prospectus solely for informational purposes. Our agent for service of process in the United States is WalkMe, Inc., which maintains its principal offices at 71 Stevenson Street, Floor 20, San Francisco, CA 94105. Its telephone number is 855-492-5563.

Implications of Being an Emerging Growth Company and a Foreign Private Issuer

We qualify as an "emerging growth company" as defined in Section 2(a) of the Securities Act of 1933, as amended (the "Securities Act"), as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable, in general, to public companies that are not emerging growth companies. These provisions include:

- the option to present only two years of audited financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations disclosure in this prospectus;
- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board (the "PCAOB") regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis);
- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We will remain an emerging growth company until the earliest to occur of: (i) the last day of the first fiscal year in which our annual gross revenue equals or exceeds $1.07 billion; (ii) the date that we become a "large accelerated filer," as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which would occur if the market value of our common equity securities held by non-affiliates is at least $700 million as of the last business day of our most recently completed second fiscal quarter; (iii) the date on which we have issued, during the preceding three-year period, more than $1.0 billion in non-convertible debt securities; and (iv) the last day of the fiscal year following the fifth anniversary of the closing of this offering.

Emerging growth companies can also take advantage of the extended transition period provided in Section 13(a) of the Exchange Act for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of this extended transition period until the earlier of the date we (x) are no longer an emerging growth company, or (y) affirmatively and irrevocably opt out of the extended transition period. As a result, our operating results and financial statements may not be comparable to the operating results and financial statements of companies that have adopted the new or revised accounting standards.

In addition, upon the closing of this offering, we will report under the Exchange Act as a "foreign private issuer." As a foreign private issuer, we may take advantage of certain provisions under the rules of The Nasdaq Stock Market, LLC ("Nasdaq") that allow us to follow Israeli law for certain corporate governance matters. Even after we no longer qualify as an emerging growth company, as long as we qualify as a foreign private issuer under the Exchange Act, we will be exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including:

- the sections of the Exchange Act that regulate the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act that require 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;
- the rules under the Exchange Act that require the filing with the U.S. Securities and Exchange Commission (the "SEC") of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K, upon the occurrence of specified significant events; and
- Regulation Fair Disclosure ("Regulation FD"), which regulates selective disclosures of material information by issuers.

In addition, we will not be required to file annual reports and financial statements with the SEC as promptly as U.S. domestic issuers. Foreign private issuers, like emerging growth companies, also are exempt from certain more stringent executive compensation disclosure rules. Thus, if we remain a foreign private issuer, even if we no longer qualify as an emerging growth company, we will continue to be exempt from the more stringent compensation disclosures required of public companies that are neither an emerging growth company nor a foreign private issuer.

We may take advantage of these exemptions until such time as we are no longer a foreign private issuer. We are required to determine our status as a foreign private issuer on an annual basis at the end of our second fiscal quarter. We would cease to be a foreign private issuer at such time as more than 50% of our outstanding voting securities are held by U.S. residents and any of the following three circumstances applies:

- the majority of our executive officers or directors are U.S. citizens or residents;

- more than 50% of our assets are located in the United States; or
- our business is administered principally in the United States.

We have chosen to take advantage of certain of the reduced disclosure requirements and other exemptions described above in the registration statement of which this prospectus forms a part and intend to continue to take advantage of certain exemptions in the future. As a result, the information that we provide may be different than the information you receive from other public companies in which you hold stock. As a result, some investors may find our ordinary shares less attractive than they would have otherwise. The result may be a less active trading market for our ordinary shares, and the price of our ordinary shares may be more volatile. See “Risk Factors—We are an “emerging growth company,” as defined in the JOBS Act, and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our ordinary shares less attractive to investors” and “—We will be a foreign private issuer and, as a result, we will not be subject to U.S. proxy rules and will be 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.”

THE OFFERING

Ordinary shares offered by us	9,250,000 ordinary shares.
Option to purchase additional ordinary shares	We have granted the underwriters a 30-day option to purchase up to 1,387,500 additional ordinary shares at the public offering price, less underwriting discounts and commissions.
Ordinary shares to be outstanding after this offering	82,652,098 ordinary shares (or 84,039,598 ordinary shares if the underwriters exercise their option to purchase additional ordinary shares in full).
Use of proceeds	We estimate that the net proceeds to us from this offering will be approximately $259.3 million (or approximately $298.9 million if the underwriters exercise their option to purchase additional ordinary shares in full), assuming an initial public offering price of $30.50 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. The principal purposes of this offering are to increase our capitalization and financial flexibility, create a public market for our ordinary shares and thereby enable access to the public equity markets for us and our shareholders, and to increase our visibility in the marketplace. We currently intend to use the net proceeds we receive from this offering for general corporate purposes, including working capital, operating expenses and capital expenditures. See “Use of Proceeds.”
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 regarding whether to pay dividends, subject to the laws of the State of Israel. 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. See “Dividend Policy.”

Risk factors	Investing in our ordinary shares involves a high degree of risk. See "Risk Factors" beginning on page 16 and the other information included in this prospectus for a discussion of factors you should consider carefully before deciding to invest in our ordinary shares.
Listing	We have applied to list our ordinary shares on the Nasdaq Global Select Market under the symbol "WKME."

The number of our ordinary shares to be outstanding after this offering is based on 73,402,098 ordinary shares outstanding as of March 31, 2021, after giving effect to the Preferred Share Conversion (as defined below), and excludes:

- 15,009,720 ordinary shares issuable upon the exercise of options outstanding under our Restated 2012 Share Option Plan (the "Restated 2012 Plan") as of March 31, 2021 at a weighted average exercise price of $6.95 per share, 5,581,064 of which were vested as of such date;
- 636,250 additional ordinary shares issuable upon the exercise of options granted under the Restated 2012 Plan after March 31, 2021 at an exercise price of $26.47 per share;
- 9,954,480 ordinary shares reserved for future issuance under our 2021 Share Incentive Plan (the "2021 Plan"), which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part, as well as any additional ordinary shares that may be reserved for issuance thereunder in the future pursuant to provisions in such plan that automatically increase the ordinary share reserve thereunder; and
- 1,824,988 ordinary shares reserved for issuance under our 2021 Employee Share Purchase Plan ("ESPP"), which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part, as well as any additional ordinary shares that may be reserved for issuance thereunder in the future pursuant to provisions in such plan that automatically increase the ordinary share reserve thereunder.

In addition, unless otherwise indicated, all information in this prospectus reflects and assumes:

- the automatic conversion of all of our outstanding preferred shares into an aggregate of 59,180,522 ordinary shares immediately prior to the closing of this offering (the "Preferred Share Conversion");
- the adoption of our amended and restated articles of association (our "Post-IPO Articles") upon the closing of this offering;
- no exercise of the outstanding options described above after March 31, 2021;
- no exercise by the underwriters of their option to purchase up to 1,387,500 additional ordinary shares; and
- an initial public offering price of $30.50 per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables summarize our consolidated financial and other data for the periods and as of the dates indicated. We prepare our consolidated financial statements in accordance with GAAP. The summary historical consolidated financial data as of December 31, 2020 and for the years ended December 31, 2019 and 2020 has been derived from our audited consolidated financial statements, which are included elsewhere in this prospectus. The summary historical consolidated financial data as of March 31, 2021 and for the three months ended March 31, 2020 and 2021, has been derived from our unaudited consolidated financial statements, which are included elsewhere in this prospectus. In our opinion, the unaudited financial statements have been prepared on a basis consistent with our audited consolidated financial statements and contain all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of such financial information. Our historical results for any prior period are not necessarily indicative of results expected in any future period and our interim results are not necessarily indicative of the results that may be expected for the full fiscal year or any other future period. You should read the following information in conjunction with the sections titled "Selected Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements, the accompanying notes and the other financial information included elsewhere in this prospectus.

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
	(in thousands, except share and per share data)			
Consolidated Statements of Operations:				
Revenues				
Subscription	$ 94,769	$ 130,303	$ 29,652	$ 38,474
Professional services	10,360	18,003	4,569	4,180
Total revenue	105,129	148,306	34,221	42,654
Cost of revenues(1)(2)				
Subscription	11,947	19,141	4,187	5,689
Professional services	18,729	20,017	5,073	5,080
Total cost of revenue	30,676	39,158	9,260	10,769
Gross profit	74,453	109,148	24,961	31,885
Operating expenses(1)				
Research and development	26,639	31,560	7,613	10,422
Sales and marketing	75,004	87,208	23,291	25,135
General and administrative	22,095	33,541	5,306	9,373
Total operating expenses	123,738	152,309	36,210	44,930
Operating loss	(49,285)	(43,161)	(11,249)	(13,045)
Financial income (expenses), net	474	(156)	(559)	45
Loss before income taxes	(48,811)	(43,317)	(11,808)	(13,000)
Income taxes	(1,307)	(1,708)	(469)	(404)
Net loss	$ (50,118)	$ (45,025)	$ (12,277)	$ (13,404)
Net loss per share attributable to ordinary shareholders: (3)				
Basic and diluted	$ (4.15)	$ (4.07)	$ (1.32)	$ (1.71)
Weighted average shares used to compute net loss per share attributable to ordinary shareholders: (3) Basic and diluted	12,011,502	13,217,183	12,791,827	13,995,089

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
	(in thousands, except share and per share data)			
Pro forma net loss per share: (3)				
Basic and diluted		$ (0.75)		$ (0.33)
Weighted average shares used to compute pro forma net loss per share attributable to ordinary shareholders: (3) Basic and diluted		71,349,900		72,727,164

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
	(in thousands)			
Consolidated Statement of Cash Flows:				
Net cash (used in) operating activities	$(48,544)	$ (8,653)	$(7,428)	$ (2,882)
Net cash (used in) provided by investing activities	3,522	(45,729)	(723)	(1,199)
Net cash provided by financing activities	84,849	41,614	3,678	10,671

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
	(dollar amounts in thousands)			
Selected Other Data:				
Annualized Recurring Revenue(4)	$ 131,225	$ 164,343	$137,782	$177,517
$100,000+ Customers(5)	265	347	284	368
Dollar-Based Net Retention Rate (all customers)(6)	113%	112%	115%	111%
Dollar Based Net Retention Rate (customers having 500 or more employees)(6)	119%	120%	121%	118%
Remaining Performance Obligations(7)	$ 175,541	$ 205,146	$174,325	$237,200
Free Cash Flow(8)	$ (53,022)	$ (11,005)	$ (8,151)	$ (4,081)
Non-GAAP Operating Income (Loss)(9)	$ (45,908)	$ (29,100)	$ (10,424)	$ (9,513)

	As of March 31, 2021		
	Actual	Pro Forma(10)	Pro Forma As Adjusted(11)
	(in thousands)		
Consolidated Balance Sheet:			
Cash and cash equivalents	$ 68,480	$ 68,480	$ 327,767
Working capital(12)	54,737	54,737	314,024
Total assets	213,144	213,144	472,431
Total liabilities	127,767	127,767	127,767
Redeemable non-controlling interest	19,046	19,046	19,046
Convertible preferred shares	310,490	—	—
Additional paid-in capital	15,098	325,588	584,875
Accumulated deficit	(259,072)	(259,072)	(259,072)
Accumulated other comprehensive income	(185)	(185)	(185)
Total shareholders' (deficit) equity	(244,159)	66,331	325,618

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

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
	(in thousands)			
Cost of revenues	$ 41	$ 201	$ 34	$ 177
Research and development	282	1,596	240	471
Sales and marketing	427	1,105	222	793
General and administrative	2,330	11,115	285	2,091
Total share-based compensation(a)	$ 3,080	$ 14,017	$ 781	$ 3,532

(a) Share-based compensation expenses for the years ended December 31, 2019 and 2020 and the three months ended March 31, 2020 includes $1.9 million, $8.5 million and $0.2 million, respectively, of compensation expenses related to secondary share purchase transactions as described in note 6 to our consolidated financial statements included elsewhere in this prospectus.

(2) Includes amortization of acquired intangibles as follows:

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
	(in thousands)			
Cost of revenues	$(297)	$(44)	$ (44)	$ —

(3) See note 9 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the method used to calculate our historical and pro forma basic and diluted net loss per share attributable to ordinary shareholders.

(4) We use Annualized Recurring Revenue ("ARR") as a measure of our revenue trend and as an indicator of our future revenue opportunity from existing customer contracts. We define ARR as the annualized value of customer subscription contracts as of the measurement date, assuming any contract that expires during the next 12 months is renewed on its existing terms (including contracts for which we are negotiating a renewal). See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Business and Financial Metrics—Annualized Recurring Revenue" for additional information on how we define and use this metric.

(5) We define "$100,000+ Customers" as the number of customers with ARR greater than $100,000. We define a customer as a distinct entity with an active subscription contract as of the measurement date. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Business and Financial Metrics—Customers with ARR Greater than $100,000" for additional information on how we define and use this metric.

(6) Our Dollar-Based Net Retention Rate compares the ARR from the same set of subscription customers across comparable periods. In each of the trailing four quarters, the set of customers identified from 12 months prior is compared to those same customers' subscription ARR in the respective quarter. The calculation of our Dollar-Based Net Retention Rate in a particular quarter is obtained by averaging the result from that particular quarter with the corresponding results from each of the prior three quarters. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Business and Financial Metrics—Dollar-Based Net Retention Rate" for additional information on how we define and use this metric.

(7) Remaining Performance Obligations represents future revenue from committed contracts that has not been recognized. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Business and Financial Metrics—Remaining Performance Obligations" for additional information on how we define and use this metric.

(8) We define Free Cash Flow as net cash used in operating activities, less cash used for purchases of property and equipment and capitalized internal-use software costs. We believe that Free Cash Flow is a useful indicator of liquidity that provides information to management and investors, even if negative, about the amount of cash used in our business. Free cash flow has limitations as an analytical tool, and it should not

be considered in isolation or as a substitute for analysis of other GAAP financial measures, such as net cash used in operating activities. Some of the limitations of free cash flow are that this metric does not reflect our future contractual commitments and may be calculated differently by other companies in our industry, limiting its usefulness as a comparative measure.

The following is a reconciliation of net cash used in operating activities, the most directly comparable GAAP liquidity measure, to Free Cash Flow for each period presented above and for each quarterly period during the year ended December 31, 2020.

	Year Ended December 31,		Three Months Ended				
	2019	2020	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
			(in thousands)				
Net cash provided by (used in) operating activities	$(48,544)	$ (8,653)	$ (7,428)	$ 443	$ 396	$ (2,064)	$ (2,882)
Less: purchases of property and equipment	2,463	822	406	151	213	52	488
Less: capitalized internal-use software costs	2,015	1,530	317	406	361	446	711
Free cash flow	$(53,022)	$(11,005)	$ (8,151)	$ (114)	$ (178)	$ (2,562)	$ (4,081)

(9) We define Non-GAAP Operating Income (Loss) as net income (loss) from operations excluding share-based compensation and amortization of acquired intangible assets. We exclude these items because they occur for reasons that may be unrelated to our core operating performance during the period, and because we believe that such items may obscure underlying business trends and make comparisons of long-term performance difficult. We use Non-GAAP Operating Income (Loss) with traditional GAAP measures to evaluate our financial performance. We believe that Non-GAAP Operating Income (Loss) provides our management and investors with useful supplementary information by facilitating period-to-period comparisons of our results of operations. Non-GAAP Operating Income (Loss) has limitations as an analytical tool, may differ from similarly titled metrics presented by other companies, and should not be considered in isolation or as a substitute for analysis of GAAP financial measures. In addition, we believe it is important for investors to understand that while Non-GAAP Operating Income (Loss) excludes the amortization expense related to acquired intangible assets, these assets contribute to the generation of revenue that is included in Non-GAAP Operating Income (Loss).

The following is a reconciliation of operating loss, the most directly comparable GAAP financial performance measure, to Non-GAAP Operating Income (Loss) for each period presented above and for each quarterly period during the year ended December 31, 2020.

	Year Ended December 31,		Three Months Ended				
	2019	2020	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
			(in thousands)				
Operating loss	$(49,285)	$(43,161)	$ (11,249)	$ (3,515)	$ (12,904)	$ (15,493)	$ (13,045)
Add: Share-based compensation	3,080	14,017	781	617	6,596	6,023	3,532
Add: Amortization of acquired intangible assets	297	44	44	$ —	$ —	$ —	$ —
Non-GAAP Operating Loss	$(45,908)	$(29,100)	$ (10,424)	$ (2,898)	$ (6,308)	$ (9,470)	$ (9,513)

(10) Reflects the Preferred Share Conversion and adoption of our Post-IPO Articles immediately prior to the closing of this offering.

(11) As adjusted information reflects the pro forma adjustments described in footnote (10) above and gives effect to the issuance of 9,250,000 ordinary shares in this offering at the assumed initial public offering price of $30.50 per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. A $1.00 increase or decrease in the assumed initial public offering price of $30.50 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease the pro forma as adjusted amount of each of cash and cash equivalents, total assets and total shareholders' (deficit) equity by approximately $8.6 million, assuming the number of ordinary shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. An increase or decrease of 1,000,000 shares in the number of ordinary shares offered by us, as set forth on the cover page of this prospectus, would increase or decrease the pro forma as adjusted amount of each of cash and cash equivalents, total assets and total shareholders' (deficit) equity by approximately $28.5 million, assuming no change in the assumed initial public offering price of $30.50 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma information discussed above is illustrative only and will be adjusted based on the actual initial public offering price, the number of shares we sell and other terms of this offering that will be determined at pricing.

(12) We define working capital as total current assets minus total current liabilities.

RISK FACTORS

You should carefully consider the risks described below before making an investment decision. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. Our business, financial condition or results of operations could be materially and adversely affected by any of these risks. The trading price and value of our ordinary shares could decline due to any of these risks, and you may lose all or part of your investment. This prospectus 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 described below and elsewhere in this prospectus.

Risks Related to Our Business and Industry

We have incurred operating losses in the past, expect to incur operating losses in the future and may never achieve or sustain profitability.

We have incurred annual net losses each year since our formation in October 2011. For the years ended December 31, 2019 and 2020, we had net losses of $50.1 million and $45.0 million, respectively. For the three months ended March 31, 2020 and 2021, we had net losses of $12.3 million and $13.4 million, respectively. We expect to continue to incur additional losses in the foreseeable future and we may not achieve or maintain profitability in the future. As of March 31, 2021, we had an accumulated deficit of $259.1 million. We intend to continue to expend substantial financial and other resources on, among other things:

- innovating and advancing our platform;
- acquiring new customers;
- increasing usage by and spend from our existing customers;
- international expansion; and
- expansion of our ecosystem and go-to-market partnerships.

These efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenues sufficiently, or at all, to offset these higher expenses. In addition, to the extent we are successful in increasing our customer base, we may also incur increased losses because the costs associated with acquiring customers are generally incurred up front, while subscription revenue is generally recognized ratably over the subscription term. Additionally, we expect to continue making significant expenditures on sales and marketing efforts, and expenditures to grow our platform and develop new features, integrations, capabilities, and enhancements to our platform. Furthermore, as a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. If our revenue does not grow at a greater rate than our operating expenses, we will not be profitable in future periods. Our revenue growth may slow or our revenue may decline for a number of possible reasons, many of which are beyond our control, including greater market penetration, increased competition, slowing demand for our platform, a failure by us to continue capitalizing on growth opportunities, the maturation of our business, global economic downturns, or any of the other factors discussed in this “Risk Factors” section. Any failure to increase our revenue as we grow our business could prevent us from achieving profitability at all or on a consistent basis, which would make it more difficult to accomplish our business objectives and could have a material adverse effect on our business, financial condition and results of operations and cause the market price of our ordinary shares to decline.

Our business and operations have experienced rapid growth, and if we do not appropriately manage this growth and any future growth, or if we are unable to improve our systems, processes and controls, our business, financial condition, results of operations and prospects will be adversely affected.

We have experienced rapid growth and increased demand for our products in recent periods, and we plan to make continued investments in the growth and expansion of our business. The growth and expansion of our

business places a continuous significant strain on our management, operational, and financial resources. In addition, as customers adopt our platform and products for an increasing number of use cases, we will need to continue to support increasingly complex commercial relationships. In order to manage our growth effectively, we must continue to improve and expand our information technology and financial infrastructure, our security and compliance requirements, our operating and administrative systems, our relationships with various partners and other third parties, and our ability to manage headcount and processes in an efficient manner.

We may not be able to sustain the pace of improvements to our platform and products successfully or implement systems, processes and controls in an efficient or timely manner or in a manner that does not negatively affect our business, financial condition and results of operations. Our failure to improve our systems, processes, and controls, or their failure to operate in the intended manner, may result in our inability to manage the growth of our business and to forecast our revenue, expenses and earnings accurately, or to prevent losses.

As we expand our business and operate as a public company, we may find it difficult to maintain our corporate culture while managing our employee growth. Any failure to manage our anticipated growth and related organizational changes in a manner that preserves our culture could negatively impact future growth and achievement of our business objectives. Additionally, our productivity and the quality of our offerings may be adversely affected if we do not integrate and train our new employees quickly and effectively. These challenges have been, and likely will continue to be, heightened due to the ongoing COVID-19 pandemic and the related stay-at-home, travel and other restrictions instituted by governments around the world. Failure to effectively manage our growth to date and any future growth could result in increased costs, negatively affect our customers' satisfaction with our offerings and adversely affect our business, financial condition, results of operations and growth prospects.

Our recent growth may not be indicative of our future growth, and we may not be able to sustain our revenue growth rate in the future. Our growth also makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful.

Our total revenues for the years ended December 31, 2019 and 2020 were $105.1 million and $148.3 million, respectively, representing year-over-year growth of 41%. Our total revenues for the three months ended March 31, 2020 and 2021 were $34.2 million and $42.7 million, respectively, representing year-over-year growth of 25%. You should not rely on our revenue growth over any historical period as an indication of our future performance. Even if our revenue continues to increase, we expect our revenue growth rate to decline in future periods. Many factors may contribute to declines in our growth rate, including greater market penetration, increased competition, slowing demand for our offerings, a failure by us to continue capitalizing on growth opportunities, the maturation of our business, and global economic downturns, among others. If our growth rate declines, investors' perceptions of our business and the market price of our ordinary shares could be adversely affected.

In addition, our rapid growth may make it difficult to evaluate our current business and future prospects. Our ability to forecast our future results of operations is subject to a number of uncertainties, including our ability to effectively plan for and model future growth. We have encountered in the past, and may encounter in the future, risks and uncertainties frequently experienced by growing companies in rapidly changing industries. If we fail to achieve the necessary level of efficiency in our organization as it grows, or if we are not able to accurately forecast future growth, our business would be harmed. Moreover, if the assumptions that we use to plan our business are incorrect or change in reaction to changes in the markets in which we operate, or if we are unable to maintain consistent revenue or revenue growth, our share price could be volatile, and it may be difficult to achieve and maintain profitability.

The markets for our products are new and evolving and may develop more slowly or differently than we expect. Our future success depends on the growth and expansion of these markets and our ability to adapt and respond effectively to evolving market conditions.

The markets for our products are relatively new, rapidly evolving and unproven. Accordingly, it is difficult to predict customer adoption and renewals, demand for our platform and our products, the entry of competitive products, the success of existing competitive products, or the future growth rate, expansion, longevity and the size of our target markets. The expansion of, and our ability to penetrate, these new and evolving markets depends on a number of factors, including widespread awareness among key organizational decision makers of, and the cost, performance, effectiveness and perceived value associated with, digital adoption platforms and technologies. If we or other software and SaaS providers experience security incidents, loss of customer data, or disruptions in delivery or service, the market for these applications as a whole, including our platform and products, may be negatively affected. If digital adoption technologies and software do not continue to achieve market acceptance, or if there is a reduction in demand caused by decreased customer or user acceptance, technological challenges, weakening economic conditions (including in connection with the COVID-19 pandemic), privacy, data protection and data security concerns, governmental regulation, competing technologies and products, decreases in information technology spending or otherwise, or if software providers begin to implement digital adoption solutions natively within their existing products, the markets for our platform and products might not continue to develop or might develop more slowly than we expect, which could adversely affect our business, financial condition and results of operations.

If we are not able to keep pace with technological and competitive developments or fail to develop or otherwise introduce new products and enhancements to our existing offerings, our products may become less marketable, less competitive, or obsolete, and our business, financial condition and results of operations may be adversely affected.

The markets in which we compete are characterized by rapid technological change, frequent introductions of new products, services, features and capabilities, and evolving industry standards and regulatory requirements. Our ability to grow our customer base and increase revenue from existing customers will depend in significant part on our ability to develop or otherwise introduce new product offerings and new features, integrations, capabilities and other enhancements to our existing offerings on a timely basis, as well as on our ability to interoperate across an increasing range of devices, operating systems and third-party applications. The success of any new products or enhancements to our existing offerings will depend on a number of factors including, but not limited to, the timeliness and effectiveness of our research and product development activities and go-to-market strategy, our ability to anticipate customer needs and achieve market acceptance, our ability to manage the risks associated with new product releases, the effective management of development and other spending in connection with the product development process and anticipated demand, and the availability of other newly developed products and technologies by our competitors.

In addition, in connection with our product development efforts, we may introduce significant changes to our existing products, or develop or otherwise introduce new and unproven products or product features, including technologies with which we have little or no prior development or operating experience. These new products, product features and other updates may not perform as expected, may fail to engage our customers or other users of our products, or may otherwise create a lag in adoption of such new or updated products and product features. New products may initially suffer from performance and quality issues that may negatively impact our ability to market and sell such products to new and existing customers. We have in the past experienced bugs, errors, or other defects or deficiencies in new products and product updates and delays in releasing new products, deployment options, and product enhancements and may have similar experiences in the future. As a result, some of our customers may either defer purchasing our products until the next upgrade is released or switch to a competitor if we are not able to keep up with technological developments.

To keep pace with technological and competitive developments, we have in the past invested, and may in the future invest, in the acquisition of complementary businesses, technologies, services, products, and other

assets that expand the products that we can offer our customers. We may make these investments without being certain that they will result in products or enhancements that will be accepted by existing or prospective customers or that will achieve market acceptance. The short- and long-term impact of any major change to our offerings, or the introduction of new products or solutions, is particularly difficult to predict. If new or enhanced offerings fail to engage our customers or other users of our products, or do not perform as expected, we may fail to generate sufficient revenue, operating margin, or other value to justify our investments in such products, any of which may adversely affect our reputation and negatively affect our business in the short-term, long-term, or both. If we are unable to successfully enhance our existing products to meet evolving customer requirements, increase adoption and use cases of our platform and products, develop new products and product features and quickly resolve security vulnerabilities, or if our efforts in any of these areas are more expensive than we expect, then our business, financial condition and results of operations would be adversely affected.

If we do not maintain the interoperability of our offerings across devices, operating systems and third-party applications that we do not control, and if we are not able to maintain and expand our relationships with third-party technology partners to integrate our offerings with their products and solutions, our business, financial condition and results of operations may be adversely affected.

Our success depends in part on our ability to integrate our platform and products with a variety of devices, operating systems and third-party applications that we do not control, and we need to continuously modify and enhance our offerings to adapt to changes in hardware, software, networking, browser and database technologies. Third-party products and services are constantly evolving, and we may not be able to modify our offerings to ensure their compatibility with those of other third parties following development changes. Third-party providers may change the features of their applications and software, restrict our access to their applications and software or alter the terms governing use of their applications and access to those applications and software in an adverse manner. Such changes could functionally limit or eliminate our ability to use these third-party applications and software in conjunction with our products, which could negatively impact customer demand, our competitive position and adversely affect our business. Certain companies with which we currently compete or may in the future compete own, develop, operate or distribute operating systems, cloud hosting services and other software applications, and/or have material business relationships with companies that own, develop, operate or distribute operating systems, application stores, cloud hosting services and other software that our offerings rely on to operate. These companies may be able to disrupt the operation or compatibility of our offerings with their products or services, or exert strong business influence on our ability to, and the terms on which we, operate and distribute our offerings. Moreover, some of these companies may have inherent advantages developing products and services that more tightly integrate with their software and hardware platforms or those of their business partners. Should these or any other third-party providers modify their products or standards in a manner that degrades the functionality of our offerings or gives preferential treatment to competitive products or services, whether to enhance their competitive position or for any other reason, we may not be able to offer the functionality that our customers need, which would negatively impact our ability to generate revenue and adversely affect our business. Furthermore, any losses or shifts in the market position of the providers of these third-party products and services could require us to identify and develop integrations with new third-party technologies. Such changes could consume substantial resources and may not be effective. Any expansion into new geographies may also require us to integrate our offerings with new third-party technologies, products and services and invest in developing new relationships with these providers. If we are unable to respond to changes in a cost-effective manner, our offerings may become less marketable, less competitive, or obsolete, and our business, financial condition and results of operations may be negatively impacted.

Further, we have created mobile applications and mobile versions of our offerings to respond to the increasing number of people who access the internet and cloud-based software applications through mobile devices, including smartphones and handheld tablets or laptop computers. If these mobile applications do not perform well, our business may suffer. We are also dependent on third-party application stores that we do not control, and that may prevent us from timely updating our offerings, building new features, integrations, capabilities or other enhancements, or charging for access. Should any of these companies stop allowing or

supporting access to our offerings, allow access for us only at an unsustainable cost, or make changes to the terms of access in order to make our offerings less desirable or harder to access, whether for competitive reasons or otherwise, it would also have a negative impact on our business.

The markets in which we compete are nascent and highly fragmented, and we may not be able to compete successfully against current and future competitors, some of which may have greater financial, technical, and other resources than we do. If we do not compete successfully our business, financial condition and results of operations could be harmed.

The market for our platform and products is highly fragmented, quickly evolving, and subject to rapid changes in technology. We believe that our ability to compete successfully depends upon many factors both within and beyond our control, including the following:

- breadth of applications and technology integrations supported;
- support for cross-application guidance, automation and analytics;
- expertise in third-party application implementations;
- integration of robust analytics and visualization capabilities;
- cross-platform support for workflows including mobile native applications (iOS and Android) and desktop (Windows and macOS);
- ease of implementation and use;
- performance, security, scalability and reliability;
- quality of customer support;
- total cost of ownership; and
- brand recognition and reputation.

While we do not believe that any of our competitors currently offers a solution that effectively competes with the full functionality of our integrated platform technology solutions, our main sources of competition fall into the following categories:

- Non-adoption from enterprises maintaining the status quo of offline, internally developed, or non-dynamic, FAQ-centric application guidance and workflow support;
- Point solutions embedded natively or as an add-on to software provided by diversified enterprise software companies such as SAP, Oracle, Microsoft, and Salesforce; and
- Providers of software for specific in-app guidance or analytics use cases for SaaS applications.

Additionally, we compete with home-grown, start-up, and open source technologies across the categories described above. With the trend toward distributed and remote workforces (which has accelerated as a result of the COVID-19 pandemic), the passage of time, the introduction of new technologies and the entrance of new market participants, competition has intensified, and we expect it to continue to intensify in the future. Established companies are also developing their own products that compete with ours, and may continue to do so in the future. Established companies may also acquire or establish product integration, distribution or other cooperative relationships with our current competitors. New competitors or alliances among competitors may emerge from time to time and rapidly acquire significant market share due to various factors such as their greater brand name recognition, larger existing user or customer base, customer preferences for their offerings, a larger or more effective sales organization and greater financial, technical, marketing and other resources and experience. Furthermore, with the recent increase in large merger and acquisition transactions in the technology industry, particularly transactions involving cloud-based technologies, there is a greater likelihood that we will

compete with other larger technology companies in the future. Companies resulting from these potential consolidations may create more compelling product offerings and be able to offer more attractive pricing options, making it more difficult for us to compete effectively.

Many of our competitors have, and additional potential competitors may have, greater financial, technical, and other resources, greater brand recognition, larger sales forces and marketing budgets, broader distribution networks, more diverse product and services offerings, larger and more mature intellectual property portfolios, more established relationships in the industry and with customers, lower cost structures and greater customer experience resources. These competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards and customer requirements. They may also be able to leverage these resources to gain business in a manner that discourages customers from purchasing our offerings. Potential customers may also prefer to purchase from companies with which they have an existing relationship rather than a new supplier, regardless of product performance or features. Furthermore, we expect that our industry will continue to attract new companies, including smaller emerging companies, which could introduce new offerings or alternative solutions to the problems we address. We may also expand into new markets and encounter additional competitors in such markets. The numerous and evolving competitive pressures in the markets in which we operate, or our failure to respond effectively to such pressures, may result in price reductions, fewer customers, reduced revenue, gross profit and gross margins, increased net losses and loss of market share, any of which could significantly and adversely affect our business, financial condition and results of operations.

Our Digital Adoption Platform is at the core of our business, and any decline in demand for our Digital Adoption Platform occasioned by malfunction, inferior performance, increased competition or otherwise, will impact our business, financial condition and results of operations.

Our Digital Adoption Platform is at the core of our business and all of our customer subscriptions. Customer subscriptions to our Digital Adoption Platform accounted for approximately 90% and 88% of our total revenue for the years ended December 31, 2019 and 2020, respectively, with the remainder of our revenue being derived from associated professional services. For the three months ended March 31, 2020 and 2021, customer subscriptions to our Digital Adoption Platform accounted for approximately 87% and 90% of our total revenue, respectively, with the remainder of our revenue being derived from associated professional services. Accordingly, market acceptance of our Digital Adoption Platform is critical to our success. If demand for our Digital Adoption Platform declines, the demand for the associated professional services will also decline. Demand for our Digital Adoption Platform is affected by a number of factors, many of which are beyond our control, such as continued market acceptance of digital adoption platforms and technologies by customers for existing and new use cases, the timing of development and release of new features, functionality, and lower cost alternatives introduced by our competitors, technological changes and developments within the markets we serve, including the potential introduction of native digital adoption solutions within software providers' existing products, and growth or contraction in our addressable markets. If we are unable to continue to meet customer demand, or if our Digital Adoption Platform fails to compete effectively, achieve more widespread market acceptance, or meet statutory, regulatory, contractual, or other applicable requirements, then our business, financial condition and results of operations would be harmed.

Our business depends in part on our existing customers expanding the value of their subscriptions over time and renewing their subscriptions at the end of the applicable subscription period. Any decline in our Dollar-Based Net Retention Rate may harm our future operating results.

Our future success depends in part on our ability to expand the value of our existing customers' subscriptions over time, and on our customers renewing their subscriptions when the contract term expires. The terms of our subscription agreements are typically for a period of one to three years, and our customers are under no obligation to renew their subscriptions after the expiration of the applicable subscription period. As a result, we cannot guarantee that customers will renew their subscriptions for a similar contract period or with a similar or greater scope of applications, users, features, capabilities or other terms that are equally or more beneficial to us, if they renew at all.

We may not accurately predict future renewal trends and cannot accurately predict our Dollar-Based Net Retention Rate given the diversity of our customer base in terms of size, industry and geography. Customer renewals, and our Dollar-Based Net Retention Rate, may decline or fluctuate as a result of a number of factors, including customer satisfaction with our products and our customer support, the frequency and severity of product outages, our product uptime or latency, the pricing and value proposition of our offerings compared to those of our competitors, additional new features, integrations, capabilities or other enhancements that we may develop or otherwise introduce from time to time, updates to our products as a result of updates by technology partners, mergers and acquisitions affecting our customer base, and consolidation of affiliates' multiple into a single account. Customer renewals have been and may in the future also be impacted by general economic conditions (including in connection with the COVID-19 pandemic), strengths and weaknesses in our customers' underlying businesses, and other factors, many of which are beyond our control, that reduce customers' spending levels. In addition, customers may renew for fewer subscriptions, renew for shorter contract lengths if they were previously on multi-year contracts, or switch to lower cost offerings on our platform. These factors may also be exacerbated if our customer base continues to grow to encompass larger enterprises, which generally require more sophisticated and costly sales efforts. If our customers do not expand the value of their subscriptions over time, or if our customers fail to renew their subscriptions or renew on less economically beneficial terms, our revenue may decline or grow less quickly than anticipated and our business, financial condition and results of operations may be harmed.

If we are unable to attract new customers, our business, financial condition and results of operations will be adversely affected.

To increase our revenue, we must continue to attract new customers. Our success will depend to a substantial extent on the widespread adoption of our platform and products. Many enterprises may view digital adoption platforms and technologies such as ours as new and unproven, and may be reluctant or unwilling to migrate to our Digital Adoption Platform. Further, the adoption of SaaS business software may be slower in industries with heightened data security interests or business practices requiring highly customizable application software. In addition, as our target markets mature, our products evolve, and competitors introduce lower cost or differentiated products that are perceived to compete with our platform and products, our ability to sell subscriptions for our products could be impaired. Similarly, our subscription sales could be adversely affected if customers or users within these organizations perceive that features incorporated into competitive products reduce the need for our products, or if they prefer to purchase other products that are bundled with solutions offered by other companies that operate in adjacent markets and compete with our products. As a result of these and other factors, we may be unable to attract new customers, which may have an adverse effect on our business, financial condition and results of operations.

We recognize subscription revenue over the term of the relevant subscription period, and as a result, downturns or upturns in sales are not immediately reflected in full in our results of operations.

We generate revenue primarily through sales of subscriptions to our Digital Adoption Platform, and we recognize our subscription revenue ratably over the term of the relevant subscription period. As a result, a significant portion of the revenue we report each fiscal quarter is the recognition of deferred revenue from subscription contracts entered into during previous fiscal quarters. Consequently, a decline in new or renewed subscriptions in any one fiscal quarter will not be fully or immediately reflected in revenue in that fiscal quarter and will negatively affect our revenue in future fiscal quarters. Accordingly, the effect of significant downturns in new or renewed sales of our subscriptions is not reflected in full in our results of operations until future periods.

Our ability to achieve customer renewals and increase sales of our products is dependent on the quality of our customer support, and our failure to offer effective customer support would have an adverse effect on our reputation, business, financial condition and results of operations.

Our customers depend on our customer support professionals, which we refer to as our customer success team, to resolve issues and realize the full benefits relating to our platform and products. If we do not succeed in helping our customers quickly resolve implementation and/or post-deployment issues or provide effective ongoing support and education, our ability to renew subscriptions with existing customers and to expand the value of those subscriptions would be adversely affected and our reputation with potential customers could also be damaged. In addition, a significant portion of our existing customer base consists of large enterprises, which generally have more complex IT environments and require higher levels of support than smaller customers. If we fail to meet the requirements of these customers, it may be more difficult to grow sales or maintain our relationships with them.

Additionally, it can take several months to recruit, hire and train qualified engineering-level customer support employees, and we may not be able to hire such resources fast enough to keep up with demand. To the extent we are unsuccessful in hiring, training and retaining adequate support resources, our ability to provide adequate and timely support to our customers, and our customers' satisfaction with our platform and products, will be adversely affected. Our failure to provide and maintain effective support services would have an adverse effect on our business, financial condition, results of operations and reputation.

If we fail to maintain and enhance our brand, our ability to expand our customer base will be impaired and our business, financial condition and results of operations may suffer.

We believe that maintaining and enhancing the WalkMe brand is important to support the marketing and sale of our existing and future products to new customers and to expanding sales of our products to existing customers. We also believe that brand recognition will become increasingly important as competition in our target markets increases. Successfully maintaining and enhancing our brand will depend largely on the effectiveness of our marketing efforts, our ability to provide reliable products that continue to meet the needs of our customers at competitive prices, our ability to maintain our customers' trust, our ability to continue to develop new functionality and use cases, and our ability to successfully differentiate our products and platform capabilities from those of our competitors. Our brand promotion activities may not generate customer awareness or yield increased revenue, and even if they do, any increased revenue may not offset the marketing expenses we incur in building our brand. If we fail to successfully promote and maintain our brand, we may fail to attract new customers and retain existing customers as necessary to realize a sufficient return on our brand-building efforts, and may fail to achieve the widespread brand awareness that is critical for broad customer adoption of our offerings.

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

SaaS 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, cloud-based computing services, data storage and related expenses and office rental expenses. Our variable costs typically include sales and marketing expenses and payment processing fees. These costs can be difficult to manage, particularly as we continue to grow. If we are unable to effectively manage these costs or achieve economies of scale, our operating margin may decrease and our business, financial condition, results of operations and prospects could be materially and adversely affected.

Our results of operations are likely to fluctuate from quarter to quarter, which could adversely affect our business, financial condition and results of operations.

Our results of operations, including our revenue, cost of revenue, gross margin, operating expenses, cash flow, and deferred revenue, have fluctuated from quarter to quarter in the past and may continue to vary significantly in the future so that period-to-period comparisons of our results of operations may not be meaningful. Accordingly, our financial results in any one quarter should not be relied upon as indicative of future performance. Our quarterly financial results may fluctuate as a result of a variety of factors, many of which are outside of our control, may be difficult to predict, and may or may not fully reflect the underlying performance of our business. Factors that may cause fluctuations in our quarterly financial results include:

- our ability to attract and retain new customers and expand sales within our existing customer base;
- the loss of existing customers;
- subscription renewals and the timing of such renewals;
- fluctuations in customer usage of our products from period to period;
- customer satisfaction with our products and platform capabilities and customer support;
- mergers and acquisitions or other transactions affecting our customer base, including the consolidation of affiliates' multiple accounts into a single account;
- mix of our revenue between subscription and professional services;
- our ability to gain new partners and retain existing partners, and any changes in the economic terms of our agreements with such partners;
- increases or decreases in the number of users or applications in our subscriptions or pricing changes upon any renewals of customer agreements;
- fluctuations in share-based compensation expense;
- decisions by potential customers to purchase alternative solutions or develop in-house technologies as alternatives to our products;
- the amount and timing of operating expenses related to the maintenance and expansion of our business and operations, including investments in research and development, sales and marketing, including the capacity of our sales team, and general and administrative resources;
- our ability to manage our cloud services infrastructure costs;
- technical disruptions or network outages;
- developments or disputes concerning our intellectual property or proprietary rights, our platform or products, or third-party intellectual property or proprietary rights;
- negative publicity about our company, our offerings or our partners, including as a result of actual or perceived breaches of, or failures relating to, privacy, data protection or data security;
- the timing of expenses related to the development or acquisition of technologies or businesses and potential future charges for impairment of goodwill from acquired companies;
- general economic, industry and market conditions;
- the impact of the ongoing COVID-19 pandemic, or any other pandemic, epidemic, outbreak of infectious disease or other global health crises on our business, the businesses of our customers and partners and general economic conditions;
- the impact of political uncertainty or unrest;
- changes in our pricing policies or those of our competitors;

- fluctuations in the growth rate of the overall markets that our products address;
- seasonality in the underlying businesses of our customers, including budgeting cycles and purchasing practices, and any changes in customer spending patterns;
- the business strengths or weakness of our customers;
- our ability to collect timely on invoices or receivables;
- the cost and potential outcomes of litigation or other disputes;
- future accounting pronouncements or changes in our accounting policies;
- our overall effective tax rate, including impacts caused by any reorganization in our corporate tax structure and any new legislation or regulatory developments;
- our ability to successfully expand our business in the U.S. and internationally;
- fluctuations in foreign currency exchange rates;
- legal and regulatory compliance costs in new and existing markets; and
- the timing and success of new products or product features introduced by us or our competitors or any other change in the competitive dynamics of our industry, including consolidation among competitors, customers or partners.

The impact of one or more of the foregoing or other factors may cause our results of operations to vary significantly. Such fluctuations could cause us to fail to meet the expectations of investors or securities analysts, which could cause the trading price of our ordinary shares to fall substantially, and we could face costly lawsuits, including securities class action suits. Additionally, the rapid growth we have experienced in recent years may have masked the full effects of these seasonal factors on our business to date, and as such, these factors may have a greater effect on our results of operations in future periods.

The ongoing COVID-19 pandemic could harm our business, financial condition and results of operations.

In December 2019, a novel coronavirus disease ("COVID-19") was reported in China and began to spread across the globe. In March 2020, the World Health Organization ("WHO") declared COVID-19 a global pandemic. Since that time, this contagious disease outbreak has continued to spread, impacting worldwide economic activity and financial markets. As a result of the COVID-19 pandemic, government authorities around the world have ordered schools and businesses to close, imposed restrictions on non-essential activities and required people to remain at home while implementing significant limitations on business activities, travel and social gatherings. These conditions have caused disruptions in global demand and global supply chains, increasing rates of unemployment, and have adversely affected companies across a variety of industries, including many of our customers and partners.

In light of the uncertain and rapidly evolving situation relating to the spread of COVID-19, as well as government mandates, we took precautionary measures intended to minimize the risk of the virus to our employees, our customers, our partners and the communities in which we operate. As part of this response, we enabled our entire work force to work remotely, paused hiring and implemented travel restrictions. We also implemented a short-term hiring freeze across our company, which limited our sales capacity and, together with the impact on spending across much of the global economy, led to longer sales cycles in the second quarter of 2020.

Though we began reinvesting in our sales capacity in the second half of 2020 and have started to see a reversal of these trends, we cannot guarantee that this recovery will continue. In addition, given the continued spread of COVID-19 and the resultant personal, economic and governmental reactions, we may have to take additional actions in the future that could harm our business, financial condition, and results of operations. While

we have a distributed workforce and our employees are accustomed to working remotely or working with other remote employees, our workforce was not trained to be fully remote, and it is possible that continued widespread remote work arrangements may have a negative impact on our operations, the execution of our business plans, the productivity and availability of key personnel and other employees necessary to conduct our business, and on third-party service providers who perform critical services for us, or otherwise cause operational failures due to changes in our normal business practices. If a natural disaster, power outage, connectivity issue, or other event occurred that impacted our employees' ability to work remotely, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time. The increase in remote working may also result in privacy, data protection, data security and increased fraud risks, and our understanding of applicable legal and regulatory requirements, as well as the latest guidance from regulatory authorities, may be subject to legal or regulatory challenge, particularly as regulatory guidance evolves in response to future developments. Although we continue to monitor the situation and may adjust our current policies as more information and public health guidance become available, the effects of suspending travel and doing business in-person over the long-term, as well as the continued disruption to the operations of our customers and partners, may also negatively affect our customer success efforts, sales and marketing efforts, challenge our ability to enter into customer contracts in a timely manner, slow down our recruiting efforts, and create operational or other challenges, any of which could harm our business, financial condition and results of operations. The COVID-19 pandemic has also resulted in, and may continue to result in, significant disruption of global financial markets, reducing our ability to access capital, which could in the future negatively affect our liquidity.

It is not possible at this time to estimate the long-term impact that COVID-19 could have on our business, financial condition and results of operations as the impact will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. Even after the outbreak of COVID-19 has subsided, we may experience materially adverse impacts to our business as a result of its global economic impact, including any recession that has occurred or may occur in the future. Furthermore, because of our subscription-based business model, the effect of the COVID-19 pandemic may not be fully reflected in our results of operations and overall financial condition until future periods.

Our corporate culture has contributed to our success, and if we cannot maintain this culture as we grow, we could lose the innovation, creativity, and entrepreneurial spirit we have worked to foster, which could harm our business and growth prospects.

We believe that our culture has been and will continue to be a key contributor to our success. We expect to continue to hire aggressively as we expand, and we will need to maintain our culture among a larger number of employees, dispersed across various geographic regions. If we do not continue to maintain our corporate culture as we grow, we may be unable to foster the innovation, creativity and entrepreneurial spirit we believe we need to support our growth. The continued growth and expansion of our business and our transition from a private company to a public company may also result in changes to our corporate culture, which could harm our ability to attract, recruit and retain employees, as well as our business and our prospects for future growth.

We typically provide service-level commitments under our subscription agreements. If we fail to meet these contractual commitments, we could be obligated to provide credits for future service, extended subscription terms or refunds of prepaid amounts equivalent to the credits, any of which could lead to subscription termination or a decrease in customer renewals in future periods.

Our subscription agreements typically contain service-level commitments. If we are unable to meet the stated service-level commitments, including failure to meet the uptime and response time requirements under our customer subscription agreements, we may be contractually obligated to provide these customers with credits for future service, extended subscription terms or refunds of prepaid amounts equivalent to the credits, any of which could lead to subscription termination or a decrease in customer renewal. Accordingly, failure to meet our

service-level commitments could significantly affect our revenue in the periods in which the failure occurs and the credits are applied or the refunds paid out. In addition, subscription terminations and any reduction in renewals resulting from service-level failures could significantly affect both our current and future revenue. Any service-level failures could also create negative publicity and damage our reputation, which may discourage prospective customers from adopting our offerings. In addition, if we modify the terms of our service-level commitments in future customer agreements in a manner that customers perceive to be unfavorable, demand for our offerings could be reduced. Any of these events could adversely affect our business, financial condition and results of operations.

We target enterprise customers, and sales to these customers involve risks that may not be present or that are present to a lesser extent with sales to smaller entities.

Our sales and marketing organization is increasingly focused on large enterprise customers. Sales to large customers involve risks that may not be present or that are present to a lesser extent with sales to smaller entities, such as longer sales cycles, more complex customer requirements, substantial upfront sales costs, and less predictability in completing some of our sales. For example, enterprise customers may require considerable time to evaluate and test our solutions and those of our competitors prior to making a purchase decision and placing an order. Moreover, large enterprise customers often begin to deploy our products on a limited basis, but nevertheless demand configuration, integration services and pricing negotiations, which increase our upfront investment in the sales effort with no guarantee that these customers will deploy our products widely enough across their organization to justify our substantial upfront investment.

We depend on our executive leadership team and other key employees, and the loss of one or more of these employees or an inability to attract and retain highly skilled employees could harm our business.

Our future success depends, in part, on our ability to continue to attract and retain highly skilled personnel. The loss of the services of any of our key personnel, the inability to attract or retain qualified personnel, or delays in hiring required personnel, particularly in engineering, research and development, sales or customer support, may seriously harm our business, financial condition and results of operations. Although we have entered into employment agreements with our key personnel, some of which include notice periods with which the employee is required to comply prior to terminating their employment with us, their employment is for no specific duration. We are also substantially dependent on the continued service of our existing engineering personnel because of the complexity of our products.

Our future performance also depends on the continued services and continuing contributions of our executive leadership team, including our co-founders Dan Adika, who currently serves as our Chief Executive Officer, and Rafael Sweary, who currently serves as our President, to execute on our business plan and to identify and pursue new opportunities and product innovations. The loss of services of our executive leadership team, particularly Mr. Adika or Mr. Sweary, could significantly delay or prevent the achievement of our development and strategic objectives, which could adversely affect our business, financial condition and results of operations.

Additionally, the industry in which we operate is generally characterized by significant competition for skilled personnel as well as high employee attrition. There is currently a high demand for experienced software industry personnel, particularly for engineering, research and development, sales and support positions, and we may not be successful in attracting, integrating or retaining qualified personnel to fulfill our current or future needs and, even if our efforts are successful, such personnel may not become as productive as we expect. This intense competition has resulted in increasing wages, especially in Israel, where most of our research and development positions are located, and in the San Francisco Bay Area, where we have a significant presence, which may make it more difficult for us to attract and retain qualified personnel, as many of the companies against which we compete for personnel have greater financial resources than we do. These competitors may also actively seek to hire our existing personnel away from us, even if such employee has entered into a non-compete agreement. We may be unable to enforce these agreements under the laws of the jurisdictions in which our

employees work. For example, Israeli labor courts have required employers seeking to enforce non-compete undertakings of a former employee to demonstrate that the competitive activities of the former employee will harm one of a limited number of material interests of the employer that have been recognized by the courts, such as the protection of a company's confidential information or other intellectual property, taking into account, among other things, the employee's tenure, position, and the degree to which the non-compete undertaking limits the employee's freedom of occupation. We may not be able to make such a demonstration. Also, to the extent we hire personnel from competitors, we may be subject to allegations that they have been improperly solicited, that they have divulged proprietary or other confidential information, or that their former employers own their inventions or other work product developed while employed by us.

In addition, in making employment decisions, particularly in the internet and high-technology industries, job candidates often consider the value of the equity they are to receive in connection with their employment. Employees may be more likely to leave us if the shares they own or the shares underlying their equity incentive awards have significantly appreciated or significantly reduced in value. Many of our employees may receive significant proceeds from sales of our equity in the public markets after this offering, which may reduce their motivation to continue to work for us and could lead to employee attrition. If we fail to attract new personnel, or fail to retain and motivate our current personnel, our business, financial condition, results of operations and growth prospects could be harmed.

The failure to effectively develop and expand our sales and marketing capabilities, including third-party resources, could harm our ability to increase our customer base and achieve broader market acceptance of our offerings.

Our ability to increase our customer base and achieve broader market acceptance of our platform and products will depend to a significant extent on our ability to expand our sales and marketing operations. As part of our growth strategy, we plan to continue to invest in growing our direct sales force. If we are unable to hire a sufficient number of qualified sales personnel in the near term, our business and growth prospects will be adversely impacted. Identifying and recruiting qualified sales representatives and training them is time-consuming and resource-intensive, and they may not be fully trained and productive for a significant amount of time. We also plan to continue to dedicate significant resources to our marketing programs. All of these efforts will require us to invest significant financial and other resources. Our business will be harmed if our efforts do not generate a correspondingly significant increase in revenue. We will not achieve anticipated revenue growth from expanding our sales force if we are unable to hire, develop, motivate and retain talented sales personnel, if new sales personnel are unable to achieve desired productivity levels in a reasonable period of time, or if our sales and marketing programs are not effective. In addition, because we rely primarily on a direct sales model, our customer acquisition costs are higher than those of organizations that rely primarily on a self-service model, which may limit our ability to cut costs in response to changing economic and competitive conditions.

In addition to our direct sales force, we also leverage reseller and other partner relationships to help market and sell our offerings to customers around the world, particularly in jurisdictions in which we have a limited presence. Though we expect that we will need to maintain and expand our network of partners as we continue to expand our presence in international markets, these relationships subject us to certain risks. Some of our partners, mainly system integrators, offer a wide array of software and services in addition to ours. Because most of their revenue is derived from selling professional services, they may prioritize sales of other more professional-services heavy solutions instead of ours. Moreover, we may face channel conflicts with producers of software that our customers use in addition to ours. If such producers perceive our solutions as a competitive threat to their products, our ability to maintain or establish partnerships with third parties may be adversely affected. In addition, recruiting and retaining qualified partners and training them in our technology and offerings requires significant time and resources If we decide to further develop and expand our indirect sales channels, we must continue to scale and improve our processes and procedures to support these channels, including investing in systems and training. Many partners may not be willing to invest the time and resources required to train their staff to effectively market and sell our offerings.

The sales prices of our products may change, which may reduce our revenue and gross profit and adversely affect our financial results.

The sales prices for our products may be subject to change for a variety of reasons, including competitive pricing pressures, discounts, anticipation of the introduction of new products, general economic conditions, or changes in our marketing, customer acquisition and technology costs and, as a result, we anticipate that we will need to change our pricing model from time to time. In the past, including in connection with the COVID-19 pandemic, we have sometimes adjusted our prices for individual customers in certain situations, and expect to do so from time to time in the future. Moreover, demand for our offerings is price-sensitive. Competition continues to increase in the market segments in which we participate, and we expect competition to further increase in the future, thereby leading to increased pricing pressures. Larger competitors with more diverse offerings may reduce the price of offerings that compete with ours or may bundle them with other offerings and provide for free. Similarly, certain competitors may use marketing strategies that enable them to acquire users more rapidly or at a lower cost than us, or both, and we may be unable to attract new customers or grow and retain our customer base based on our historical pricing. As we develop and introduce new offerings, as well as features, integrations, capabilities and other enhancements, we may need to, or choose to, revise our pricing. We may also face challenges setting prices for new and existing offerings in any new geographies into which we expand. There can be no assurance that we will not be forced to engage in price-cutting initiatives or to increase our marketing and other expenses to attract customers in response to competitive or other pressures. Any decrease in the sales prices for our products, without a corresponding decrease in costs, increase in volume or increase in revenue from our other offerings, would adversely affect our revenue and gross profit. We cannot assure you that we will be able to maintain our prices and gross profits at levels that will allow us to achieve and maintain profitability.

The length of our sales cycle can be unpredictable, particularly with respect to sales to enterprise customers, and our sales efforts may require considerable time and expense.

Our results of operations may fluctuate, in part, because of the length and variability of the sales cycle of our subscriptions and the difficulty in making short-term adjustments to our operating expenses. Our results of operations depend in large part on sales to new enterprise customers and increasing sales to existing customers. The length of our sales cycle, from initial contact from a prospective customer to contractually committing to one or more of our offerings, can vary substantially from customer to customer based on a number of factors, including deal complexity, implementation time and the need for our customers to satisfy their own internal requirements and processes, as well as whether a sale is made directly by us or by one of our resellers or other partners. It is difficult to predict exactly when, or even if, we will make a sale to a potential customer, or if and when we can increase sales to our existing customers. As a result, large individual sales have, in some cases, occurred in quarters subsequent to those we anticipated, or have not occurred at all. Because a substantial proportion of our expenses are relatively fixed in the short term, our results of operations will suffer if revenue falls below our expectations in a particular quarter, which could cause the price of our ordinary shares to decline.

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, financial condition and results of operations.

Our future success depends, in part, on our ability to sustain and expand our penetration of the international markets in which we currently operate and to expand into additional international markets. Our ability to expand internationally will depend upon our ability to deliver functionality and other features that reflect the needs and preferences of the international customers that we target and to successfully navigate the risks inherent in operating a business internationally. The continued expansion of our international operations will subject us to new risks and may increase risks that we currently face, including risks associated with:

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

- 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 reflect local languages and to ensure that they are culturally appropriate and relevant in different countries;
- slower than anticipated availability and adoption of cloud and technology infrastructures by international businesses;
- the applicability of evolving and potentially inconsistent international laws and regulations, including laws and regulations with respect to tariffs, privacy, data protection, data security, consumer protection and unsolicited email, and the risk of penalties to our customers, users and individual members of our executive leadership team or other 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;
- our need to rely on local partners, including in connection with joint venture or other arrangements like our Japanese subsidiary, WalkMe K.K., to penetrate certain geographic regions, which may make us dependent on such local partners to implement our growth strategy. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Commitments and Contractual Obligations—WalkMe K.K";
- 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, including the complexities of foreign value added tax (or other tax) systems, and restrictions on the repatriation of earnings;
- higher costs of doing business internationally, including increased accounting, travel, infrastructure and legal compliance costs;
- different labor regulations, especially in the European Union, where labor laws are generally more advantageous to employees as compared to the United States, including deemed hourly wage and overtime regulations in these locations;
- the ongoing COVID-19 pandemic, or any other pandemic, epidemic or outbreak of infectious disease, including uncertainty regarding what measures the United States or foreign governments will take in response;
- the implementation of exchange controls, including restrictions promulgated by the United States Department of the Treasury's Office of Foreign Assets Control ("OFAC"), and other similar trade protection regulations and measures in the United States, Israel or in other jurisdictions;
- reduced ability to timely collect amounts owed to us by our customers in countries where our recourse may be more limited;
- limitations on our ability to reinvest earnings from operations derived from one country to fund the capital needs of our operations in other countries;
- potential changes in laws, regulations, and costs affecting our UK operations and personnel due to Brexit;
- as an Israeli company, we are subject to Israeli laws concerning governmental access to data and the risk, or perception of risk, of such access may making our platform less attractive to organizations

outside Israel, and compliance with such Israeli laws may conflict with legal obligations that we, or other organizations on our platform, may be subject to in other countries; and

- exposure to liabilities under anti-corruption and anti-money laundering laws, including the U.S. Foreign Corrupt Practices Act of 1977, as amended, and similar applicable laws and regulations in other jurisdictions.

While we have invested, and expect to continue to invest, significant resources in our international operations and expansion, it is possible that returns on such investments will not be achieved in the near future or at all in these less familiar competitive and regulatory environments. Compliance with laws and regulations applicable to our global operations could substantially increase our cost of doing business in international jurisdictions, and any violations could result in enforcement actions, fines, civil and criminal penalties, damages, injunctions, or reputational harm. If we are unable comply with these laws and regulations or manage the difficulties and challenges described above and any other problems we encounter in connection with our international operations and expansion, our business, financial condition and results of operations could be materially and adversely affected.

We expect our revenue mix to vary over time, which could harm our gross margin and results of operations.

Our gross margins and results of operations could be harmed by changes in our revenue mix between subscription and professional services and associated costs resulting from any number of factors, including an increase in the number of partner-assisted sales; entry into new markets or growth in lower margin markets; entry into markets with different pricing and cost structures; pricing discounts; and increased price competition. Any one of these factors or the cumulative effects of certain of these factors may result in significant fluctuations in our gross margin and results of operations. This variability and unpredictability could result in our failure to meet internal expectations or those of securities analysts or investors for a particular period. If we fail to meet or exceed such expectations for these or any other reasons, the market price of our ordinary shares could decline.

Catastrophic events, or man-made problems such as terrorism, may disrupt our business.

A significant natural disaster, such as an earthquake, fire, flood, or significant power outage could have an adverse impact on our business, financial condition and results of operations. A number of our executive officers and other employees, as well as our customers and partners, are located in the San Francisco Bay Area, a region known for seismic activity and increasingly, wildfires. In the event our or our customers' or partners' operations are hindered by any of the events discussed above, sales could be delayed, resulting in missed financial targets for a particular reporting period. In addition, acts of terrorism, pandemics, such as the ongoing COVID-19 pandemic or any other pandemic, epidemic, outbreak of infectious disease or other public health crisis, protests, riots and other geo-political unrest could cause disruptions in our business or the businesses of our customers, partners, or the economy as a whole. Any disruption in the businesses of our customers or partners that affects sales in a given fiscal quarter could have a significant adverse impact on our quarterly results for that and future quarters. All of the aforementioned risks may be further increased if our disaster recovery plans or those of our customers or partners prove to be inadequate.

We are exposed to fluctuations in currency exchange rates, which could negatively affect our financial condition and results of operations.

Our functional currency is the U.S. dollar and our revenue and expenses are primarily denominated in U.S. dollars. However, a significant portion of our headcount related expenses, consisting principally of salaries and related personnel expenses as well as leases and certain other operating expenses, are denominated in NIS. This foreign currency exposure gives rise to market risk associated with exchange rate movements of the U.S. dollar against the New Israeli Shekels (NIS). Furthermore, we anticipate that a material portion of our expenses will continue to be denominated in NIS.

In addition, increased international sales in the future may result in greater foreign currency denominated sales, increasing our foreign currency risk. Moreover, operating expenses incurred outside the United States and denominated in foreign currencies are increasing and are subject to fluctuations due to changes in foreign currency exchange rates. If we are not able to successfully hedge against the risks associated with currency fluctuations, our financial condition and results of operations could be adversely affected. While we may decide to continue to enter into hedging transactions in the future, the availability and effectiveness of these hedging transactions may be limited and we may not be able to successfully hedge our exposure, which could adversely affect our financial condition and results of operations.

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

Historically, we have funded our operations and capital expenditures primarily through our operating cash flows and the net proceeds we have received from sales of equity securities. Although we believe that our existing cash and cash equivalents and short-term bank deposits, together with cash flow from operations and net proceeds from sales of committed equity securities, will be sufficient to support our liquidity and capital requirements for at least the next 12 months, 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. 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. We may also incur debt. 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 particular, the widespread COVID-19 pandemic has resulted in, and may continue to result in, significant disruption of global financial markets, which may reduce our ability to access capital. If we are unable to raise additional capital or generate sufficient cash flows, 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.

Our executive leadership team has limited experience managing a public company, and the requirements of being a public company may strain our resources, divert the attention of our executive leadership team, and affect our ability to attract and retain qualified board members.

As a public company listed in the United States, we will incur significant additional legal, accounting, and other expenses. In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure, including regulations implemented by the SEC and Nasdaq, may increase legal and financial compliance costs, and make some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, and as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies.

Most members of our executive leadership team have no or limited experience managing a publicly traded company, interacting with public company investors and complying with the increasingly complex laws pertaining to public companies in the United States. Our executive leadership team may not successfully or efficiently manage our transition to being a public company subject to significant regulatory oversight and reporting obligations under the U.S. federal securities laws and the continuous scrutiny of securities analysts and investors. We also intend to invest resources to comply with evolving laws, regulations, and standards, and these new obligations and constituents will require significant attention from our executive leadership team and could divert their attention away from the day-to-day management of our business. If, notwithstanding our efforts, we fail to comply with new laws, regulations, and standards, regulatory authorities may initiate legal proceedings against us and our business, financial condition and results of operations may be harmed.

Failure to comply with these rules might also make it more difficult for us to obtain certain types of insurance, including director and officer liability insurance, and we might be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these events would also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, on committees of our board of directors or as members of our executive leadership team.

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

We sell to U.S. federal, state, and local, as well as foreign, governmental agency customers, as well as to customers in highly regulated industries such as financial services, telecommunications and healthcare. Sales to such entities are subject to a number of challenges and risks. Selling to such entities can be highly competitive, expensive, and time-consuming, often requiring significant upfront time and expense without any assurance that these efforts will generate a sale. Government contracting requirements may change and in doing so restrict our ability to sell into the government sector until we have attained the revised certification. Government demand and payment for our products are affected by public sector budgetary cycles and funding authorizations, with funding reductions or delays adversely affecting public sector demand for our products. Additionally, any actual or perceived privacy, data protection, or data security incident, or even any perceived defect with regard to our practices or measures in these areas, may negatively impact public sector demand for our products.

We also often provide technical support services to certain of our government entity customers to resolve any issues relating to our products. If we do not effectively assist our government entity customers in deploying our products, succeed in helping our government entity customers quickly resolve post-deployment issues, or provide effective ongoing support, our ability to sell additional products to new and existing government entity customers would be adversely affected and our reputation could be damaged.

Further, governmental and highly regulated entities may demand contract terms that differ from our standard arrangements and are less favorable than terms agreed with private sector customers. Such entities may have statutory, contractual, or other legal rights to terminate contracts with us for convenience or due to a default, and any such termination may adversely affect our future results of operations. Governments routinely investigate and audit government contractors' administrative processes, and any unfavorable audit could result in the government refusing to continue buying our subscriptions, a reduction of revenue, or fines or civil or criminal liability if the audit uncovers improper or illegal activities, which could adversely affect our results of operations in a material way.

We are exposed to credit risk and fluctuations in the market values of our investment portfolio.

Given the global nature of our business we have diversified U.S. and non-U.S. investments. Credit ratings and pricing of our investments can be negatively affected by liquidity, credit deterioration, financial results, economic risk, political risk, sovereign risk, or other factors. As a result, the value and liquidity of our investments may fluctuate substantially. Therefore, although we have not realized any significant losses on our investments, future fluctuations in their value could result in a significant realized loss.

Risks Related to Information Technology, Intellectual Property and Data Security and Privacy

If we or our third-party service providers experience a security breach or unauthorized parties otherwise obtain access to our customers' data, our data or our platform, our solution may be perceived as not being secure, our reputation may be harmed, demand for our platform and products may be reduced, and we may incur significant liabilities.

Our platform and products involve the collection, storage, processing, transmission and other use of data, including certain confidential, sensitive, and personal information. More generally, in the ordinary course of our

business, we collect, store, transmit and otherwise process large amounts of sensitive corporate, personal and other information, including intellectual property, proprietary business information, and other confidential information. Any security breach, data loss, or other compromise, including those resulting from a cybersecurity attack, phishing attack, or any unauthorized access, unauthorized usage, virus or similar breach or disruption could result in the loss or destruction of or unauthorized access to, or use, alteration, disclosure, or acquisition of, data, damage to our reputation, loss of intellectual property protection, claims and litigation, regulatory investigations, or other liabilities. We may become the target of cyber-attacks by third parties seeking unauthorized access to our or our customers' data or to disrupt our ability to provide our services. These attacks may come from individual hackers, criminal groups, and state-sponsored organizations. Additionally, companies have, in general, experienced an increase in phishing, social engineering and other attacks from third parties in connection with the COVID-19 pandemic, and the increase in remote working further increases these and other security threats. We experience cyber-attacks and other security incidents of varying degrees from time to time, though none which individually or in the aggregate has led to costs or consequences which have materially impacted our operations or business. If our security measures are breached as a result of third-party action, employee error or negligence, a defect or bug in our offerings or those of our third-party service providers, malfeasance or otherwise and, as a result, someone obtains unauthorized access to any data, including our confidential, sensitive, or personal information or the confidential, sensitive, or personal information of our customers, or other persons, or any of these types of information is lost, destroyed, or used, altered, disclosed, or acquired without authorization, or if any of the foregoing is perceived to have occurred, our reputation may be damaged, our business may suffer, and we could incur significant liability, including under applicable data privacy and security laws and regulations. Even the perception of inadequate security may damage our reputation and market position, negatively impacting our ability to win new customers and retain and receive timely payments from existing customers. Further, we could be required to expend significant capital and other resources to protect against and address any data security incident or breach, which may not be covered or fully covered by our insurance and which may involve payments for investigations, forensic analyses, regulatory compliance, breach notification, legal advice, public relations advice, system repair or replacement, or other services. We and our third-party vendors and service providers also may face difficulties or delays in identifying or responding to, and remediating and otherwise responding to, cyberattacks and other security breaches and incidents. We have incurred substantial costs in efforts to protect against and address potential impacts of security breaches and incidents, and anticipate doing so in the future.

In addition, we do not directly control content that our customers transmit to or with, or store in, our products. If our customers use our products for the transmission or storage of personally identifiable information or other sensitive information and our security measures are or are believed to have been breached as a result of third party action, employee error, malfeasance or otherwise, our reputation could be damaged, our business may suffer, and we could incur significant liability.

We engage third-party vendors and service providers to store and otherwise process some of our and our customers' data, including personal, confidential, sensitive, and other information about individuals. Our vendors and service providers may also be the targets of cyberattacks, malicious software, phishing schemes, and fraud. Our ability to monitor our vendors and service providers' data security is limited, and, in any event, third parties may be able to circumvent those security measures, resulting in the unauthorized access to, misuse, acquisition, disclosure, loss, alteration, or destruction of our and our customers' data, including confidential, sensitive, and other information about individuals.

Where a security incident involves a breach of security leading to the accidental or unlawful destruction, loss, alternation, unauthorized disclosure of, or access to, personal data, this could result in fines of up to EUR 20 million or 4% of annual global turnover under the General Data Protection Regulation 2016/679 (the "GDPR") or £17 million and 4% of total annual revenue in the case of the UK General Data Protection Regulation and the UK Data Protection Act 2018 (together, the "UK GDPR"). We may also be required to notify such breaches to regulators and/or individuals and operate to mitigate damages, which may result in us incurring additional costs. Techniques used to sabotage or obtain unauthorized access to systems or networks are

constantly evolving and, in some instances, are not identified until after they have been launched against a target. We and our service providers may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventative and mitigating measures. If we are unable to efficiently and effectively maintain and upgrade our system safeguards, we may incur unexpected costs and certain of our systems may become more vulnerable to unauthorized access or disruption. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations, market position, and reputation.

A real or perceived defect, security vulnerability, error, or performance failure in our products could cause us to lose revenue, damage our reputation, and expose us to liability.

Our products are inherently complex and, despite extensive testing and quality control, have in the past and may in the future contain defects or errors, especially when first introduced, or not perform as contemplated. These defects, security vulnerabilities, errors, or performance failures could cause damage to our reputation, loss of customers or revenue, subscription cancellations, service terminations, or lack of market acceptance of our products. As the use of our products among new and existing customers expands, particularly to more sensitive, secure, or mission critical uses, we may be subject to increased scrutiny, potential reputational risk, or potential liability should our products fail to perform as contemplated in such deployments. We have in the past and may in the future need to issue corrective releases of our products to fix these defects, errors or performance failures, which could require us to allocate significant research and development and customer support resources to address these problems. Despite our efforts, such corrections may take longer to develop and release than we or our customers anticipate and expect.

Any limitation of liability provisions that may be contained in our customer, user, third-party vendor, service provider, partner and other agreements may not be enforceable or adequate or effective as a result of existing or future applicable law or unfavorable judicial decisions, and they may not function to limit our liability arising from regulatory enforcement. In addition, some of our customer, user, third-party vendor, service provider, partner and other agreements are not capped or limited, either generally or, in some cases, with respect to certain liabilities. The sale and support of our products entail the risk of liability claims, which could be substantial in light of the use of our products in enterprise-wide environments. In addition, our insurance against any such liability may not be adequate to cover a potential claim, and may be subject to exclusions, or subject us to the risk that the insurer will deny coverage as to any future claim or exclude from our coverage such claims in policy renewals, increase our fees or deductibles or impose co-insurance requirements. Any such bugs, defects, security vulnerabilities, errors, or other performance failures in our platform or products, including as a result of denial of claims by our insurer or the successful assertion of claims by others against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, financial condition, results of operations and reputation.

Incorrect use of, or our customers' failure to update, our products could result in customer dissatisfaction and negatively affect our business, operations, financial results, and growth prospects.

Our products are often operated in large scale, complex IT environments. Our customers require training and experience in the proper use of, and the benefits that can be derived from, our products to maximize their potential. If users of our products do not implement, use, or update them correctly or as intended, then actual or perceived performance inadequacies and/or security vulnerabilities may result. Because our customers rely on our products to manage a wide range of operations, the incorrect implementation or use of, or our customers' failure to update, our products, or our failure to train customers on how to use our products, may result in customer dissatisfaction and negative publicity, which may adversely affect our reputation and brand. Our customers' failure to be effectively trained or implement our products could result in lost opportunities for follow-on sales to these customers and decrease subscriptions by new customers, which would adversely affect our business, financial condition, results of operations and growth prospects.

Insufficient investment in, or interruptions or performance problems associated with, our technology and infrastructure, and our reliance on technologies from third parties, including third-party cloud providers, may adversely affect our business, financial condition and results of operations.

Our continued growth depends in part on the ability of our existing and potential customers to access our platform at any time, within an acceptable timeframe and without interruption or degradation of performance. We have experienced, and may in the future experience, disruptions, outages, and other performance problems, which may be caused by a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, denial of service attacks, or other security related incidents. If our products and platform capabilities are unavailable or if our customers or other users are unable to access our products and platform capabilities within a reasonable amount of time or at all, we may experience a loss of customers, lost or delayed market acceptance of our platform and products, delays in payment to us by customers, injury to our reputation and brand, legal claims against us, and the diversion of our resources. In addition, to the extent that we do not effectively upgrade our systems as needed and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business, financial condition and results of operations may be adversely affected.

In addition, the operation of our platform depends on third-party cloud providers, hosting services and other third-party service providers. Our cloud providers run their own platforms that we access, and we are therefore vulnerable to their service interruptions and any changes in their product offerings. Any limitation on the capacity of our third-party hosting services could impede our ability to onboard new customers or expand the usage of our existing customers, which could adversely affect our business, financial condition and results of operations. In addition, any incident affecting our third-party cloud providers' infrastructure, including cyber-attacks, computer viruses, malware, systems failures or other technical malfunctions, natural disasters, fire, flood, severe storm, earthquake, power loss, telecommunications failures, terrorist or other attacks, protests or riots, and other similar events beyond our control, could negatively affect our offerings. It is also possible that our customers and regulators would seek to hold us accountable for any breach of security affecting a third-party cloud provider's infrastructure and we may incur significant liability in investigating such an incident and responding to any claims, investigations, or proceedings made or initiated by those customers, regulators, and other third parties. We may not be able to recover a material portion of such liabilities from any of our third-party cloud providers. In addition, it may become increasingly difficult to maintain and improve our performance, especially during peak usage times, as our products becomes more complex and the usage of our products increases. Moreover, our insurance may not be adequate to cover such liability and may be subject to exclusions. Any of the above circumstances or events may adversely affect our business, financial condition and results of operations.

Furthermore, our website and internal technology infrastructure may experience performance issues due to a variety of factors, including infrastructure changes, human or software errors, website or third-party hosting disruptions, capacity constraints, technical failures or natural disasters, or fraud, denial-of-service or other security attacks. Our use and distribution of open source software may increase this risk, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code, including with respect to security vulnerabilities or bugs. If our website is unavailable or our customers are unable to order subscriptions or services or download our offerings within a reasonable period of time or at all, our business could be adversely affected. We expect to continue to make significant investments to maintain and improve website performance and to enable rapid releases of new features, integrations, capabilities and other enhancements for our offerings. To the extent that we do not effectively upgrade our systems as needed and continually develop our technology to accommodate actual and anticipated changes in technology, our business, financial condition and results of operations may be adversely affected.

In the event that our service agreements with our third-party hosting services are terminated, or there is a lapse of service, elimination of services or features that we utilize, interruption of internet service provider connectivity or damage to our providers' facilities, we could experience interruptions in access to our platform as well as significant delays and additional expense in arranging or creating new facilities and services and/or

re-architecting our offerings for deployment on a different cloud infrastructure service provider, which could adversely affect our business, financial condition and results of operations. Upon the termination or expiration of such service agreements, we cannot guarantee that adequate third-party hosting services will be available to us from the same or different hosting services providers on commercially acceptable terms or within adequate timelines or at all.

We also rely on cloud technologies from third parties in order to operate critical functions of our business, including financial management services, relationship management services, and lead generation management services. If these services become unavailable due to extended outages or interruptions or because they are no longer available on commercially reasonable terms or prices, our expenses could increase, our ability to manage our finances could be interrupted, our processes for managing sales of our products and supporting our customers could be impaired, and our ability to generate and manage sales leads could be weakened until equivalent services are identified, obtained, and implemented. Even if such services are available, we may not be able to identify, obtain and implement such services in time to avoid disruption to our business, and such services may only be available on a more costly basis or otherwise less favorable terms. Any of the foregoing could have a material adverse effect on our business, including our financial condition, results of operations and reputation.

Failure to protect or enforce our rights in our proprietary technology, brand and intellectual property could substantially harm our business and results of operations.

Our success depends to a significant degree on our ability to protect our rights in our proprietary technology, methodologies, know-how, and brand. We rely on a combination of trademark, copyright, patent, trade secret and other intellectual property laws as well as contractual restrictions and confidentiality procedures to establish and protect our proprietary rights. However, we currently make certain components of our products available under open source licenses and release internal software projects under open source licenses, and anticipate doing so in the future in order to, among other things, encourage and develop a marketplace where third parties can create complementary products that will be able to connect to our Digital Adoption Platform. Because the source code of the components that we distribute under open source licenses is publicly available, our ability to monetize and protect our intellectual property rights with respect to such source code may be limited or, in some cases, lost entirely. Our competitors could access such source code and use it to create software and service offerings that compete with ours.

Further, the steps we take to protect and enforce our intellectual property rights may be inadequate. We may not be able to register our intellectual property rights in all jurisdictions where we conduct or anticipate conducting business, and may experience conflicts with third parties who contest our applications to register our intellectual property. Even if registered or issued, we cannot guarantee that our trademarks, patents, copyrights or other intellectual property or proprietary rights will be of sufficient scope or strength to provide us with any meaningful protection or commercial advantage. Not all of our key intellectual property is eligible for patent protection or can otherwise be registered. We will not be able to protect our intellectual property rights if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property rights. Despite our precautions, it may be possible for unauthorized third parties to copy our products and use information that we regard as proprietary to create offerings that compete with ours. If we fail to defend and protect our intellectual property rights adequately, our competitors and other third parties may gain access to our proprietary technology, information and know-how, reverse-engineer our products, and infringe upon or dilute the value of our brand, and our business may be harmed. In addition, obtaining, maintaining, defending, and enforcing our intellectual property rights might entail significant expense. Any patents, trademarks, copyrights, or other intellectual property rights that we have or may obtain may be challenged by others or invalidated through administrative process or litigation. Even if we continue to seek patent protection in the future, we may be unable to obtain further patent protection for our technology. In addition, any patents issued in the future may not provide us with competitive advantages, may be designed around by our competitors, or may be successfully challenged by third parties. Furthermore, legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights are uncertain.

We may be unable to prevent third parties from acquiring domain names or trademarks that are similar to, infringe upon, dilute or diminish the value of our trademarks and other proprietary rights. Additionally, our trademarks may be opposed, otherwise challenged or declared invalid, unenforceable or generic, or determined to be infringing on or dilutive of other marks. We may not be able to protect our rights in these trademarks, which we need in order to build name recognition with customers. If third parties succeed in registering or developing common law rights in such trademarks and we are not successful in challenging such third-party rights, or if our trademark rights are successfully challenged, we may not be able to use our trademarks to commercialize our products in certain relevant jurisdictions.

Effective patent, trademark, copyright, and trade secret protection may not be available to us in every country in which our products are available. The laws of some countries may not be as protective of intellectual property rights as those in the United States, and mechanisms for enforcement of intellectual property rights may be inadequate. As we continue to expand our international activities, our exposure to unauthorized copying and use of our products and proprietary information will likely increase. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon, diluting, misappropriating or otherwise violating our intellectual property rights.

We enter into confidential, non-compete, proprietary, and inventions assignment agreements with our employees and consultants and enter into confidentiality agreements with other parties. No assurance can be given that these agreements will grant all necessary rights to any inventions that may have been developed by the employees or consultants party thereto or be effective in controlling access to and distribution of our proprietary information, especially in certain states and countries, including Israel, that are less willing to enforce such agreements in certain cases. Further, these agreements may not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our products.

Policing and defending against unauthorized use of our know-how, technology and intellectual property is difficult, costly, time-consuming and may not be effective. Third parties may knowingly or unknowingly infringe our intellectual property rights. We may be required to spend significant resources to monitor and protect our intellectual property rights. Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming, and distracting to our executive leadership team and other employees, and could result in substantial royalties, license fees or other damages, or in the impairment or loss of portions of our intellectual property. Further, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of the attention and resources of our executive leadership team or other employees, could delay further sales or the implementation of our products, require us to reengineer or impair the functionality of our products, delay introductions of new products, result in our substituting inferior or more costly technologies into our products, or injure our reputation. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and growth prospects.

We could incur substantial costs and other harm to our business and results of operations as a result of any claim of infringement, misappropriation or other violation of another party's intellectual property rights.

In recent years, there has been significant litigation involving patents and other intellectual property rights in our industry. Compared to many larger, more established companies in our industry, we do not currently have a broad patent portfolio, which could prevent us from deterring patent infringement claims through our own patent portfolio, and our competitors and others may now and in the future have significantly broader and more mature patent portfolios than we have. There is a risk that our operations, platform or individual solutions may infringe or otherwise violate, or be alleged to infringe or otherwise violate, the intellectual property rights of third parties. We could incur substantial costs in defending any intellectual property litigation. If we are sued by a third party that claims that our products infringe, misappropriate or otherwise violate their intellectual property rights, the

litigation could be expensive and could divert our attention and resources of our executive leadership team or other employees. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our ordinary shares.

Any intellectual property litigation to which we might become a party, or for which we are required to provide indemnification, regardless of the merit of the claim or our defense, may require us to do one or more of the following:

- cease selling or using products or technology that incorporate or cover the intellectual property rights that we allegedly infringe, misappropriate or otherwise violate;
- make substantial payments for royalty or license fees, legal fees, settlement payments or other costs or damages;
- obtain a license, which may not be available on reasonable terms or at all, to sell or use the relevant technology or intellectual property; or
- redesign the allegedly infringing products or technology to avoid infringement, misappropriation or other violation, which could be costly, time-consuming or impossible.

Moreover, any such litigation could also affect the use of our platform by our customers, partners, affiliates and other third parties, which may result and substantial damages to them and to us (including indemnification obligations). If we are required to make substantial payments or undertake or suffer any of the other actions and consequences noted above as a result of any intellectual property infringement, misappropriation or violation claims against us or any obligation to indemnify our customers for such claims, such payments, actions and consequences could materially and adversely affect our business, financial condition, results of operations and growth prospects.

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

Our agreements with customers and other third parties may include indemnification provisions under which we agree to indemnify them for losses suffered or incurred as a result of claims of intellectual property infringement, misappropriation or other violation, damages caused by us to property or persons, or other liabilities relating to or arising from our products, services or other contractual obligations. Large indemnity payments could harm our business, financial condition and results of operations. Although we normally seek to contractually limit our liability with respect to such indemnity obligations, we do not and may not in the future have a cap on our liability in certain agreements, which could result in substantial liability, and we may still incur significant liability under agreements that do have such a cap. Moreover, even if contractually capped or limited, such limitations and caps may not always be enforceable. Any dispute with a customer or other third party with respect to such obligations could have adverse effects on our relationship with that customer, other existing customers and new customers, and other parties, and could harm our reputation, business, financial condition and results of operations.

We are subject to stringent and changing laws, regulations, standards, and contractual obligations related to privacy, data protection, and data security. Our actual or perceived failure to comply with such obligations could result in significant liability or reputational harm to our business.

We receive, collect, store, process, transfer, and use personal information and other data relating to customers and end users of our products, our employees and contractors, and other persons. We have legal and contractual obligations regarding the protection of confidentiality and appropriate use of certain data, including personal information. We are subject to numerous laws, directives and regulations in multiple jurisdictions and territories 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 and extent of which are changing, subject to differing interpretations, and may be inconsistent among jurisdictions or conflict with other legal and regulatory requirements. We are also subject to certain contractual obligations to third parties related to privacy, data protection and data security, and may comply with, or face asserted or actual obligations to comply with, self-regulatory frameworks and other standards. We strive to comply with our applicable policies and applicable laws, regulations, contractual obligations, and other actual and alleged 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, and is likely to remain for the foreseeable future, uncertain and complex, and 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 and may conflict with other legal obligations or our practices. Further, any significant change to applicable laws, regulations or industry practices regarding the collection, use, retention, security or disclosure of data, or their interpretation, or any changes regarding the manner in which the consent of users or other data subjects for the collection, use, retention or disclosure of such data must be obtained, could increase our costs and require us to modify our services and features, possibly in a material manner, which we may be unable to complete, and may limit our ability to store and process user data or develop new services and features.

If we were found in violation of any applicable laws or regulations relating to privacy, data protection, or security, or faced claims or accusations of such violations, our business may be materially and adversely affected and we would likely have to change 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 constrain our ability to use and process data in manners that may be commercially desirable. In addition, if a breach of data security or security incident were to occur or to be alleged to have occurred, if any violation of laws and regulations relating to privacy, data protection or data security were to be alleged, or if we had any actual or alleged defect in our safeguards or practices relating to privacy, data protection, or data security, our solutions may be perceived as less desirable and our business, financial condition, market position, reputation, results of operations and growth prospects could be materially and adversely affected.

We also expect that there will continue to be new laws, regulations, and industry standards concerning privacy, data protection, and data security proposed and enacted in various jurisdictions. For example, the California Consumer Privacy Act (“CCPA”), which came into force in 2020, provides new data privacy rights for California consumers and new operational requirements for covered companies. Specifically, the CCPA mandates that covered companies provide new disclosures to California consumers and afford such consumers new data privacy rights that include, among other things, the right to request a copy from a covered company of the personal information collected about them, the right to request deletion of such personal information, and the right to request to opt-out of certain sales of such personal information. The California Attorney General can enforce the CCPA, including seeking an injunction and civil penalties for violations. The CCPA also provides a private right of action for certain data breaches that is expected to increase data breach litigation. Additionally, a new privacy law, the California Privacy Rights Act (“CPRA”), was approved by California voters in the November 3, 2020 election. The CPRA generally takes effect on January 1, 2023 and significantly modifies the CCPA, including by expanding consumers’ rights with respect to certain personal information and creating a new state agency to oversee implementation and enforcement efforts, potentially resulting in further uncertainty and requiring us to incur additional costs and expenses in an effort to comply. Some observers have noted the CCPA and CPRA could mark the beginning of a trend toward more stringent privacy legislation in the United States, which could also increase our potential liability and adversely affect our business. For example, the CCPA has encouraged “copycat” or other similar laws to be considered and proposed in other states across the country, such as in Virginia, New Hampshire, Illinois and Nebraska. On March 2, 2021, Virginia enacted the Virginia Consumer Data Protection Act (“CDPA”), a comprehensive privacy statute that shares similarities with the CCPA, CPRA, and legislation proposed in other states. The CDPA will require us to incur additional costs and expenses in an effort to comply with it before it becomes effective on January 1, 2023. Broad federal privacy legislation also has been proposed. Recent and new state and federal legislation relating to privacy may add additional complexity, variation in requirements, restrictions and potential legal risk, require additional

investment in resources to compliance programs, could impact strategies and availability of previously useful data and could result in increased compliance costs and/or changes in business practices and policies.

Various U.S. federal privacy laws are potentially relevant to our business, including the Federal Trade Commission Act, Controlling the Assault of Non-Solicited Pornography and Marketing Act, the Family Educational Rights and Privacy Act, the Children's Online Privacy Protection Act, and the Telephone Consumer Protection Act. Any actual or perceived failure to comply with these laws could result in a costly investigation and claims and litigation resulting in potentially significant liability, injunctions and other consequences, loss of trust by our users, harm to our reputation and market position and a material and adverse impact on our reputation and business.

We are also subject to data privacy and security laws in jurisdictions outside of the United States. We are subject to, among other laws and regulations, the GDPR, and the UK GDPR. The data protection landscape in the European Union (the "EU") is continually evolving, resulting in possible significant operational costs for internal compliance and risks to our business. The GDPR and the UK GDPR contain numerous requirements, including the requirement to provide detailed disclosures about how personal data is collected and processed (in a concise, intelligible and easily accessible form); demonstrating that an appropriate legal basis is in place or otherwise exists to justify data processing activities; granting new rights for data subjects in regard to their personal data (including the right to be "forgotten" and the right to data portability), as well as enhancing data subject rights (*e.g.*, data subject access requests); introducing the obligation to notify data protection regulators or supervisory authorities (and in certain cases, affected individuals) of significant data breaches; defining for the first time pseudonymized (*i.e.*, key-coded) data; imposing limitations on retention of personal data; maintaining a record of data processing; and complying with the principal of accountability and the obligation to demonstrate compliance through policies, procedures, training and audit. Compliance with the GDPR and the UK GDPR may require us to modify our data processing practices and policies and incur substantial compliance-related costs and expenses and these changes may lead to other additional costs and increase our overall risk exposure.

In addition, the GDPR/UK GDPR regulate the transfer of personal data subject to the GDPR to third countries that have not been found to provide adequate protection to such personal data, including the U.S. Recent legal developments in the EU have created complexity and uncertainty regarding such transfers. For instance, on July 16, 2020, the Court of Justice of the European Union (the "CJEU") invalidated the EU-U.S. Privacy Shield Framework (the "Privacy Shield") under which personal data could be transferred from the EEA to U.S. entities that had self-certified under the Privacy Shield scheme. While the CJEU upheld the adequacy of the standard contractual clauses (a standard form of contract approved by the European Commission as an adequate personal data transfer mechanism and potential alternative to the Privacy Shield), it made clear that reliance on such clauses alone may not necessarily be sufficient in all circumstances. Use of the standard contractual clauses must now be assessed on a case-by-case basis taking into account the legal regime applicable in the destination country, including, in particular, applicable surveillance laws and rights of individuals, and additional measures and/or contractual provisions may need to be put in place; however, the nature of these additional measures is currently uncertain. The CJEU also states that if a competent supervisory authority believes that the standard contractual clauses cannot be complied with in the destination country and that the required level of protection cannot be secured by other means, such supervisory authority is under an obligation to suspend or prohibit that transfer. We previously relied on our own, as well as vendors', Privacy Shield certifications for the purposes of transferring personal data from the EEA to the U.S. in compliance with the GDPR's data export conditions. These recent developments require us to review and amend the legal mechanisms by which we make and/or receive personal data transfers to the U.S. As supervisory authorities issue further guidance on personal data export mechanisms, including circumstances where the standard contractual clauses 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.

In addition, the withdrawal of the United Kingdom (the "UK") from the EU means that the UK will become a "third country" for the purposes of data transfers from the EU to the UK following the expiration of the four to six-month personal data transfer grace period (from 1 January 2021) set out in the EU and UK Trade and Cooperation Agreement, unless a relevant adequacy decision is adopted in favor of the UK, which would allow data transfers without additional measures. These changes may require us to find alternative solutions for the compliant transfer of personal data into the UK. The relationship between the UK and the EU in relation to certain aspects of data protection law remains unclear, including, for example, the role of the UK's Information Commissioner's Office following the end of the transitional period. These changes could lead to additional costs and increase our overall risk exposure.

Failure to comply with the GDPR and the UK GDPR could result in penalties for noncompliance (including possible fines of up to the greater of €20 million and 4% of our global annual turnover for the preceding financial year for the most serious violations (in the case of the GDPR) or £17.5 million and 4% of total annual revenue (in the case of the UK GDPR). In addition to the foregoing, a breach of the GDPR or UK GDPR could result in regulatory investigations, reputational damage, orders to cease/ change our processing of our data, enforcement notices, and/or assessment notices (for a compulsory audit). We may also face civil claims including representative actions and other class action type litigation (where individuals have suffered harm), potentially amounting to significant compensation or damages liabilities, as well as associated costs, diversion of internal resources, and reputational harm.

We are also subject to evolving EU and UK privacy laws on cookies and e-marketing. In the EU and the UK, regulators are increasingly focusing on compliance with requirements in the online behavioral advertising ecosystem, and current national laws that implement the ePrivacy Directive are highly likely to be replaced by an EU regulation known as the ePrivacy Regulation which will significantly increase fines for non-compliance. In the EU and the UK, informed consent is required for the placement of a cookie or similar technologies on a user's device and for direct electronic marketing. The GDPR also imposes conditions on obtaining valid consent, such as a prohibition on pre-checked consents and a requirement to ensure separate consents are sought for each type of cookie or similar technology While the text of the ePrivacy Regulation is still under development, a recent European court decision and recent regulatory guidance are driving increased attention to cookies and tracking technologies. If regulators start to enforce the strict approach provided for in recent guidance, 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, increase costs and subject us to additional liabilities. Regulation of cookies and similar technologies may lead to broader restrictions on our marketing and personalization activities and may negatively impact our efforts to understand users, adversely affect our margins, increase costs, and subject us to additional liabilities.

In addition, we are subject to the Israeli Privacy Protection Law 5741-1981 (the "PPL"), and its regulations, including the Israeli Privacy Protection Regulations (Data Security) 2017 ("Data Security Regulations"), which impose obligations with respect to the manner personal data is processed, maintained, transferred, disclosed, accessed and secured, as well as the guidelines of the Israeli Privacy Protection Authority and Amendment No. 40 to the Communications Law (Telecommunications and Broadcasting), 5742-1982. The Data Security Regulations may require us to adjust our data protection and data security practices, information security measures, certain organizational procedures, applicable positions (such as an information security manager) and other technical and organizational security measures. Failure to comply with the PPL, its regulations and guidelines issued by the Israeli Privacy Protection Authority may expose us to administrative fines, civil claims (including class actions) and in certain cases criminal liability. Current pending legislation may result in a change of the current enforcement measures and sanctions. The Israeli Privacy Protection Authority may initiate administrative inspection proceedings, from time to time, without any suspicion of any particular breach of the PPL, as it has done in the past with respect to dozens of Israeli companies in various business sectors. In addition, to the extent that any administrative supervision procedure is initiated by the Israeli Privacy Protection Authority and reveals certain irregularities with respect to our compliance with the PPL, in addition to our

exposure to administrative fines, civil claims (including class actions) and in certain cases criminal liability, we may also need to take certain remedial actions to rectify such irregularities, which may increase our costs.

In addition to the laws, directives and regulations discussed above, we are and may be subject to additional laws, directives and regulations in any jurisdiction or territory in which we, our partners and/or our affiliates operate and/or make our offerings available, and may be subject to actual or asserted obligations under self-regulatory frameworks or other standards, in addition to contractual obligations relating to privacy, data protection and data security. Some countries are also considering or have enacted legislation requiring local storage and processing of data that could increase the cost and complexity of delivering our services. Any 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 data 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, other obligations, and policies that are applicable to the businesses of our customers and other 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 contractual obligations, 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. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Our use of open source software could negatively affect our ability to sell our products and subject us to possible litigation.

We use "open source" software in connection with the development and deployment of our products, including in our products, and we expect to continue to use open source software in the future. Few of the licenses applicable to certain open source software that we use have been interpreted by courts, and there is a risk that these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our products. For example, some open source licenses may subject us to requirements that we make available, in certain cases and if the component subject of the open source license is used in a particular manner, the source code for modifications or derivative works we create based upon, incorporating, linking to or using the open source software (which could include valuable proprietary code), and that we license such modifications or derivative works under the terms of applicable open source licenses. If an author or other third party that distributes such open source software were to allege that we had not complied with the conditions of one or more of these licenses, we could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined from the sale of our products that contain the open source software and required to comply with onerous conditions or restrictions on these products, which could disrupt the distribution and sale of these products. In addition, there have been claims challenging the ownership rights in open source software against companies that incorporate open source software into their products, and the licensors of such open source software provide no warranties or indemnities with respect to such claims. In any of these events, we and our customers could be required to seek licenses from third parties in order to continue offering our products, and to re-engineer our products or discontinue the sale of our products in the event re-engineering cannot be accomplished on a timely basis or at all. We and our customers may also be subject to suits by parties claiming infringement, misappropriation or other violation of third-party intellectual property rights due to the reliance by our solutions on certain open source software, and such litigation could be costly for us to defend and subject us to an injunction, payments for damages and other liabilities and obligations.

Further, in addition to risks related to license requirements, use of certain open source software carries greater technical and legal risks than does the use of third-party commercial software. For example, open source software is generally provided without any support or warranties or other contractual protections regarding infringement or the quality of the code, including the existence of security vulnerabilities. Some open source projects provided on an "as is" basis have known or unknown vulnerabilities and architectural instabilities which, if not properly addressed, could negatively affect the performance of any product incorporating the relevant software. To the extent that our platform depends upon the successful operation of open source software, any undetected errors or defects in open source software that we use could prevent the deployment or impair the functionality of our systems and injure our reputation. In addition, the public availability of such software may make it easier for others to compromise our platform. Any of the foregoing could result in lost revenue, require us to devote additional research and development resources to re-engineer our solutions, cause us to incur additional costs and expenses, and result in customer dissatisfaction, any of which could adversely affect our business, financial condition and results of operations.

We rely on software and services licensed from other parties. The loss of software or services from third parties could increase our costs and limit the features available in our platform and products.

Components of our offerings include various types of software and services licensed from unaffiliated parties. If any of the software or services we license from others or functional equivalents thereof were either no longer available to us or no longer offered on commercially reasonable terms, we would be required to either redesign the offerings that include such software or services to function with software or services available from other parties or develop these components ourselves, which we may not be able to do without incurring increased costs, experiencing delays in our product launches and the release of new offerings. Furthermore, we might be forced to temporarily limit the features available in our current or future products. If we fail to maintain or renegotiate any of these software or service licenses, we could face delays and diversion of resources in attempting to license and integrate functional equivalents.

Risks Related to Other Legal, Regulatory and Tax Matters

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, taxation, privacy, data protection and data security 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 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 technology companies. As the geographic scope of our business expands, regulatory agencies or courts may claim that we, or our customers or users, are subject to additional requirements, or that we are prohibited from conducting our business in or with certain jurisdictions.

In addition, recent financial, political and other events may increase the level of regulatory scrutiny on technology companies generally. 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 or further exacerbate different or conflicting obligations on us from one jurisdiction to another.

As a result of the foregoing, we may incur increased costs, be exposed to increased risk of liability and face additional challenges expanding our business operations, any of which would adversely affect our business, financial condition, results of operations and growth prospects.

Legal, political, and economic uncertainty surrounding the exit of the United Kingdom from the EU may be a source of instability to international markets, create significant currency fluctuations, adversely affect our operations in the United Kingdom and pose additional risks to our business, financial condition and results of operations.

In connection with Brexit, the United Kingdom formally withdrew from the European Union and ratified a trade and cooperation agreement governing its future relationship with the European Union. The agreement, which is being applied provisionally from January 1, 2021 until it is ratified by the European Parliament and the Council of the European Union, addresses trade, economic arrangements, law enforcement, judicial cooperation and a governance framework including procedures for dispute resolution, among other things. Because the agreement merely sets forth a framework in many respects and will require complex additional bilateral negotiations between the United Kingdom and the European Union as both parties continue to work on the rules for implementation, significant political and economic uncertainty remains about how the precise terms of the relationship between the parties will differ from the terms before withdrawal.

These developments and the continued uncertainty regarding the terms of the relationship between the United Kingdom and the European Union post-Brexit have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and could significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Asset valuations, currency exchange rates and credit ratings have been and may continue to be subject to increased market volatility. Lack of clarity about future UK laws and regulations as the United Kingdom determines which EU laws to replace or replicate, including financial laws and regulations, tax and free trade agreements, tax and customs laws, intellectual property rights, environmental, health and safety laws and regulations, immigration laws, employment laws and transport laws could increase the costs of doing business in the United Kingdom and depress economic activity. Additionally, the need to comply with any applicable regulatory changes will likely increase costs for us and our existing and potential customers located in the United Kingdom, which could negatively affect demand for our offerings and the ability of customers to make payments under their agreements with us. Any of these factors could have a significant adverse effect on our business, financial condition, results of operations and prospects.

We are subject to various governmental export control, trade sanctions, and import laws and regulations that could impair our ability to compete in international markets or subject us to liability if we violate these controls.

In some cases, our products are subject to export control laws and regulations, including the Export Administration Regulations administered by the U.S. Department of Commerce, and the Israeli Control of Products and Services Decree (Engagement in Encryption), 5735-1974, and our activities may be subject to trade and economic sanctions, including those administered or governed by OFAC, the Israeli Trade with the Enemy Ordinance, 1939 and sanction laws of the European Union and other applicable jurisdictions (collectively, “Trade Controls”). As such, a license may be required to export or re-export our products, or provide related services, to certain countries, customers and other users, as well as for certain end uses. Further, our products that incorporate encryption functionality may be subject to special controls applying to encryption items and/or certain reporting requirements.

While we are in the process of implementing additional procedures designed to ensure our compliance with Trade Controls, we cannot guarantee that we have not made accessible, or will not make accessible, inadvertently our services to persons in violation of Trade Controls, or that our customers have not permitted or, despite these procedures, will not in the future permit our services to be used by parties in countries or territories subject to Trade Controls. For example, we recently implemented geo-location blocking through a third party to prevent

content created by our customers using our tools from being accessed by users of our customers from IP addresses potentially linked to countries subject to Trade Controls, but we cannot be certain that this technique will work in all circumstances. In addition, prior to implementation of these geo-location blocking techniques, some users of our customers, while not having access to our platform, have had access from IP addresses potentially linked to countries subject to Trade Controls to customer created content, such as application guides or walkthrus created by the customer using our tools. The failure to comply with Trade Controls could subject us to both civil and criminal penalties, including substantial fines, possible incarceration of responsible individuals for willful violations, possible loss of our export or import privileges, and reputational harm. Further, the process for obtaining necessary licenses may be time-consuming or unsuccessful, potentially causing delays in sales or losses of sales opportunities. Trade Controls are complex and dynamic regimes, and monitoring and ensuring compliance can be challenging, particularly given that our products are widely distributed throughout the world and are available for download without registration. Any failure by us or our partners to comply with applicable laws and regulations would have negative consequences for us, including reputational harm, government investigations, and penalties.

In addition, various countries regulate the import of certain encryption technology, including through import permit and license requirements, and have enacted laws that could limit our ability to distribute our offerings or the ability of our customers or their employees or end customers to implement our offerings in those countries. Changes in our offerings or changes in export and import regulations in such countries may create delays in the introduction of our offerings into international markets, prevent our end-customers with international operations from deploying our offerings globally or, in some cases, prevent or delay the export or import of our offerings to certain countries, governments, or persons altogether. Any change in export or import laws or regulations, economic sanctions or related legislation, shift in the enforcement or scope of existing export, import or sanctions laws or regulations, or change in the countries, governments, persons, or technologies targeted by such export, import or sanctions laws or regulations, could result in decreased use of our offerings by, or in our decreased ability to export or sell our offerings to, existing or potential customers with international operations. Any decreased use of our offerings or limitation on our ability to export to or sell our offerings in international markets could adversely affect our business, financial condition and results of operations, and our ability to execute our growth strategy.

Changes in laws and regulations related to the internet, changes in the internet infrastructure itself, or increases in the cost of internet connectivity and network access may diminish the demand for our offerings and could harm our business.

The future success of our business depends upon the continued use of the internet as a primary medium for commerce, communication, and business applications. Federal, state, or foreign governmental bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting the use of the internet as a commercial medium. The adoption of any laws or regulations that could reduce the growth, popularity, or use of the internet, including laws or practices limiting internet neutrality, could decrease the demand for our offerings, increase our cost of doing business, and adversely affect our results of operations. Changes in these laws or regulations could require us to modify our offerings, or certain aspects of our offerings, in order to comply with these changes. In addition, government agencies or private organizations have imposed and may impose additional taxes, fees, or other charges for accessing the internet or commerce conducted via the internet. These laws or charges could limit the growth of internet-related commerce or communications generally or result in reductions in the demand for internet-based products such as ours. In addition, the use of the internet as a business tool could be harmed due to delays in the development or adoption of new standards and protocols to handle increased demands of internet activity, security, reliability, cost, ease-of-use, accessibility, and quality of service. Further, our platform depends on the quality of our customers' and other users' access to the internet.

On June 11, 2018, the repeal of the Federal Communications Commission's (the "FCC"), "net neutrality" rules took effect and returned to a "light-touch" regulatory framework. The prior rules were designed to ensure that all online content is treated the same by internet service providers and other companies that provide broadband services. Additionally, on September 30, 2018, California enacted the California internet Consumer

Protection and Net Neutrality Act of 2018, making California the fourth state to enact a state-level net neutrality law since the FCC repealed its nationwide regulations, mandating that all broadband services in California must be provided in accordance with state net neutrality requirements. The U.S. Department of Justice has sued to block the law going into effect, and California has agreed to delay enforcement until the resolution of the FCC's repeal of the federal rules. A number of other states are considering legislation or executive actions that would regulate the conduct of broadband providers. We cannot predict whether the FCC order or state initiatives will be modified, overturned, or vacated by legal action of the court, federal legislation or the FCC. With the repeal of net neutrality rules in effect, we could incur greater operating expenses, which could harm our results of operations.

As the internet continues to experience growth in the number of users, frequency of use, and amount of data transmitted, the internet infrastructure that we and our customers and other users rely on may be unable to support the demands placed upon it. The failure of the internet infrastructure that we or our customers and other users rely on, even for a short period of time, could adversely affect our business, financial condition and results of operations. In addition, the performance of the internet and its acceptance as a business tool has been harmed by "viruses," "worms" and similar malicious programs and the internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If the use of the internet is adversely affected by these issues, demand for our offerings could decline.

Internet access is frequently provided by companies that have significant market power and the ability to take actions that degrade, disrupt, or increase the cost of customers' access to our offerings. As demand for online media increases, there can be no assurance that internet and network service providers will continue to price their network access services on reasonable terms. We could incur greater operating expenses and our customer acquisition and retention could be negatively impacted if network operators:

- implement usage-based pricing;
- discount pricing for competitive products;
- otherwise materially change their pricing rates or schemes;
- charge us to deliver our traffic at certain levels or at all;
- throttle traffic based on its source or type;
- implement bandwidth caps or other usage restrictions; or
- otherwise try to monetize or control access to their networks.

We have limited or no control over the extent to which any of these circumstances may occur, and if network access or distribution prices rise, our business, financial condition and results of operations would likely be adversely affected.

Failure to comply with anti-bribery, anti-corruption, anti-money laundering laws, and similar laws, could subject us to penalties and other adverse consequences.

We are subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, the United Kingdom Bribery Act 2010, the Proceeds of Crime Act 2002, Chapter 9 (sub-chapter 5) of the Israeli Penal Law, 5737-1977, the Israeli Prohibition on Money Laundering Law, 5760–2000 and additional anti-bribery or anti-corruption laws, regulations, or rules of the countries in which we operate. These laws generally prohibit companies and their employees and third-party partners, representatives, and agents from engaging in corruption and bribery, including by offering, promising, giving, or authorizing the provision of anything of value, either directly or indirectly, to a government official or commercial party to influence official action, direct business to any person, gain any improper advantage, or obtain or retain business. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly.

We sometimes leverage third parties to sell our products and conduct certain aspects of our business abroad. We and our third-party partners may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and may be held liable for inaccurate or incomplete accounting records, internal accounting controls deemed inadequate by applicable regulatory authorities, and corrupt or other illegal activities of our employees, affiliates, third-party partners, representatives, and agents, even if we do not explicitly authorize such activities. We cannot assure you that our employees and other agents, or those of our partners, will not take actions in violation of applicable law, for which we may be ultimately held responsible. As we increase our international sales and business operations, our risks under these laws are likely to increase.

Any actual or alleged violation of the FCPA or other applicable anti-bribery, anti-corruption or anti-money laundering laws could result in whistleblower complaints, sanctions, settlements, prosecution, enforcement actions, fines, damages, adverse media coverage, investigations, loss of export privileges, severe criminal or civil sanctions, or suspension or debarment from U.S. government contracts, all of which may have an adverse effect on our reputation, business, financial condition, results of operations, and prospects. Responding to any investigation or action will likely result in a materially significant diversion of the attention and resources of our executive leadership team and other employees and cause us to incur significant defense costs and other professional fees. In addition, the U.S. government may seek to hold us liable for FCPA violations committed by companies that we invest in or acquire.

Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could expose us to greater than anticipated tax liabilities.

The tax laws applicable to our business, including the laws of Israel, the United States, and other jurisdictions, are subject to interpretation and certain jurisdictions may aggressively interpret their laws in an effort to raise additional tax revenue. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for valuing developed technology or intercompany arrangements or our revenue recognition policies, which could increase our worldwide effective tax rate and harm our financial position and results of operations. It is possible that tax authorities may disagree with certain positions we have taken and any adverse outcome of such a review or audit could have a negative effect on our financial position and results of operations. Further, the determination of our worldwide provision for income taxes and other tax liabilities requires significant judgment by management, and there are transactions where the ultimate tax determination is uncertain. Although we believe that our estimates are reasonable, the ultimate tax outcome may differ from the amounts recorded in our consolidated financial statements and may materially affect our financial results in the period or periods for which such determination is made.

Our corporate structure and intercompany arrangements are subject to the tax laws of various jurisdictions, and we could be obligated to pay additional taxes, which would harm our results of operations.

Based on our current corporate structure, we are subject to taxation in several jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The amount of taxes we pay in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents. The authorities in these jurisdictions could review our tax returns or require us to file tax returns in jurisdictions in which we are not currently filing, and could impose additional tax, interest, and penalties. These authorities could also claim that various withholding requirements apply to us or our subsidiaries, assert that benefits of tax treaties are not available to us or our subsidiaries, or challenge our methodologies for valuing developed technology or intercompany arrangements, including our transfer pricing. The relevant taxing authorities may determine that the manner in which we operate our business does not achieve the intended tax consequences. If such a disagreement was to occur, and our position was not sustained, we could be required to pay additional taxes, interest, and penalties. Such authorities could claim that various withholding requirements apply to us or our subsidiaries or assert that benefits of tax treaties are not available to us or our subsidiaries. Any increase in the amount of taxes we pay or that are imposed on us could increase our worldwide effective tax rate and harm our business, financial condition and results of operations.

We could be required to collect additional sales, use, value added, digital services or other similar taxes or be subject to other liabilities that may increase the costs our clients would have to pay for our products and adversely affect our results of operations.

We collect sales, value added and other similar taxes in a number of jurisdictions. One or more U.S. states or countries may seek to impose incremental or new sales, use, value added, digital services, or other tax collection obligations on us. Further, an increasing number of U.S. states have considered or adopted laws that attempt to impose tax collection obligations on out-of-state companies. Additionally, the Supreme Court of the United States has ruled that online sellers can be required to collect sales and use tax despite not having a physical presence in the state of the customer, thus permitting a wider enforcement of such sales and use tax collection requirements against non-U.S. companies that have historically not been responsible for state or local tax collection unless they had physical presence in the U.S. customer's state. As a result, U.S. states and local governments may adopt, or begin to enforce, laws requiring us to calculate, collect, and remit taxes on sales in their jurisdictions, even if we have no physical presence in that jurisdiction. A successful assertion by one or more U.S. states requiring us to collect taxes where we presently do not do so, or to collect more taxes in a jurisdiction in which we currently do collect some taxes, could result in substantial liabilities, including taxes on past sales, as well as interest and penalties. Furthermore, certain jurisdictions, such as the United Kingdom and France, have recently introduced a digital services tax, which is generally a tax on gross revenue generated from users or customers located in in those jurisdictions, and other jurisdictions have enacted or are considering enacting similar laws. A successful assertion by a U.S. state or local government, or other country or jurisdiction that we should have been or should be collecting additional sales, use, value added, digital services or other similar taxes could, among other things, result in substantial tax payments, create significant administrative burdens for us, discourage potential customers from subscribing to our platform due to the incremental cost of any such sales or other related taxes, or otherwise harm our business.

Our ability to use our net operating loss carryforwards to offset future taxable income may be subject to certain limitations.

As of December 31, 2020, we had net operating loss carryforwards of $200.2 million in Israel, which may be utilized against future income taxes. Limitations imposed by the applicable jurisdictions on our ability to utilize net operating loss carryforwards, including with respect to the net operating loss carryforwards of companies that we have acquired or may acquire in the future, could cause income taxes to be paid earlier than would be paid if such limitations were not in effect and could cause such net operating loss carryforwards to expire unused, in each case reducing or eliminating the benefit of such net operating loss carryforwards. Furthermore, we may not be able to generate sufficient taxable income to utilize our net operating loss carryforwards before they expire. If any of these events occur, we may not derive some or all of the expected benefits from our net operating loss carryforwards. Also, any available net operating loss carryforwards would have value only to the extent there is income in the future against which such net operating loss carryforwards may be offset. For these reasons, we may not be able to realize a tax benefit from the use of our net operating loss carryforwards, whether or not we attain profitability. We have recorded a full valuation allowance related to our carryforwards due to the uncertainty of the ultimate realization of the future benefits of those assets.

Our reported financial results may be adversely affected by changes in accounting principles generally accepted in the United States.

The accounting rules and regulations that we must comply with are complex and subject to interpretation by the Financial Accounting Standards Board ("FASB"), the SEC and various bodies formed to promulgate and interpret appropriate accounting principles. Recent actions and public comments from the FASB and the SEC have focused on the integrity of financial reporting and internal controls. In addition, many companies' accounting policies are being subject to heightened scrutiny by regulators and the public. Further, the accounting rules and regulations are continually changing in ways that could materially impact our financial statements.

Though we cannot predict the impact of future changes to accounting principles or our accounting policies on our financial statements going forward, any such change in these principles or how they are interpreted could have a significant effect on our reported results of operations and could affect the reporting of transactions already completed before the announcement of a change.

We are not, and do not intend to become, regulated as an "investment company" under the Investment Company Act of 1940, as amended ("Investment Company Act"), and if we were deemed an "investment company" under the Investment Company Act, applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business.

An entity generally will be deemed to be an "investment company" for purposes of the Investment Company Act if:

- it is an "orthodox" investment company because it is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities; or
- it is an inadvertent investment company because, absent an applicable exemption, (i) it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis, or (ii) it owns or proposes to acquire investment securities having a value exceeding 45% of the value of its total assets (exclusive of U.S. government securities and cash items) and/or more than 45% of its income is derived from investment securities on a consolidated basis with its wholly owned subsidiaries.

We are engaged primarily in the business of providing clients with our cloud-based Digital Adoption Platform, which enables organizations to better realize the value of their software investments. We hold ourselves out as a cloud-based technology company and do not propose to engage primarily in the business of investing, reinvesting or trading in securities. Accordingly, we do not believe that we are, or following this offering will be, an "orthodox" investment company as defined in Section 3(a)(1)(A) of the Investment Company Act and described in the first bullet point above. Furthermore, we believe that on a consolidated basis less than 45% of our total assets (exclusive of U.S. government securities and cash items) are composed of, and less than 45% of our income is derived from, assets that could be considered investment securities. Accordingly, we do not believe that we are, or following this offering will be, an inadvertent investment company by virtue of the 45% tests in Rule 3a-1 of the Investment Company Act as described in the second bullet point above. In addition, we believe that we are not an investment company under Section 3(b)(1) of the Investment Company Act because we are primarily engaged in a noninvestment company business.

The Investment Company Act and the rules thereunder contain detailed parameters for the organization and operation of investment companies. Among other things, the Investment Company Act and the rules thereunder limit or prohibit transactions with affiliates, impose limitations on the issuance of debt and equity securities, generally prohibit the issuance of options and impose certain governance requirements. We intend to conduct our operations so that we will not be deemed to be an investment company under the Investment Company Act or otherwise conduct our business in a manner that does not subject us to the registration and other requirements of the Investment Company Act. In order to ensure that we are not deemed to be an investment company, we may be limited in the assets that we may continue to own and, further, may need to dispose of or acquire certain assets at such times or on such terms as may be less favorable to us than in the absence of such requirement. In particular, as is common in Israel, much of our marketable securities and some of our cash is held in the form of time-based depositary accounts, which may be considered securities under the Investment Company Act, and we could be required to invest our cash into accounts that yield a lower return in order to avoid becoming an investment company. If anything were to happen which would cause us to be deemed to be an investment company under the Investment Company Act, the requirements imposed by the Investment Company Act could make it impractical for us to continue our business as currently conducted, which would materially adversely affect our business, financial condition and results of operations. In addition, if we were to become inadvertently subject to the Investment Company Act, any violation of the Investment Company Act could subject us to material adverse consequences, including potentially significant regulatory penalties.

Risks Related to Our Ordinary Shares and this Offering

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

The initial public offering price for the ordinary shares sold in this offering will be determined by negotiation between us and the representatives of the underwriters. This price may not reflect the market price of our ordinary shares following this offering and the price of our ordinary shares may decline. In addition, 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 changes or fluctuations in our results of operations;
- the guidance we may provide to the public, and any changes in, or our failure to perform in line with, such guidance;
- announcements by us or our competitors of significant business developments, new offerings or new or terminated significant contracts, commercial relationships or capital commitments;
- industry or financial analyst or investor reaction to our press releases, other public announcements, and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- future sales or expected future sales of our ordinary shares;
- investor perceptions of us and the industries and markets in which we operate;
- price and volume fluctuations in the overall stock market from time to time;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- failure of industry or financial analysts to maintain coverage of us, changes in financial estimates by any analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- actual or anticipated developments in our business or our competitors' businesses or the competitive landscape generally;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property rights or our solutions, or third-party proprietary rights;
- announced or completed acquisitions of businesses or technologies by us or our competitors;
- actual or perceived breaches of, or failures relating to, privacy, data protection or data security;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- actual or anticipated changes in our executive leadership team or our board of directors;
- general economic conditions and slow or negative growth of our target markets; and
- other events or factors, including those resulting from pandemics, war, incidents of terrorism or responses to these events.

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, which may limit or prevent investors from readily selling their shares and may otherwise negatively

affect the liquidity of our ordinary shares. 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 attention and resources of our executive leadership team and other employees could be diverted.

There has been no prior public market for our ordinary shares, and an active trading market may not develop.

Prior to this offering, there has been no public market for our ordinary shares. An active trading market may not develop following the closing of this offering or, if developed, may not be sustained. The lack of an active market may also reduce the fair value of your shares or 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 price of our ordinary shares and trading volume may be heavily influenced by the way analysts and investors interpret our financial information and other disclosures. If securities or industry analysts do not publish research or reports about our business, delay publishing reports about our business, or publish negative reports about our business, regardless of accuracy, the market price and trading volume of our ordinary shares could decline.

If a trading market for our ordinary shares develops, the trading market will be influenced to some extent by the research and reports that industry or financial analysts publish about us and our business. We do not control these analysts. As a newly public company, we may be slow to attract research coverage and the analysts who publish information about our ordinary shares will have had relatively little experience with us or our industry, which could affect their ability to accurately forecast our results and could make it more likely that we fail to meet their estimates. In the event we obtain securities or industry analyst coverage, if any of the analysts who cover us provide inaccurate or unfavorable research or issue an adverse opinion regarding our ordinary shares, the price of our ordinary shares could decline. The share prices of many companies in the technology industry have declined significantly after those companies have failed to meet, or significantly exceed, the financial guidance they have publicly announced or the expectations of analysts and investors. If our financial results fail to meet, or significantly exceed, our announced guidance or the expectations of analysts or investors, analysts could downgrade our ordinary shares or publish unfavorable research about us. Furthermore, if one or more of these analysts cease coverage of us or fail to publish reports covering us regularly, we could lose visibility in the market, which in turn could cause our share price or trading volume to decline.

Even if our ordinary shares are actively covered by analysts, we do not have any control over the analysts or the measures that analysts or investors may rely upon to forecast our future results. Over-reliance by analysts or investors on any particular metric to forecast our future results may lead to forecasts that differ significantly from our own.

We are an "emerging growth company," as defined in the JOBS Act, and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our ordinary shares less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act, and we are eligible to take advantage of specified reduced disclosure and other requirements that are applicable to public companies that are not emerging growth companies. These provisions include:

- the option to present only two years of audited financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations disclosure in this prospectus;

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002;
- not being required to comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis);
- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

In addition, while we are an emerging growth company we can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of this extended transition period and, as a result, our operating results and financial statements may not be comparable to the operating results and financial statements of companies who have adopted the new or revised accounting standards.

We may remain an emerging growth company until the earliest to occur of: (i) the last day of the first fiscal year in which our annual gross revenue equals or exceeds $1.07 billion; (ii) the date that we become a "large accelerated filer," as defined in Rule 12b-2 under the Exchange Act, which will occur if the market value of our common equity securities held by non-affiliates is at least $700 million as of the last business day of our most recently completed second fiscal quarter; (iii) the date on which we have issued, during the preceding three-year period, more than $1.0 billion in non-convertible debt securities; and (iv) the last day of the fiscal year ending after the fifth anniversary of the closing of this offering.

Investors may find our ordinary shares less attractive to the extent we rely on the exemptions and relief granted by the JOBS Act. If some investors find our ordinary shares less attractive as a result, there may be a less active trading market for our ordinary shares and the price of our ordinary shares may decline or become more volatile.

We will be a foreign private issuer and, as a result, we will not be subject to U.S. proxy rules and will be 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.

Upon the closing of this offering, we will report under the Exchange Act as a non-U.S. company with foreign private issuer status. Because we qualify as a foreign private issuer, we may take advantage of certain provisions under the Nasdaq corporate governance rules that allow us to follow Israeli law for certain corporate governance matters. Even after we no longer qualify as an emerging growth company, as long as we qualify as a foreign private issuer under the Exchange Act, we will be exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including:

- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- 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;
- 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, or current reports on Form 8-K, upon the occurrence of specified significant events; and
- Regulation Fair Disclosure ("Regulation FD"), which regulates selective disclosures of material information by issuers.

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, like emerging growth companies, also are exempt from certain more stringent executive compensation disclosure rules. Thus, if we remain a foreign private issuer, even if we no longer qualify as an emerging growth company, we will continue to be exempt from the more stringent compensation disclosures required of public companies that are neither an emerging growth company nor a foreign private issuer. As a result of all of the above, you may not have the same protections afforded to shareholders of a company that is not a foreign private issuer.

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

As discussed above, we are a foreign private issuer, and therefore, we are not required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act that are applicable to U.S. domestic public companies. 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, 2021. In the future, we would lose our foreign private issuer status if more than 50% of our outstanding voting securities are owned by U.S. residents and any of the following three circumstances applies: (1) the majority of our directors or executive officers are U.S. citizens or residents, (2) more than 50% of our assets are located in the United States, or (3) our business is administered principally in the United States. 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 Nasdaq listing rules. As a U.S. listed public company that is not a foreign private issuer, we will incur significant additional legal, accounting and other expenses that we will not incur as a foreign private issuer.

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

As a foreign private issuer, we have the option to follow certain home country corporate governance practices rather than the Nasdaq corporate governance rules, provided that we disclose and describe the requirements we are not following and the Israeli practices we are following. We intend to rely on this "foreign private issuer exemption" with respect to the quorum requirement for shareholder meetings, and 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 Nasdaq corporate governance requirements.

The market price of our ordinary shares could be negatively affected by future sales of our ordinary shares or the perception that such sales may occur.

Sales by us or our shareholders of a substantial number of ordinary shares in the public market following this offering, 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. Following this offering, based on the number of ordinary shares outstanding as of March 31, 2021, and after giving effect to the Preferred Share Conversion, we will have an aggregate of 82,652,098 ordinary shares outstanding. This includes the ordinary shares being sold in this offering, which we expect will

be freely tradable without restriction or further registration under the Securities Act, except for any shares acquired by our "affiliates," as that term is defined in Rule 144 under the Securities Act. Substantially all of the remaining shares are currently restricted as a result of securities laws, or restrictions in market stand-off provisions or the lock-up agreements described elsewhere in this prospectus under the caption "Underwriting" (which may be waived at any time, with or without notice, by Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC). Unless earlier released (including pursuant to the partial release provisions described elsewhere in this prospectus under the caption "Underwriting"), all of the ordinary shares subject to such market stand-off provisions or lock-up agreements will be able to be sold following the 180th day after the date of this prospectus unless held by one of our affiliates, in which case the resale of those securities will be subject to volume limitations and other requirements under Rule 144 of the Securities Act; provided that if the 180th day after the date of this prospectus occurs during or within five trading days prior to the commencement of a regularly scheduled trading blackout period under our insider trading policy, the lock-up period will expire on the sixth trading day immediately preceding the commencement of such blackout period. See "Shares Eligible for Future Sale."

In addition, following the closing of this offering and the expiration of the lock-up period described above, we expect that holders of an aggregate of approximately 61,368,628 ordinary shares, based on the number of ordinary shares outstanding as of March 31, 2021 (after giving effect to the Preferred Share Conversion), and 6,677,295 additional ordinary shares issuable upon the exercise of options outstanding as of March 31, 2021, will be entitled to certain rights with respect to the registration of these shares under the Securities Act pursuant to our Investor's Rights Agreement. We also intend to file a registration statement on Form S-8 under the Securities Act registering the ordinary shares that we may issue from time to time under our incentive plans. Ordinary shares issued upon exercise of a share option and registered under the Form S-8 registration statement will, subject to vesting provisions and Rule 144 volume limitations applicable to our affiliates, be available for sale in the open market immediately after the lock-up agreements and market stand-off provisions expire.

The market price of our ordinary shares may decline significantly when the restrictions on resale by our existing shareholders lapse or when we are required to register the sale of our shareholders' remaining ordinary shares. A decline in the trading price of our ordinary shares might impede our ability to raise capital through the issuance of additional ordinary shares or other equity securities and may impair your ability to sell your shares at a price higher than the price you paid for them or at all.

The issuance of additional shares in connection with financings, acquisitions, investments, our share incentive plans or otherwise will dilute all other shareholders.

Our Post-IPO Articles will authorize us to issue up to 900,000,000 ordinary shares. Subject to compliance with applicable rules and regulations, we may issue ordinary shares or securities convertible into ordinary shares from time to time in connection with a financing, acquisition, investment, our share incentive plans or otherwise. Any such issuance could result in substantial dilution to our existing shareholders and cause the market price of our ordinary shares to decline.

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

We would be classified as a passive foreign investment company ("PFIC") for any taxable year if, after the application of certain look-through rules, either: (i) 75% or more of our gross income for such year is "passive income" (as defined in the relevant provisions of the Internal Revenue Code of 1986, as amended), or (ii) 50% or more of the value of our gross assets (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 (the "asset test"). For these purposes, cash and other assets readily convertible into cash are categorized as passive assets, and the company's goodwill and other unbooked intangibles are 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. For purposes of this test, 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, more than 25% (by value) of the stock. Based on the currently expected market capitalization, and anticipated composition of our income, assets and operations, we do not expect to be classified as a PFIC in respect of our current taxable year. However, our status as a PFIC requires a factual determination that depends on, among other things, our income, assets and operations in each year, and can only be made after the close of each taxable year. Fluctuations in the market price of our ordinary shares may cause our classification as a PFIC for the current or future taxable years to change because the value of our assets for purposes of the asset test, including the value of our goodwill and unbooked intangibles, may be determined by reference to the market price of our shares from time to time (which may be volatile). In estimating the value of our goodwill and other unbooked intangibles, we have taken into account our anticipated market capitalization immediately following the close of this offering. Among other matters, if our market capitalization is less than anticipated or if it subsequently declines, it may make our classification as a PFIC more likely for the current or future taxable years. The composition of our income and assets may also be affected by how, and how quickly, we use our liquid assets and the cash raised in this offering. Therefore, there can be no assurance that we will not be treated as a PFIC for our current taxable year or any future taxable year.

Certain adverse U.S. federal income tax consequences could apply to a U.S. Holder (as defined in "Taxation and Government Programs—U.S. Federal Income Tax Considerations") if we are treated as a PFIC for any taxable year during which such U.S. Holder holds our ordinary shares. U.S. Holders should consult their tax advisors regarding the application of PFIC rules to their investment in our ordinary shares. See "Taxation and Government Programs—U.S. Federal Income Tax Considerations—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) 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" ("CFC") in our group (if any). Because our group includes a U.S. subsidiary, certain of our non-U.S. subsidiaries will be treated as CFCs (regardless of whether or not we are treated as a CFC). A United States shareholder of a CFC 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 CFC, regardless of whether we make any distributions. An individual that is a United States shareholder with respect to a CFC 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. 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 CFC or whether any investor is treated as a United States shareholder with respect to any such CFC or furnish to any United States shareholders information that may be necessary to comply with the aforementioned reporting and tax paying obligations. The United States Internal Revenue Service has provided limited guidance on situations in which investors may rely on publicly available information to comply with their reporting and taxpaying obligations with respect to foreign-controlled CFCs. A United States investor should consult its advisors regarding the potential application of these rules to an investment in our ordinary shares.

You will experience immediate and substantial dilution in the net tangible book value of the ordinary shares you purchase in this offering.

The initial public offering price of our ordinary shares substantially exceeds the pro forma as adjusted net tangible book value per share of our ordinary shares immediately after this offering. Therefore, if you purchase our ordinary shares in this offering, you will suffer immediate dilution of $27.08 per share (or $26.67 per share if the underwriters exercise in full their option to purchase additional ordinary shares), representing the difference

between our pro forma as adjusted net tangible book value per share as of March 31, 2021 and the assumed initial public offering price of $30.50 per share, which is the midpoint of the price range set forth on the cover page of this prospectus. If outstanding options to purchase our ordinary shares are exercised in the future, you will experience additional dilution.

This dilution is due to the substantially lower price paid by our investors who purchased shares prior to this offering as compared to the price offered to the public in this offering. See the section entitled "Dilution" for additional information.

Provisions of Israeli law and our Post-IPO Articles may delay, prevent or make undesirable an acquisition of all or a significant portion of our shares or assets.

Provisions of Israeli law, including the Israeli Companies Law, 5759-1999 (the "Companies Law"), and our Post-IPO Articles 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:

- the Companies Law regulates mergers and requires that a tender offer be effected when more than a specified percentage of shares in a company are purchased;
- the Companies Law requires special approvals for certain transactions involving directors, officers or certain significant shareholders and regulates other matters that may be relevant to these types of transactions;
- the Companies Law does not provide for shareholder action by written consent for public companies, thereby requiring all shareholder actions to be taken at a general meeting of shareholders;
- our Post-IPO Articles divide our directors into three classes, each of which is elected once every three years, and accordingly, each of our directors serves until the third annual general meeting following his or her election or re-election or until he or she is removed;
- an amendment to our Post-IPO Articles will generally require, in addition to the approval of our board of directors, a vote of the holders of a majority of our outstanding ordinary shares entitled to vote and 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 Post-IPO Articles 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 shall require the approval of at least 65% of the total voting power of our shareholders; and
- our Post-IPO Articles provide that director vacancies may be filled by our board of directors.

Israeli tax considerations may also 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 up to two years from the date of the transaction during which certain sales and dispositions of shares of the participating companies are restricted. Moreover, with respect to certain share swap transactions, the tax deferral is limited in time, and when such time expires, the tax becomes payable even if no disposition of the shares has occurred.

Furthermore, under the Encouragement of Research, Development and Technological Innovation in the Industry Law, 5744-1984, and the regulations, guidelines, rules, procedures, and benefit tracks thereunder

(collectively, the "Innovation Law"), to which we are subject due to our receipt of grants from the Israeli National Authority for Technological Innovation, or the Israeli Innovation Authority (the "IIA"), a recipient of IIA grants such as our company must report to the IIA regarding any change in the holding of means of control of our company which transforms any non-Israeli citizen or resident into an "interested party," as defined in the Israeli Securities Law, 5728-1968 (the "Israeli Securities Law"), and such non-Israeli citizen or resident shall execute an undertaking in favor of IIA, in a form prescribed by IIA.

We have broad discretion over the use of proceeds we receive in this offering and may not apply the proceeds in ways that increase the value of your investment.

The principal purposes of this offering are to increase our capitalization and financial flexibility, create a public market for our ordinary shares and thereby enable access to the public equity markets for us and our shareholders, and to increase our visibility in the marketplace. We currently intend to use the net proceeds we receive from this offering for general corporate purposes, including working capital, operating expenses and capital expenditures. Accordingly, our management will have broad discretion in the application of the net proceeds from this offering, and you will not have the opportunity as part of your investment decision to assess whether such net proceeds are being used appropriately. Because of the number and variability of factors that will determine our use of the net proceeds from this offering, their ultimate use may vary substantially from their currently intended use. Our management might not apply our net proceeds in ways that ultimately increase the value of your investment, and the failure by our management to apply these funds effectively could harm our business. Pending their use, we intend invest the net proceeds from this offering in short- and intermediate-term, interest-bearing obligations, investment-grade instruments, or other securities. These investments may not yield a favorable return for us. If we do not invest or apply the net proceeds from this offering in ways that enhance shareholder value, we may fail to achieve expected results, which could cause our share price to decline.

We do not intend to pay dividends in the foreseeable future. As a result, your ability to achieve a return on your investment will depend on appreciation in the price of our ordinary shares.

We have never declared or paid any cash dividends on our ordinary shares. We currently intend to retain all available funds and any future earnings to finance the operation and expansion of our business and do not anticipate paying any dividends on our ordinary shares in the foreseeable future. Consequently, investors who purchase ordinary shares in this offering may be unable to realize a gain on their investment except by selling such shares after price appreciation, which may never occur.

Our board of directors has sole discretion regarding 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 (the "Companies Law") imposes restrictions on our ability to declare and pay dividends. See the section titled "Description of Share Capital and Articles of Association—Dividend and Liquidation Rights" for additional information. Generally, payments of dividends are subject to Israeli withholding taxes. See the section titled "Taxation and Government Programs—Israeli Tax Considerations and Government Programs" for additional information.

We will incur increased costs as a result of operating as a public company, and our executive leadership team and other employees will be required to devote substantial time to new compliance initiatives and corporate governance practices.

As a public company, and particularly after we are no longer an emerging growth company, we will 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 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 executive leadership team and other personnel will need to devote a substantial amount of time to these

compliance initiatives. Moreover, these rules and regulations will 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.

We are evaluating 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 not currently required to comply with the rules of the SEC implementing Section 404 of the Sarbanes-Oxley Act ("Section 404") and therefore are not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. Upon becoming a publicly traded company, we will be required to comply with the SEC's rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which will 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. Though we will be required to disclose material changes in internal control over financial reporting on an annual basis, we will not be required to make our first annual assessment of our internal control over financial reporting pursuant to Section 404 until the year following our first annual report required to be filed with the SEC. Additionally, while we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Section 404 within the prescribed period, we will be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. We currently have limited accounting personnel and we have begun the process of evaluating the adequacy of our accounting personnel staffing level and other matters related to our internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed timeframe or at all, that our internal control over financial reporting is effective as required by Section 404. If we identify one or more material weaknesses once we are a public company, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements. As a result, the market price of our ordinary shares could be negatively affected, and we could become subject to investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources.

After this offering, our principal shareholders will continue to have significant influence over us.

After the closing of this offering, our principal shareholders each holding more than 5% of our outstanding ordinary shares will collectively beneficially own approximately 69.3% of our outstanding ordinary shares. See "Principal Shareholders." As a result, these shareholders will be able to exert significant influence over us and, acting together, will have control over most matters that require approval by our shareholders, including matters such as adoption of the financial statements, the appointment and dismissal of directors, terms of compensation of our directors and chief executive officer, capital increases, amendment to our articles of associations, and approval of significant corporate transactions. The interests of these shareholders may not always coincide with, and in some cases may conflict with, our interests and the interests of our other shareholders. For instance, these shareholders could attempt to delay or prevent a change in control of our company, even if such change in control would benefit our other shareholders, which could deprive our shareholders of an opportunity to receive a

premium for their ordinary shares. This concentration of ownership may also affect the prevailing market price of our ordinary shares due to investors' perceptions that conflicts of interest may exist or arise. As a result, this concentration of ownership may not be in your best interests.

If we are unable to satisfy the requirements of Section 404 as they apply to us, or our internal controls over financial reporting are not effective, the reliability of our financial statements may be questioned and the price of our ordinary shares may suffer.

We are subject to the requirements of the Sarbanes-Oxley Act in light of the listing of our ordinary shares on the Nasdaq Global Select Market. Section 404 of the Sarbanes-Oxley Act, or Section 404, requires companies subject to the reporting requirements of the United States securities laws to complete a comprehensive evaluation of its and its subsidiaries' internal controls over financial reporting. To comply with this statute, we will be required to document and test our internal control procedures and our management will be required to assess and issue a report concerning our internal controls over financial reporting. Pursuant to the JOBS Act, we will be classified as an "emerging growth company." Under the JOBS Act, emerging growth companies are exempt from certain reporting requirements, including the independent auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act. Under this exemption, our independent auditor will not be required to attest to and report on management's assessment of our internal controls over financial reporting during a five-year transition period. We will need to prepare for compliance with Section 404 by strengthening, assessing and testing our system of internal controls to provide the basis for our report. However, the continuous process of strengthening our internal controls and complying with Section 404 is complicated and time-consuming. Furthermore, we believe that our business will grow both domestically and internationally, in which case our internal controls will become more complex and will require significantly more resources and attention to ensure our internal controls remain effective overall. During the course of its testing, our management may identify material weaknesses or significant deficiencies, which may not be remedied in a timely manner to meet the deadline imposed by the Sarbanes-Oxley Act. If our management cannot favorably assess the effectiveness of our internal controls over financial reporting, or our independent registered public accounting firm identifies material weaknesses in our internal controls, investor confidence in our financial results may weaken, and the market price of our securities may suffer.

Our Post-IPO Articles designate the federal district courts of the United States as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our shareholders.

Our Post-IPO Articles provide that, unless we consent in writing to the selection of an alternative forum, the U.S. federal district courts shall be the sole and exclusive forum for any claim 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 state and federal courts have jurisdiction to entertain such claims. We note that investors cannot waive compliance with U.S. federal securities laws and the rules and regulations thereunder. 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 Post-IPO Articles 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. 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 articles of association described above. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the U.S. federal courts have exclusive jurisdiction.

Risks Related to Our Incorporation and Location in Israel

Conditions in Israel could materially and adversely affect our business.

Many of our employees, including certain members of our executive leadership team, operate from our offices that are located in Tel Aviv, Israel. In addition, a number of our officers and directors are residents of Israel. Accordingly, political, economic, and military conditions in Israel and the surrounding region may directly affect our business and operations. In recent years, Israel has been engaged in sporadic armed conflicts with Hamas, an Islamist terrorist group that controls the Gaza Strip, with Hezbollah, an Islamist terrorist group that controls large portions of southern Lebanon, and with Iranian-backed military forces in Syria. In addition, Iran has threatened to attack Israel. Some of these hostilities were accompanied by missiles being fired from the Gaza Strip against civilian targets in various parts of Israel, including areas in which some employees and consultants are located, and negatively affected business conditions in Israel. Any hostilities involving Israel or the interruption or curtailment of trade between Israel and its trading partners could adversely affect our operations and results of 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 direct damages that are caused by terrorist attacks or acts of war, we cannot assure you that this 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. Any armed conflicts or political instability in the region would likely negatively affect business conditions and could harm our results of operations.

Further the State of Israel and Israeli companies have been from time to time subjected to economic boycotts. Several countries still restrict business with the State of Israel and with Israeli companies. These restrictive laws and policies may have an adverse impact on our operating results, financial condition or the expansion of our business. A campaign of boycotts, divestment and sanctions has been undertaken against Israel, which could also adversely impact our business.

In addition, many Israeli citizens are obligated to perform several days, and in some cases more, of annual military reserve duty each year until they reach the age of 40 (or older, for reservists who are military officers or who have certain occupations) and, in the event of a military conflict, may be called to active duty. In response to increases in terrorist activity, there have been periods of significant call-ups of military reservists. It is possible that there will be military reserve duty call-ups in the future. Our operations could be disrupted by such call-ups. Such disruption could materially adversely affect our business, prospects, financial condition and results of operations.

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

Not all of our directors or officers are residents of the United States and most of their and our assets are located outside the United States. Service of process upon us or our non-U.S. resident directors and officers and enforcement of judgments obtained in the United States against us or our non-U.S. our directors and executive officers may be difficult to obtain within the United States. We have been informed by our legal counsel in Israel that it may be difficult to assert claims under U.S. securities laws in original actions instituted in Israel or obtain a judgment based on the civil liability provisions of U.S. federal securities laws. Israeli courts may refuse to hear a claim based on a violation of U.S. securities laws against us or our non-U.S. officers and directors because Israel may not be the most appropriate forum to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not U.S. law is applicable to the claim. If U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by Israeli law. There is little binding case law in Israel addressing the matters described above. Under certain circumstances, Israeli courts might not enforce

judgments rendered outside Israel, which may make it difficult to collect on judgments rendered against us or our non-U.S. officers and directors. For more information, see “Enforceability of Civil Liabilities.”

Your rights and responsibilities as our shareholder will be governed by Israeli law, which 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 Post-IPO Articles 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 (or companies we have acquired) have received Israeli government grants for certain research and development activities. The terms of these grants may require us to satisfy specified conditions in order to develop and transfer technologies supported by such grants outside of Israel. In addition, in some circumstances, we may be required to pay penalties in addition to repaying the grants.

A company we acquired in 2017 was previously financed, in part, through grants from the IIA. As part of the acquisition transaction, we assumed all rights, restrictions and obligation towards the IIA in respect of such grants. From its inception through 2017, that company conducted projects with the IIA’s support and received grants totaling $0.3 million from the IIA, of which $0.2 million has been repaid to the IIA. The grants received from the IIA bear an annual interest rate based on the 12-month London Interbank Offered Rate.

The Innovation Law requires, inter alia, that the products developed as part of the programs under which the grants were given be manufactured in Israel and restricts the ability to transfer know-how funded by IIA outside of Israel. Transfer of IIA-funded know-how outside of Israel requires prior approval and is subject to payment of a redemption fee to the IIA calculated according to a formula provided under the Innovation Law. A transfer for the purpose of the Innovation Law is generally interpreted very broadly and includes, inter alia, any actual sale of the IIA-funded know-how, any license to develop the IIA-funded know-how or the products resulting from such IIA-funded know-how or any other transaction, which, in essence, constitutes a transfer of IIA-funded know-how. We cannot be certain that any approval of the IIA will be obtained on terms that are acceptable to us, or at all. We may not receive the required approvals should we wish to transfer IIA-funded know-how and/or development outside of Israel in the future.

Subject to prior approval of the IIA, we may transfer the IIA-funded know-how to another Israeli company. If the IIA-funded know-how is transferred to another Israeli entity, the transfer would still require IIA approval but will not be subject to the payment of the redemption fee. In such case, the acquiring company would have to assume all of the applicable restrictions and obligations towards the IIA (including the restrictions on the transfer of know-how and manufacturing capacity, to the extent applicable, outside of Israel) as a condition to IIA approval.

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 (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 (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. 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 waive their right to remuneration for service inventions, 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.

Our Post-IPO Articles provide that unless we consent otherwise, the competent courts of Tel Aviv, Israel shall be the sole and exclusive forum for substantially all disputes between us and our shareholders under the Companies Law and the Israeli Securities Law, which could limit our shareholders' ability to bring claims and proceedings against, as well as obtain a favorable judicial forum for disputes with, us and our directors, officers and other employees.

Unless we consent in writing to the selection of an alternative forum, the competent courts of Tel Aviv, Israel shall be the exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers or other employees to us or our shareholders, or (iii) any action asserting a claim arising pursuant to any provision of the Companies Law or the Israeli Securities Law. This exclusive forum provision is intended to apply to claims arising under Israeli Law and would not apply to claims brought pursuant to the Securities Act or the Exchange Act or any other claim for which U.S. federal courts would have exclusive jurisdiction. Such exclusive forum provision in our Post-IPO Articles will not relieve us of our duties to comply with U.S. federal securities laws and the rules and regulations thereunder, and shareholders will not be deemed to have waived our compliance with these laws, rules and regulations. This exclusive forum provision may limit a shareholder's ability to bring a claim in a judicial forum of its choosing for disputes with us or our directors, officers or other employees, which may discourage lawsuits against us and our directors, officers and other employees.

General Risk Factors

If we are unable to consummate acquisitions at acceptable prices, and to enter into other strategic transactions and relationships that support our long-term strategy, our growth rate and our business, financial condition and results of operations could be negatively affected. These transactions and relationships also subject us to certain risks.

As part of our business strategy, we may acquire or make investments in complementary companies, products or technologies, and enter into other strategic transactions and relationships in the ordinary course. Our ability to grow our revenues, earnings and cash flow at or above our historic rates depends in part upon our ability to identify and successfully acquire and integrate businesses at acceptable prices, realize anticipated synergies and make appropriate investments that support our long-term strategy. We may not be able to consummate acquisitions at rates similar to the past, which could adversely impact our growth rate and our business, financial condition and results of operations. Promising acquisitions, investments and other strategic

transactions are difficult to identify and complete for a number of reasons, including high valuations, competition among prospective buyers, the availability of affordable funding in the capital markets and the need to satisfy applicable closing conditions and obtain applicable antitrust and other regulatory approvals on acceptable terms. In addition, competition for acquisitions, investments and other strategic transactions may result in higher purchase prices or other terms less economically favorable to us. Changes in accounting or regulatory requirements or instability in the credit markets could also adversely impact our ability to consummate these transactions on acceptable terms or at all.

In addition, even if we are able to consummate acquisitions and enter into other strategic transactions and relationships, these transactions and relationships involve a number of financial, accounting, managerial, operational, legal, compliance and other risks and challenges, including the following, any of which could negatively affect our growth rate and the trading price of our ordinary shares, and may have a material adverse effect on our business, financial condition and results of operations:

- Any business, technology, product or solution that we acquire or invest in could under-perform relative to our expectations and the price that we paid or not perform in accordance with our anticipated timetable, or we could fail to operate any such business or deploy any such technology, product or solution profitably.
- We may incur or assume significant debt in connection with our acquisitions and other strategic transactions and relationships, which could also cause a deterioration of our credit ratings, result in increased borrowing costs and interest expense and diminish our future access to the capital markets.
- Acquisitions and other strategic transactions and relationships could cause our financial results to differ from our own or the investment community's expectations in any given period, or over the long-term.
- Pre-closing and post-closing earnings charges could adversely impact operating results in any given period, and the impact may be substantially different from period to period.
- Acquisitions and other strategic transactions and relationships could create demands on our management, operational resources and financial and internal control systems that we are unable to effectively address.
- We could experience difficulty in integrating personnel, operations and financial and other controls and systems and retaining key employees and customers.
- We may be unable to achieve cost savings or other synergies anticipated in connection with an acquisition or other strategic transaction or relationship.
- We may assume unknown liabilities, known contingent liabilities that become realized, known liabilities that prove greater than anticipated, internal control deficiencies or exposure to regulatory sanctions resulting from the acquired company's or investee's activities and the realization of any of these liabilities or deficiencies may increase our expenses, adversely affect our financial position and/or cause us to fail to meet our public financial reporting obligations.
- In connection with acquisitions and other strategic transactions and relationships, we often enter into post-closing financial arrangements such as purchase price adjustments, earn-out obligations and indemnification obligations, which may have unpredictable financial results.
- As a result of our acquisitions, we have recorded significant goodwill and other assets on our balance sheet and if we are not able to realize the value of these assets, or if the fair value of our investments declines, we may be required to incur impairment charges.
- We may have interests that diverge from those of our strategic partners and we may not be able to direct the management and operations of the strategic relationship in the manner we believe is most appropriate, exposing us to additional risk.

Investing in or making loans to early-stage companies often entails a high degree of risk, and we may not achieve the strategic, technological, financial or commercial benefits we anticipate; we may lose our investment or fail to recoup our loan; or our investment may be illiquid for a greater-than-expected period of time.

Unfavorable conditions in our industry or the global economy or reductions in information technology spending could limit our ability to grow our business and negatively affect our results of operations.

Our results of operations may vary based on the impact of changes in our industry or the global economy on us or our customers. Current or future economic uncertainties or downturns could adversely affect our business and results of operations. Negative conditions in the general economy both in the United States and abroad, including conditions resulting from changes in gross domestic product growth, financial, and credit market fluctuations, political turmoil, natural catastrophes, the ongoing COVID-19 pandemic, any other pandemic, epidemic or outbreak of infectious disease, warfare, protests and riots, and terrorist attacks on the United States, Europe, the Middle East, the Asia Pacific region, or elsewhere, could cause a decrease in business investments by our customers and potential customers, including spending on information technology, and negatively affect the growth of our business. To the extent our products are perceived by customers and potential customers as discretionary, our revenue may be disproportionately affected by delays or reductions in general information technology spending. Also, customers may choose to develop in-house software as an alternative to using our products. Moreover, competitors may respond to market conditions by lowering prices. We cannot predict the timing, strength or duration of any economic slowdown, instability or recovery, generally or within any particular industry. If the economic conditions of the general economy or markets in which we operate do not improve, or worsen from present levels, our business, results of operations, and financial condition could be adversely affected.

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

The estimates of market opportunity and forecasts of market growth included in this prospectus may prove to be inaccurate. Market opportunity estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate, including as a result of any of the risks described in this prospectus.

The variables that go into the calculation of our market opportunity are subject to change over time, and there is no guarantee that any particular number or percentage of addressable users or companies covered by our market opportunity estimates will purchase our products at all or generate any particular level of revenue for us. In addition, our ability to expand in any of our target markets depends on a number of factors, including the widespread awareness among key organizational decision makers of, and the cost, performance, and perceived value associated with, our platform and products and those of our competitors. Even if the markets in which we compete meet the size estimates and growth forecasted in this prospectus, our business could fail to grow at similar rates, or at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties. Accordingly, the forecasts of market growth included in this prospectus should not be taken as indicative of our future growth.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

Following the closing of this offering, we will be subject to the periodic reporting requirements of the Exchange Act. We designed our disclosure controls and procedures to provide reasonable assurance that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected.

If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our results of operations could fall below the expectations of securities analysts and investors, resulting in a decline in the trading price of our ordinary shares.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as discussed in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue, and expenses that are not readily apparent from other sources. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below our publicly announced guidance or the expectations of securities analysts and investors, resulting in a decline in the market price of our ordinary shares.

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. The number and significance of these potential claims and disputes may increase as our business expands. Any such claim could be expensive to defend and, regardless of its merit, may divert time, money, management's attention and other valuable resources away from our operations, harm our reputation, and, thereby, adversely affect our business. Further, our insurance may not cover all potential claims made against us or be sufficient to indemnify us for all liability that may be imposed. Additionally, a substantial judgment against us could materially and adversely affect our business, financial condition, results of operations and prospects.

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.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains estimates and forward-looking statements, principally in the sections entitled “Prospectus Summary,” “Risk Factors,” “Use of Proceeds,” “Dividend Policy,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business.” All statements other than statements of historical facts contained in this prospectus may be estimates or forward-looking statements. In some cases, these 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.

Our estimates and forward-looking statements are 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, uncertainties and other important factors (including those discussed elsewhere in this prospectus under “Risk Factors”) that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Forward-looking statements contained in this prospectus include, but are not limited to, statements about:

- our future financial performance, including our expectations regarding our revenue, cost of revenue, gross margin, operating expenses, cash flow and deferred revenue;
- our ability to manage our growth effectively, sustain our historical growth rate in the future or achieve or maintain profitability;
- the impact of the COVID-19 pandemic on our business, financial condition and results of operations;
- the growth and expansion of the markets for our offerings and our ability to adapt and respond effectively to evolving market conditions;
- our estimates of, and future expectations regarding, our market opportunity;
- our ability to keep pace with technological and competitive developments and develop or otherwise introduce new products and solutions and enhancements to our existing offerings;
- our ability to maintain the interoperability of our offerings across devices, operating systems and third-party applications and to maintain and expand our relationships with third-party technology partners;
- the effects of increased competition in our target markets and our ability to compete effectively;
- our ability to attract and retain new customers and to expand within our existing customer base;
- the success of our sales and marketing operations, including our ability to realize efficiencies and reduce customer acquisition costs;
- the percentage of our remaining performance obligations that we expect to recognize as revenue;
- our ability to meet the service-level commitments under our customer agreements and the effects on our business if we are unable to do so;
- our relationships with, and dependence on, various third-party service providers;
- our dependence on our management team and other key employees;
- our ability to maintain and enhance awareness of our brand;
- our ability to offer high quality customer support;
- our ability to effectively develop and expand our marketing and sales capabilities;
- our ability to maintain the sales prices of our offerings and the effects of pricing fluctuations;

- the sustainability of, and fluctuations in, our gross margin;
- risks related to our international operations and our ability to expand our international business operations;
- the effects of currency exchange rate fluctuations on our results of operations;
- challenges and risks related to our sales to government entities;
- our ability to consummate acquisitions at our historical rate and at acceptable prices, to enter into other strategic transactions and relationships, and to manage the risks related to these transactions and arrangements;
- our ability to protect our proprietary technology, or to obtain, maintain, protect and enforce sufficiently broad intellectual property rights therein;
- our ability to maintain the security and availability of our platform, products and solutions;
- our ability to comply with current and future legislation and governmental regulations to which we are subject or may become subject in the future;
- changes in applicable tax law, the stability of effective tax rates and adverse outcomes resulting from examination of our income or other tax returns;
- risks related to political, economic and security conditions in Israel;
- the effects of unfavorable conditions in our industry or the global economy or reductions in information technology spending; and
- factors that may affect the future trading prices of our ordinary shares.

The forward-looking statements contained in this prospectus are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements.

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

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. The estimates and forward-looking statements contained in this prospectus speak only as of the date of this prospectus. 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. We qualify all of our estimates and forward-looking statements by reference to these cautionary statements.

USE OF PROCEEDS

We estimate that the net proceeds to us from this offering will be approximately $259.3 million (or approximately $298.9 million if the underwriters exercise their option to purchase additional ordinary shares in full), assuming an initial public offering price of $30.50 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

A $1.00 increase (decrease) in the assumed initial public offering price of $30.50 per share would increase (decrease) the net proceeds to us from this offering by approximately $8.6 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions. Each increase (decrease) of 1.0 million shares in the number of ordinary shares offered by us would increase (decrease) the net proceeds to us from this offering by approximately $28.5 million, assuming that the assumed initial public offering price of $30.50 per ordinary share remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The principal purposes of this offering are to increase our capitalization and financial flexibility, create a public market for our ordinary shares and thereby enable access to the public equity markets for us and our shareholders, and to increase our visibility in the marketplace. We currently intend to use the net proceeds we receive from this offering for general corporate purposes, including working capital, operating expenses and capital expenditures. We may also use a portion of the net proceeds we receive from this offering to acquire or invest in businesses, products, services or technologies that complement our business. However, we do not have binding agreements or commitments for any material acquisitions or investments at this time.

As of the date of this prospectus, we cannot specify with certainty the specific allocations or all of the particular uses for the net proceeds to be received by us upon the completion of this offering. The expected use of net proceeds from this offering represents our intentions based upon our present plans and business conditions, which could change in the future as our plans and business conditions evolve. We may find it necessary or advisable to use the net proceeds for other purposes, and we will have broad discretion in the application and specific allocations of the net proceeds of this offering. Pending the uses described above, we intend to invest the net proceeds from this offering in short- and intermediate-term, interest-bearing obligations, investment-grade instruments or other securities. We cannot predict whether the proceeds invested will yield a favorable return for us.

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 our operations and expand our business. Our board of directors has sole discretion regarding whether to pay dividends, subject to the laws of the State of Israel. If our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our directors may deem relevant.

The Companies Law imposes restrictions on our ability to declare and pay dividends. See “Description of Share Capital and Articles of Association —Dividend and Liquidation Rights” for additional information.

Payment of dividends may be subject to Israeli withholding taxes. See “Taxation and Government Programs—Israeli Tax Considerations and Government Programs” for additional information.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of March 31, 2021, as follows:

- on an actual basis;
- on a pro forma basis to give effect to (i) the Preferred Share Conversion and (ii) adoption of our Post-IPO Articles immediately prior to the closing of this offering; and
- on a pro forma as adjusted basis to give further effect to the issuance and sale of ordinary shares in this offering at the assumed initial public offering price of $ per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The pro forma and pro forma as adjusted information below is illustrative only and our capitalization following the closing of this offering will be adjusted based on the actual initial public offering price and other terms of this offering determined at the pricing of this offering. You should read this information in conjunction with the sections titled “Use of Proceeds,” “Selected Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our financial statements and the accompanying notes thereto included elsewhere in this prospectus.

	As of March 31, 2021		
	Actual	Pro Forma	Pro Forma As Adjusted(1)
	(in thousands, except share and per share amounts)		
Cash and cash equivalents	$ 68,480	$ 68,480	$ 327,767
Redeemable non-controlling interest	$ 19,046	$ 19,046	$ 19,046
Convertible preferred shares, no par value per share; 59,216,788 shares authorized, 59,180,522 shares issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted(2)	310,490	—	—
Shareholders’ (deficit) equity:			
Ordinary shares, no par value per share: 89,631,512 shares authorized, 14,221,576 shares issued and outstanding, actual; 900,000,000 shares authorized, 73,402,098 shares issued and outstanding, pro forma; 900,000,000 shares authorized, 82,652,098 shares issued and outstanding, pro forma as adjusted(2)	—	—	—
Deferred shares, no par value per share; 4,103,500 shares authorized, no shares issued or outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted(2)	—	—	—
Additional paid-in capital	15,098	325,588	584,875
Accumulated other comprehensive income	(185)	(185)	(185)
Accumulated deficit	(259,072)	(259,072)	(259,072)
Total shareholders’ (deficit) equity	(244,159)	66,331	325,618
Total capitalization	$ 85,377	$ 85,377	$ 344,664

(1) A $1.00 increase (decrease) in the assumed initial public offering price of $30.50 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, total shareholders’ (deficit) equity and total capitalization by approximately $8.6 million, assuming the number of ordinary shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting

discounts and commissions and estimated offering expenses payable by us. An increase (decrease) of 1,000,000 shares in the number of ordinary shares offered by us, as set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, total shareholders' (deficit) equity and total capitalization by approximately $28.5 million, assuming an initial public offering price of $30.50 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(2) On March 4, 2021, our shareholders approved a change of share capital from NIS 0.01 par value to no par value. On May 11, 2021, our shareholders approved a change in share capital, converting all of the Company's authorized and unissued deferred shares into 4,103,500 authorized ordinary shares of no par value.

The number of ordinary shares set forth in the table above does not include:

- 15,009,720 ordinary shares issuable upon the exercise of options outstanding under our Restated 2012 Plan as of March 31, 2021 at a weighted average exercise price of $6.95 per share, 5,581,064 of which were vested as of such date;
- 636,250 additional ordinary shares issuable upon the exercise of options granted under the Restated 2012 Plan after March 31, 2021 at an exercise price of $26.47 per share;
- 9,954,480 ordinary shares reserved for future issuance under our 2021 Plan, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part, as well as any additional ordinary shares that may be reserved for issuance thereunder in the future pursuant to provisions in such plan that automatically increase the ordinary share reserve thereunder; and
- 1,824,988 ordinary shares reserved for issuance under our ESPP, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part, as well as any additional ordinary shares that may be reserved for issuance thereunder in the future pursuant to provisions in such plan that automatically increase the ordinary share reserve thereunder.

DILUTION

If you invest in our ordinary shares in this offering, your ownership interest will be immediately diluted to the extent of the difference between the initial public offering price per share and the pro forma as adjusted net tangible book value per ordinary share after this offering.

Our net tangible book value as of March 31, 2021 was ($20.18) per ordinary share. Net tangible book value per share represents the book value of our total tangible assets less the book value of our total liabilities, redeemable non-controlling interest and convertible preferred shares, divided by the number of our ordinary shares outstanding as of March 31, 2021.

Our pro forma net tangible book value as of March 31, 2021 was $0.32 per ordinary share. Pro forma net tangible book value per share represents our net tangible book value divided by the number of our ordinary shares outstanding as of March 31, 2021, after giving effect to the Preferred Share Conversion immediately prior to the closing of this offering.

After giving further effect to our sale of 9,250,000 ordinary shares in this offering at an assumed initial public offering price of $30.50 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, our net tangible book value on a pro forma as adjusted basis as of March 31, 2021 would have been approximately $3.42 per ordinary share. This amount represents an immediate increase in pro forma net tangible book value of $3.10 per ordinary share to our existing shareholders and an immediate dilution of $27.08 per ordinary share to new investors purchasing ordinary shares in this offering. We determine dilution by subtracting the pro forma as adjusted net tangible book value per share after this offering from the amount of cash that a new investor paid for an ordinary share in this offering.

The following table illustrates this dilution:

Assumed initial public offering price per share		$ 30.50
Net tangible book value per share as of March 31, 2021	$ (20.18)	
Pro forma increase in net tangible book value per share	20.50	
Pro forma net tangible book value per share as of March 31, 2021	0.32	
Increase in pro forma net tangible book value per share attributable to new investors participating in this offering	3.10	
Pro forma as adjusted net tangible book value per share after this offering		$ 3.42
Dilution per share to new investors in this offering		$ 27.08

A $1.00 increase (decrease) in the assumed initial public offering price of $30.50 per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted net tangible book value per share by $0.10, and increase (decrease) dilution to new investors by $0.90 per share, in each case assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters exercise in full their option to purchase additional ordinary shares in this offering, the pro forma as adjusted net tangible book value after the offering would be $3.83 per share, the increase in pro forma net tangible book value to existing shareholders would be $0.41 per share, and the dilution to new investors would be $26.67 per share, in each case assuming an initial public offering price of $30.50 per share, which is the midpoint of the price range set forth on the cover page of this prospectus.

The following table summarizes, on the pro forma as adjusted basis described above, as of March 31, 2021, the difference between our existing shareholders and new investors purchasing ordinary shares in this offering with respect to the number of ordinary shares purchased from us, the total consideration paid to us in cash and the average price per share paid by such existing shareholders or new investors, as the case may be. The calculation below is based on an assumed initial public offering price of $30.50 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing shareholders	73,402,098	88.8%	$313,644,591	52.7%	$ 4.27
New investors	9,250,000	11.2	282,125,000	47.3	30.50
Total	82,652,098	100%	595,769,591	100%	

If the underwriters' option to purchase additional ordinary shares is exercised in full, our existing shareholders would own 87.3% and our new investors would own 12.7% of the total number of ordinary shares outstanding upon the completion of this offering.

The dilution information discussed above is illustrative only and may change based on the actual initial public offering price, the number of ordinary shares we sell and other terms of this offering that will be determined at pricing. In addition, the number of our ordinary shares to be outstanding after this offering is based on 82,652,098 ordinary shares outstanding as of March 31, 2021, after giving effect to the Preferred Share Conversion, and excludes:

- 15,009,720 ordinary shares issuable upon the exercise of options outstanding under our Restated 2012 Plan as of March 31, 2021 at a weighted average exercise price of $6.95 per share, 5,581,064 of which were vested as of such date;
- 636,250 additional ordinary shares issuable upon the exercise of options granted under the Restated 2012 Plan after March 31, 2021 at an exercise price of $26.47 per share;
- 9,954,480 ordinary shares reserved for future issuance under our 2021 Plan, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part, as well as any additional ordinary shares that may be reserved for issuance thereunder in the future pursuant to provisions in such plan that automatically increase the ordinary share reserve thereunder; and
- 1,824,988 ordinary shares reserved for issuance under our ESPP, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part, as well as any additional ordinary shares that may be reserved for issuance thereunder in the future pursuant to provisions in such plan that automatically increase the ordinary share reserve thereunder.

To the extent any new options are issued or we issue additional ordinary shares or other equity or convertible debt securities in the future, there will be further dilution to investors participating in this offering. If all of the outstanding options described above had been exercised as of March 31, 2021, the pro forma as adjusted net tangible book value per share after this offering would be $4.67, and dilution per share to new investors would be $25.83.

SELECTED CONSOLIDATED FINANCIAL DATA

The following tables present our selected consolidated financial data for the periods and as of the dates indicated. We prepare our consolidated financial statements in accordance with GAAP. The selected historical consolidated financial data as of December 31, 2019 and 2020 and for the years ended December 31, 2019 and 2020 has been derived from our audited consolidated financial statements, which are included elsewhere in this prospectus. The selected historical consolidated financial data as of March 31, 2020 and 2021 and for the three months ended March 31, 2020 and 2021 has been derived from our unaudited consolidated financial statements, which are included elsewhere in this prospectus. In our opinion, the unaudited financial statements have been prepared on a basis consistent with our audited consolidated financial statements and contain all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of such financial information. Our historical results for any prior period are not necessarily indicative of results expected in any future period and our interim results are not necessarily indicative of the results that may be expected for the full fiscal year or any other future period. The financial data set forth below should be read in conjunction with, and is qualified by reference to "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and notes thereto included elsewhere in this prospectus.

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
	(in thousands, except share and per share data)			
Consolidated Statements of Operations:				
Revenues				
Subscription	$ 94,769	$ 130,303	$ 29,652	$ 38,474
Professional services	10,360	18,003	4,569	4,180
Total revenue	105,129	148,306	34,221	42,654
Cost of revenues(1)(2)				
Subscription	11,947	19,141	4,187	5,689
Professional services	18,729	20,017	5,073	5,080
Total cost of revenue	30,676	39,158	9,260	10,769
Gross profit	74,453	109,148	24,961	31,885
Operating expenses(1)				
Research and development	26,639	31,560	7,613	10,422
Sales and marketing	75,004	87,208	23,291	25,135
General and administrative	22,095	33,541	5,306	9,373
Total operating expenses	123,738	152,309	36,210	44,930
Operating loss	(49,285)	(43,161)	(11,249)	(13,045)
Financial income (expenses), net	474	(156)	(559)	45
Loss before income taxes	(48,811)	(43,317)	(11,808)	(13,000)
Income taxes	(1,307)	(1,708)	(469)	(404)
Net loss	$ (50,118)	$ (45,025)	$(12,277)	$(13,404)
Net loss attributable to non-controlling interest	(696)	(1,311)	(457)	(246)
Adjustment attributable to non-controlling interest	475	5,487	481	10,816
Deemed dividend to ordinary shareholders	—	4,569	4,569	—
Net loss attributable to WalkMe Ltd.	(49,897)	(53,770)	(16,870)	(23,974)
Net loss per share attributable to ordinary shareholders: (3)				
Basic and diluted	$ (4.15)	$ (4.07)	$ (1.32)	$ (1.71)

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
	(in thousands, except share and per share data)			
Weighted average shares used to compute net loss per share attributable to ordinary shareholders: (3)				
Basic and diluted	12,011,502	13,217,183	12,791,827	13,995,089
Pro forma net loss per share: (3)				
Basic and diluted		$ (0.75)		$ (0.33)
Weighted average shares used to compute pro forma net loss per share attributable to ordinary shareholders: (3) Basic and diluted		71,349,900		72,727,164

	As of December 31,		As of March 31,	
	2019	2020	2020	2021
	(in thousands)			
Consolidated Balance Sheet:				
Cash and cash equivalents	$ 74,184	$ 62,328	$ 69,699	$ 68,480
Working capital(4)	49,051	59,602	41,179	54,737
Total assets	149,740	184,288	142,337	213,144
Total liabilities	75,673	99,410	75,814	127,767
Redeemable non-controlling interest	2,041	8,647	2,053	19,046
Convertible preferred shares	261,955	300,490	265,490	310,490
Additional paid-in capital	7,636	21,524	12,688	15,098
Accumulated deficit	(197,631)	(245,914)	(214,020)	(259,072)
Total shareholders' deficit	(189,969)	(224,259)	(201,020)	(244,159)

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

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
	(in thousands)			
Cost of revenues	$ 41	$ 201	$ 34	$ 177
Research and development	282	1,596	240	471
Sales and marketing	427	1,105	222	793
General and administrative	2,330	11,115	285	2,091
Total share-based compensation[a]	$ 3,080	$ 14,017	$ 781	$ 3,532

(a) Share-based compensation expenses for the years ended December 31, 2019 and 2020 and the three months ended March 31, 2020 includes $1.9 million, $8.5 million and $ 0.2 million, respectively, of compensation expenses related to secondary share purchase transactions as described in note 6 to our consolidated financial statements included elsewhere in this prospectus.

(2) Includes amortization of acquired intangibles as follows:

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
	(in thousands)			
Cost of revenues	$(297)	$(44)	$ (44)	$ —

(3) See note 9 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the method used to calculate our historical and pro forma basic and diluted net loss per share attributable to ordinary shareholders.

(4) We define working capital as total current assets minus total current liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read together with our consolidated financial statements and the related notes and other financial information included elsewhere in this prospectus. Some of the information contained in this discussion and analysis and set forth elsewhere in this prospectus, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks, uncertainties and assumptions that could cause actual results to differ materially from management's expectations. You should review the sections of this prospectus titled "Special Note Regarding Forward-Looking Statements" and "Risk Factors" for a discussion of the key risks, uncertainties and assumptions relating to our forward-looking statements and the important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis and elsewhere in this prospectus.

Overview

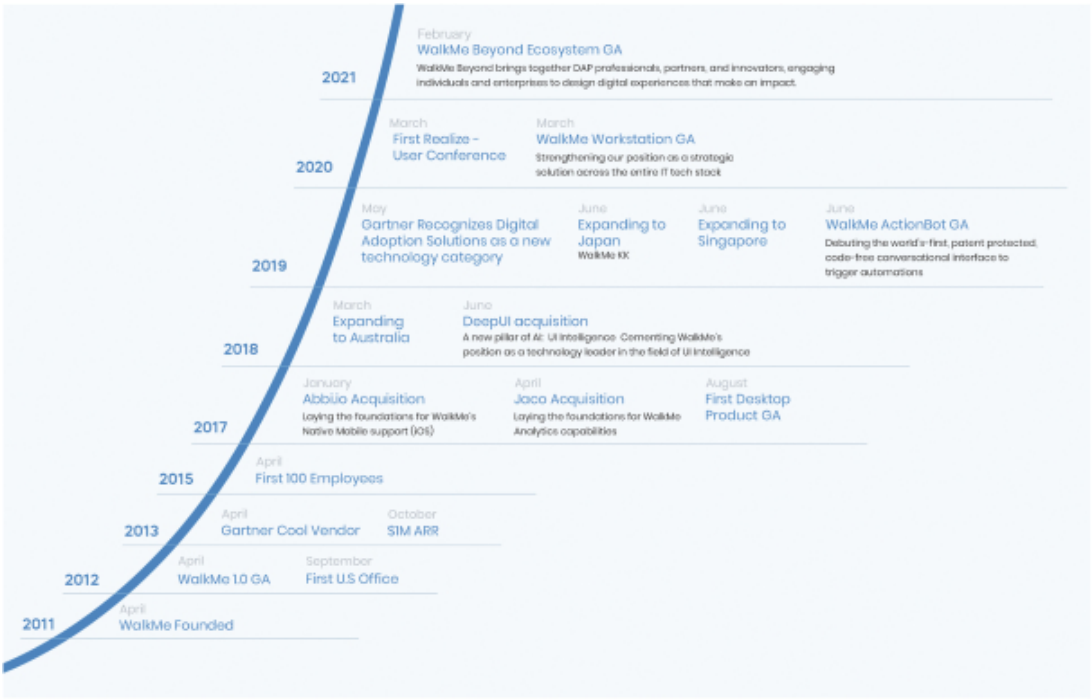
WalkMe is the defining solution enabling organizations to better realize the value of their software investments. Once overlaid, our platform provides immediate insights that enable a data-first approach to understand the gaps between user interactions and behavior with technology and an organization's business goals. With actionable insights, we then enable organizations to create and deliver elegant experiences that enable users to access the full functionality and value of the software, ensuring digital adoption, and ultimately fulfilling the promise of digital transformation.

Our success in helping customers achieve their digital transformation strategies has enabled us to achieve significant growth. In response to the COVID-19 pandemic, we implemented a short-term hiring freeze across our company, which limited our sales capacity and, together with the impact on spending across much of the global economy, led to longer sales cycles in the second quarter of 2020 and have impacted our recent results. For the years ended December 31, 2019 and 2020, our revenue was $105.1 million and $148.3 million, respectively, representing year-over-year growth of 41%. For the three months ended March 31, 2020 and 2021, our revenue was $34.2 million and $42.7 million, respectively, representing year-over-year growth of 25%. For the years ended December 31, 2019 and 2020, our net loss was $50.1 million and $45.0 million, respectively, our operating cash flow was ($48.5) million and ($8.7) million, respectively, and our free cash flow was ($53.0) million and ($11.0) million, respectively. For the three months ended March 31, 2020 and 2021, our net loss was $12.3 million and $13.4 million, respectively, our operating cash flow was ($7.4) million and ($2.9) million, respectively, and our free cash flow was ($8.2) million and ($4.1) million, respectively. See the section titled "Prospectus Summary—Summary Consolidated Financial and Other Data" for additional information regarding free cash flow, a measure that is not calculated under GAAP.

Key Company Milestones

WalkMe was founded in Israel in 2011 to make software easier to use and deploy. Since our inception, we have achieved a number of key milestones as we built our Digital Adoption Platform, along the way creating an entire new category of enterprise software.

Milestones



Our Business Model

We generate revenue by selling subscriptions to our cloud-based Digital Adoption Platform, as well as associated professional services. Our contracts are typically for a period of one to three years. We have seen a trend towards multi-year contracts as our customers deepen their investment in WalkMe as a strategic platform underlying their digital transformation strategies. We primarily bill our customers annually in advance. Subscription revenue comprised approximately 90% and 88% of our total revenue for 2019 and 2020, respectively, and approximately 87% and 90% of our total revenue for the three months ended March 31, 2020 and 2021.

We price our subscriptions based on the number of applications on which WalkMe is deployed, the number of users, and the breadth of the capabilities of our Digital Adoption Platform to which our customers choose to subscribe. Our customers often expand their subscriptions as they grow the number of users that engage with our Digital Adoption Platform, the number of applications on which WalkMe is deployed and the breadth of the capabilities to which they subscribe. When customers move to an enterprise-wide model, our pricing changes to a price per user for unlimited applications.

We have a diverse customer base consisting of organizations of various sizes across all major industries, and our largest customer accounted for less than 2.0% and 1.6% of our ARR in the years ended December 31, 2019 and 2020, respectively, and less than 2.5% and 3.3% of our ARR in the three months ended March 31, 2020 and 2021. Our go-to-market strategy is increasingly focused on enterprise customers within the Global 2000, as those customers have larger employee and customer bases, many with a greater need to transform digitally and a significant opportunity to benefit from the deployment of our Digital Adoption Platform as many of them have a need to accelerate their digital transformations. As of March 31, 2021, our customers included 155 of the Fortune 500 and 243 of the Global 2000, illustrating the applicability of our Digital Adoption Platform for some of the world's largest and most sophisticated enterprises, as well as our potential for future growth. In addition, as of March 31, 2021, we had 368 customers with ARR greater than $100,000, increasing from 284 as of March 31,

2020 and 193 as of March 31, 2019. These customers represented 71% of our ARR as of March 31, 2021, increasing from 63% as of March 31, 2020 and 54% as of March 31, 2019. Also, 5, 13 and 22 customers had ARR of $1,000,000 or more as of March 31, 2019, 2020 and 2021, respectively, which customers represented 9%, 16% and 22% of our ARR, respectively, as of such dates. Of our 155 Fortune 500 customers, 105 had ARR greater than $100,000 and 11 had ARR of $1,000,000 or more as of March 31, 2021. Furthermore, of our 243 Global 2000 customers, 135 had ARR greater than $100,000 and 11 had ARR of $1,000,000 or more as of March 31, 2021. Our revenue from customers outside of the United States represented approximately 29% of our total revenue in the years ended December 31, 2019 and 2020 and approximately 34% and 30% of our total revenue in the three months ended March 31, 2020 and 2021, respectively.

Key Factors Affecting Our Performance

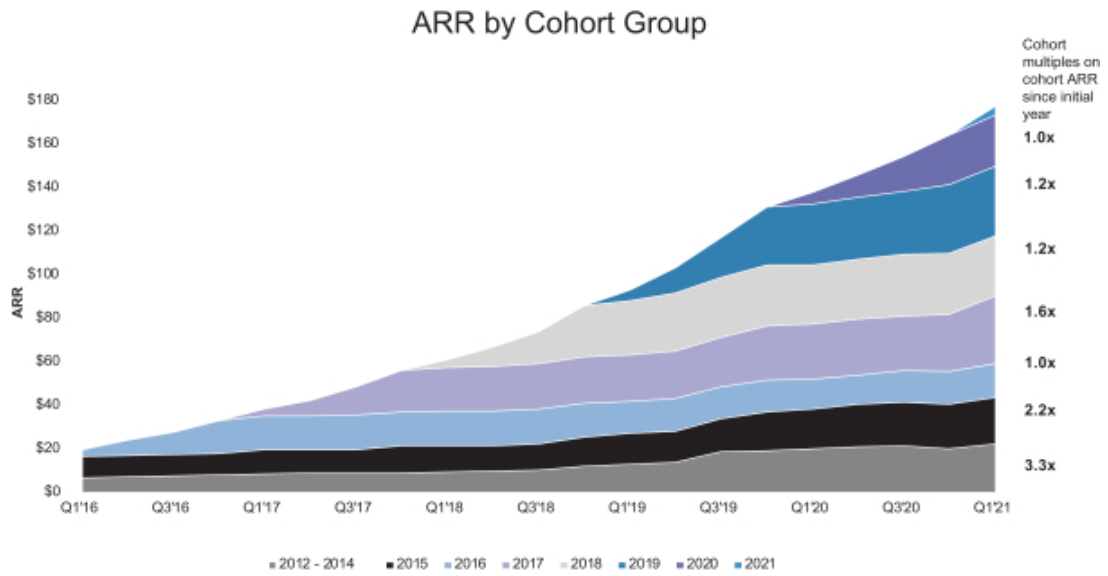
We believe that the growth and future success of our business depends on many factors. While each of these factors presents significant opportunities for our business, they also pose important challenges that we must successfully address in order to sustain our growth and improve our results of operations.

Customer Acquisition and Expansion

We are focused on continuing to acquire new customers to support our long-term growth and increasingly have optimized our customer acquisition efforts to target customers with greater than 500 employees that we believe can yield greater expansion opportunities over time as compared to less than 500 employee customer accounts. As of March 31, 2021 we had 1,984 total customers and 986 customers with 500 or more employees. As of March 31, 2020, June 30, 2020, September 30, 2020, and December 31, 2020, we had 1,936, 1,964, 1,966, and 1,997 total customers, respectively. Also, as of March 31, 2020, June 30, 2020, September 30, 2020, and December 31, 2020, we had 907, 920, 922, and 956 customers with 500 or more employees, respectively. As of March 31, 2019, June 30, 2019, September 30, 2019, and December 31, 2019, we had 1,705, 1,760, 1,859, and 1,945 total customers, respectively. Also, as of March 31, 2019, June 30, 2019, September 30, 2019, and December 31, 2019 we had 746, 792, 840, and 880 customers with 500 or more employees, respectively.

We define a customer as a distinct entity with an active subscription contract as of the measurement date. For new customers, we typically land in a specific geography or departmental use case such as HR, ERP or CRM. We then aim to grow within that customer's organization by expanding across other departments, use cases and geographies. For some customers, we offer enterprise-wide subscriptions that enable them to use our Digital Adoption Platform on any application and across any department or geography within their organization. We believe enterprise-wide subscription agreements such as this encourage our customers to consume more of our platform and ultimately can result in greater long-term value to us. We intend to continue to invest in our go-to-market strategy to address new customers and use cases across all industries and customer sizes. Our results will depend in part on the degree to which these efforts are successful.

The chart below illustrates the expansion we have historically experienced within our existing customer base over time by presenting the total ARR of each cohort over the periods presented, with each cohort representing customers who made their first purchase from us in a given fiscal year. For example, the 2018 cohort includes all customers that made their first purchase from us between January 1, 2018 and December 31, 2018. Our ARR from customers for the 2015 cohort, 2016 cohort, 2017 cohort, 2018 cohort, 2019, and 2020 cohort as of March 31, 2021 represented an increase over each cohort's initial aggregate ARR by 2.2x, 1.0x, 1.6x, 1.2x, 1.2x, and 1.0x, respectively. Our ARR from customers with 500 or more employees for the 2015 cohort, 2016 cohort, 2017 cohort, 2018 cohort, 2019, and 2020 cohort as of March 31, 2021 represented an increase over each cohort's initial aggregate ARR by 4.3x, 1.8x, 2.7x, 1.5x, 1.4x, and 1.1x, respectively. These ARR multiples reflect both decreases in customer contract values and customer cancellations that have occurred since the comparative ARR calculation date. We track ARR within each customer cohort because we believe it provides useful information to management and investors regarding our ability to retain and expand ARR from our existing customers over time, and for identifying trends in customer use cycles and gauging the success of our customer expansion efforts over the long-term, which assists us in planning for and managing the growth of our business.



Investing for Growth

Our investments for growth encompass multiple critical areas, including international growth, enterprise sales, and product expansion. We also intend to continue to expand our sales and go-to-market efforts in existing markets, increase our sales territories, and broaden our partner ecosystem. We also plan to continue our investment into research and development to extend our technology leadership, product functionality and grow the emerging Digital Adoption category.

We continue to evolve our technology to ensure that we are best serving our customers' needs. We believe this will lead to continued expansion within our current customers' organizations and increase sales to new customers. We continue to invest in research and development to drive product innovation and development.

Ecosystem Expansion

In February 2021, we launched WalkMe Beyond, our solution ecosystem which includes components such as Digital Adoption Platform professionals, a marketplace and community, product and technology integrations, open API, and a training institute. We have strong partnerships with strategic systems integrators such as Accenture, Cognizant, Deloitte, IBM and PwC, among others. We expect our partnerships to extend our sales reach and provide implementation leverage both in the United States and internationally. We intend to continue to invest in our partnership expansion and integration development efforts to build a healthy ecosystem that will contribute to the long-term growth and sustainability of our business.

Impact of COVID-19

In December 2019, COVID-19 was first reported in China; in January 2020, the WHO declared it a Public Health Emergency of International Concern; and in March 2020, the WHO declared it a pandemic. This contagious disease outbreak has continued to spread across the globe, impacting worldwide economic activity and financial markets.

In response to the COVID-19 pandemic, we took immediate action following global shelter-in-place orders to reduce our operating expenses while we monitored global economic conditions. As part of this response, we

enabled our entire workforce to work remotely and implemented travel restrictions. The changes we have implemented to date to enable remote working have not materially affected and are not expected to materially affect our ability to operate our business, including our financial reporting systems. The conditions caused by the pandemic also adversely affected, among other things, demand, new customer acquisitions and existing customer renewals, largely driven by changes in customer spending habits and IT budgets. In response to the pandemic, we implemented a short-term hiring freeze across our company, which limited our sales capacity and, together with the impact on spending across much of the global economy, led to longer sales cycles in the second quarter of 2020. As a result of our actions, our operating loss was less than expected.

Despite these initial headwinds, demand for our offerings accelerated in the second half of 2020 and we began reinvesting in our sales capacity and resumed hiring, the benefits of which we began to see in the fourth quarter of 2020 as new business growth returned to pre-pandemic levels. We attribute this recovery in part to the stabilization of the global economy, as well as to the rapid transition to remote work in the wake of COVID-19, which reinforced, in part, the value proposition of a digital adoption strategy for enterprises transitioning to remote work forces. While there can be no assurance that these trends will continue, we believe these factors show that long-term demand for our offerings remains strong.

Although we believe our business is well-suited to navigate the current environment, the full extent to which the COVID-19 pandemic will impact our business, financial condition and results of operations is still unknown and will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions to contain the virus or treat its impact, and how quickly and to what extent pre-COVID-19 economic and operating conditions resume. For additional information regarding the potential impact of the COVID-19 pandemic on our business, see “Risk Factors—Risks Related to Our Business and Industry—The ongoing COVID-19 pandemic could harm our business, financial condition and results of operations.”

Key Business and Financial Metrics

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

Annualized Recurring Revenue (“ARR”)

We use ARR as a measure of our revenue trend and as an indicator of our future revenue opportunity from existing customer contracts. We define ARR as the annualized value of customer subscription contracts as of the measurement date, assuming any contract that expires during the next 12 months is renewed on its existing terms (including contracts for which we are negotiating a renewal). Our calculation of ARR is not adjusted for the impact of any known or projected future events (such as customer cancellations, upgrades or downgrades, or price increases or decreases) that may cause any such contract not to be renewed on its existing terms. In addition, the amount of actual revenue that we recognize over any 12-month period is likely to differ from ARR at the beginning of that period, sometimes significantly. This may occur due to new bookings, cancellations, upgrades, downgrades or other changes in pending renewals, as well as the effects of professional services revenue and acquisitions or divestitures. As a result, ARR should be viewed independently of, and not as a substitute for or forecast of, revenue and deferred revenue. Our calculation of ARR may differ from similarly titled metrics presented by other companies. As of December 31, 2020, customers having 500 or more employees represented 83% of our ARR, compared to 80% of our ARR as of December 31, 2019. As of March 31, 2021, customers having 500 or more employees represented 86% of our ARR, compared to 81% of our ARR as of March 31, 2020.

	As of December 31,		As of March 31,	
	2019	2020	2020	2021
Annualized Recurring Revenue (millions)	$131.2	$164.3	$137.8	$177.5

Customers with ARR Greater than $100,000

We measure the number of customers with ARR greater than $100,000 ("$100,000+ Customers"). We believe our ability to increase these customers is an indicator of our market penetration, strategic demand for our Digital Adoption Platform, the growth of our business, and our potential future business opportunities. Our calculation of this metric may differ from similarly titled metrics presented by other companies.

	As of December 31,		As of March 31,	
	2019	2020	2020	2021
$100,000+ Customers	265	347	284	368

We also measure the number of customers within our $100,000+ Customers who have purchased enterprise-wide subscriptions or who have department-wide usage of our Digital Adoption Platform across four or more applications. We believe these customers are an indication of the success of our customer acquisition and expansion strategy and demonstrate the strategic demand for our Digital Adoption Platform, the growth of our business and our potential future business opportunities. Our calculation of this metric may differ from similarly titled metrics presented by other companies. As of December 31, 2019 and 2020, we had 38 and 77, respectively, of these customers, and as of March 31, 2020 and 2021, we had 44 and 88 of these customers. As of December 31, 2020, these customers represented 25% of our ARR, compared to 15% of our ARR as of December 31, 2019. As of March 31, 2021, these customers represented 32% of our ARR, compared to 15% of our ARR as of March 31, 2020. Additionally, as of March 31, 2021, these customers had an average ARR of $0.6 million, compared to $0.5 million as of March 31, 2020. Further, as of March 31, 2021, the customer with the greatest ARR had an ARR of $5.8 million, compared to $2.6 million as of March 31, 2020.

Dollar-Based Net Retention Rate

We use our Dollar-Based Net Retention Rate to measure our ability to retain and expand ARR from our existing customers on a trailing four-quarter basis. Our Dollar-Based Net Retention Rate compares the ARR from the same set of subscription customers across comparable periods. In each of the trailing four quarters, the set of customers identified from 12 months prior is compared to those same customers' subscription ARR in the respective quarter. ARR in the trailing four quarters includes customer renewals, expansion, contraction and churn. The calculation of our Dollar-Based Net Retention Rate in a particular quarter is obtained by averaging the result from that particular quarter with the corresponding results from each of the prior three quarters. Our calculation of Dollar-Based Net Retention Rate may differ from similarly titled metrics presented by other companies. Our dollar-based net retention rate for all customers for the years ended December 31, 2019 and 2020 was 113% and 112%, respectively, and for the three months ended March 31, 2020 and 2021 was 115% and 111%, respectively. Our dollar-based net retention rate for customers having 500 or more employees for the years ended December 31, 2019 and 2020 was 119% and 120%, respectively, and for the three months ended March 31, 2020 and 2021 was 121% and 118%, respectively.

	As of December 31,		As of March 31,	
	2019	2020	2020	2021
Dollar-Based Net Retention Rate (all customers)	113%	112%	115%	111%
Dollar Based Net Retention Rate (customers having 500 or more employees)	119%	120%	121%	118%

Remaining Performance Obligations

Our Remaining Performance Obligations represents future revenue from committed contracts that has not been recognized. This calculation includes deferred revenue and non-cancelable amounts that will be invoiced and recognized as revenue in future periods. Subscription contracts with termination for convenience and without any penalty are excluded. We expect to recognize 60% of our Remaining Performance Obligations as of

March 31, 2021 as revenue over the next twelve months, and the remainder thereafter, in each case, in accordance with our revenue recognition policy; however, we cannot guarantee that any portion of our Remaining Performance Obligations will be recognized as revenue within the timeframe we expect or at all.

	As of December 31,		As of March 31,	
	2019	2020	2020	2021
Remaining Performance Obligations (millions)	$175.5	$205.1	$174.3	$237.2

Non-GAAP Financial Measures

In addition to our financial results reported in accordance with GAAP, we believe that Free Cash Flow and Non-GAAP Operating Income (Loss), both of which are non-GAAP financial measures, are useful in evaluating the performance of our business.

Free Cash Flow

We define Free Cash Flow as net cash used in operating activities, less cash used for purchases of property and equipment and capitalized internal-use software costs. We believe that Free Cash Flow is a useful indicator of liquidity that provides information to management and investors, even if negative, about the amount of cash used in our business. Free Cash Flow has limitations as an analytical tool, may differ from similarly titled metrics presented by other companies, and should not be considered in isolation or as a substitute for analysis of net cash used in operating activities, the most directly comparable GAAP liquidity measure, or any other GAAP financial measures. Our Free Cash Flow may vary from period to period and be impacted as we continue to invest for growth in our business. The following table sets forth our net cash used in operating activities and our Free Cash Flow for each period presented. See “Prospectus Summary—Summary Consolidated Financial and Other Data” for additional information regarding how we use Free Cash Flow, its limitations, and a reconciliation of Free Cash Flow to net cash used in operating activities for each period presented below.

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
Net Cash Used in Operating Activities (millions)	$(48.5)	$ (8.7)	$ (7.4)	$ (2.9)
Free Cash Flow (millions)	$(53.0)	$(11.0)	$ (8.2)	$ (4.1)

Non-GAAP Operating Income (Loss)

We define Non-GAAP Operating Income (Loss) as net income (loss) from operations excluding share-based compensation and amortization of acquired intangible assets. We use Non-GAAP Operating Income (Loss) with traditional GAAP measures to evaluate our financial performance. We believe that Non-GAAP Operating Income (Loss) provides our management and investors with useful supplementary information by facilitating period-to-period comparisons of our results of operations. Non-GAAP Operating Income (Loss) has limitations as an analytical tool, may differ from similarly titled metrics presented by other companies, and should not be considered in isolation or as a substitute for analysis of operating loss, the most directly comparable GAAP financial performance measure, or any other GAAP financial measures. The following table sets forth our operating loss, as determined in accordance with GAAP, and our Non-GAAP Operating Loss for each period presented. See “Prospectus Summary —Summary Consolidated Financial and Other Data” for additional information regarding how we use Non-GAAP Operating Income (Loss), its limitations, and a reconciliation of Non-GAAP Operating Income (Loss) to operating loss for each period presented below.

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
Operating Loss (millions)	$(49.3)	$(43.2)	$ (11.2)	$ (13.0)
Non-GAAP Operating Loss (millions)	$(45.9)	$(29.1)	$ (10.4)	$ (9.5)

Components of Our Results of Operations

Revenue

Subscription Revenue

Subscription revenue primarily consists of subscription fees from our cloud-based Digital Adoption Platform. We recognize subscription revenue ratably over the subscription period, which typically varies from one to three years. Our customers are generally billed upfront, and amounts that have been billed are initially recorded as deferred revenue until recognized in accordance with our revenue recognition policy. Consequently, a portion of the revenue that we report in each period is attributable to the recognition of deferred revenue relating to subscriptions that we entered into during previous periods.

Professional Services Revenue

Professional services consist of services provided to our customers to help them maximize our platform capabilities in highly complex operational environments. Professional services are priced on a time and material basis and, accordingly, revenues are recognized as services are delivered.

Cost of Revenue and Gross Margin

Cost of Revenue

Cost of subscription revenue primarily consists of costs related to third-party cloud infrastructure providers for hosting our platform, employee-related costs for operations and global support (including salaries, benefits, bonuses and share-based compensation), and depreciation and amortization related to acquired intangibles and internal-use software. Cost of professional services revenue primarily consists of employee-related costs (such as salaries, bonuses and share-based compensation) and subcontractor costs associated with the delivery of these services. Additionally, we allocate certain overhead costs to each of these costs of revenue.

We intend to continue to invest additional resources in our platform and our customer support organization as we grow our business. The level and timing of investment in these areas will affect our cost of revenue in the future.

Gross Margin

Gross margin is gross profit expressed as a percentage of revenue. Our gross margin may fluctuate from period to period as a result of the timing and amount of investments to expand our hosting capacity, and our continued efforts to build platform support and professional services teams.

Operating Expenses

Research and Development

Research and development expenses consist primarily of employee-related costs (including salaries, benefits, bonuses and share-based compensation) and subcontractor costs associated with our engineering team responsible for the design, development, and testing of our products, the cost of development environments and tools, and allocated overhead. We expect that our research and development expenses will increase in absolute dollars as our business grows, particularly as we continue to invest in the development of our platform. We expect research and development expenses may fluctuate as a percentage of revenues from period to period due to the timing and extent of these expenses.

Sales and Marketing

Sales and marketing expenses primarily consist of employee-related costs (such as salaries, sales commissions, bonuses and share-based compensation expenses), costs associated with marketing programs to promote our brand and awareness, demand generating activities, customer events, other sales expenses and allocated overhead.

We expect sales and marketing expenses to increase in absolute dollars as we continue to make significant investments in our sales and marketing organizations to drive additional revenues, further penetrate our target markets, and expand our global customer base. As a percentage of revenues, we expect our sales and marketing expenses may fluctuate as a percentage of our revenue from period to period due to the timing and extent of these expenses.

General and Administrative

General and administrative expenses consist of employee-related costs (such as salaries, bonuses and share-based compensation) for executive, finance, legal, human resources, IT and other administrative personnel, professional services fees, consulting services and allocated overhead.

Following the completion of this offering, we expect to incur additional costs associated with operating as a public company, including costs of accounting, audit, legal, regulatory and tax-related services associated with maintaining compliance with SEC and stock exchange requirements, director and officer insurance costs, and investor and public relations costs. Accordingly, we expect general and administrative expenses to increase in absolute dollars for the foreseeable future. We expect general and administrative expenses may fluctuate as a percentage of our revenue from period to period due to the timing and extent of these expenses.

Finance Income (Expenses), Net

Finance income (expenses), net primarily consists of finance expenses such as bank fees, foreign exchange gains and losses and interest income earned on our cash investments.

Income Tax Expenses

Income tax expenses primarily consist of income taxes related to U.S. and other jurisdictions in which we conduct business. We maintain a full valuation allowance for net deferred tax assets as we believe that it is more likely than not that the deferred tax assets will not be realized. Our effective tax rate is affected by tax rates in the jurisdictions in which we conduct business and the relative amounts of income we earn in those jurisdictions, as well as non-deductible expenses and changes in our valuation allowance.

Results of Operations

The results of operations presented below should be reviewed in conjunction with our consolidated financial statements and related notes included elsewhere in this prospectus. The following table presents selected data from our audited consolidated statements of operations for the years ended December 31, 2019 and 2020 and our unaudited consolidated statements of operations for the three months ended March 31, 2020 and 2021:

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
	(in thousands)			
Revenues				
Subscription	$ 94,769	$ 130,303	$ 29,652	$ 38,474
Professional Services	10,360	18,003	4,569	4,180
Total revenue	105,129	148,306	34,221	42,654
Cost of revenues(1)(2)				
Subscription	11,947	19,141	4,187	5,689
Professional services	18,729	20,017	5,073	5,080
Total cost of revenue	30,676	39,158	9,260	10,769
Gross profit	74,453	109,148	24,961	31,885
Operating expenses(1)				
Research and development	26,639	31,560	7,613	10,422
Sales and marketing	75,004	87,208	23,291	25,135
General and administrative	22,095	33,541	5,306	9,373
Total operating expenses	123,738	152,309	36,210	44,930
Operating loss	(49,285)	(43,161)	(11,249)	(13,045)
Financial income (expenses), net	474	(156)	(559)	45
Loss before provision for income taxes	(48,811)	(43,317)	(11,808)	(13,000)
Income tax expense	(1,307)	(1,708)	(469)	(404)
Net loss	$ (50,118)	$ (45,025)	$ (12,277)	$ (13,404)

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

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
	(in thousands)			
Cost of revenues	$ 41	$ 201	$ 34	$ 177
Research and development	282	1,596	240	471
Sales and marketing	427	1,105	222	793
General and administrative	2,330	11,115	285	2,091
Total share-based compensation(a)	$ 3,080	$ 14,017	$ 781	$ 3,532

(a) Share-based compensation expenses for the years ended December 31, 2019 and 2020 and the three months ended March 31, 2020 includes $1.9 million, $8.5 million and $ 0.2 million, respectively, of compensation expenses related to secondary share purchase transactions as described in note 6 to our consolidated financial statements included elsewhere in this prospectus.

(2) Includes amortization of acquired intangibles as follows:

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
			(in thousands)	
Cost of revenues	$(297)	$(44)	$ (44)	$ —

The following table sets forth our results of operations as a percentage of total revenue for each period presented above.

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
Revenues				
Subscription	90%	88%	87%	90%
Professional Services	10%	12%	13%	10%
Total revenue	100%	100%	100%	100%
Cost of revenues				
Subscription	11%	13%	12%	13%
Professional services	18%	13%	15%	12%
Total cost of revenue	29%	26%	27%	25%
Gross profit	71%	74%	73%	75%
Operating expenses				
Research and development	25%	21%	22%	24%
Sales and marketing	71%	59%	68%	59%
General and administrative	21%	23%	16%	22%
Total operating expenses	117%	103%	106%	105%
Operating loss	(46)%	(29)%	(33)%	(31)%
Financial income (expenses), net	*	*	2%	*
Loss before provision for income taxes	(46)%	(29)%	(35)%	(31)%
Income tax expense	(1)%	(1)%	(1)%	(1)%
Net loss	(47)%	(30)%	(36)%	(32)%

* represents less than 1%

Comparison of the Three Months Ended March 31, 2020 and 2021

Revenue

	Three Months Ended March 31,		Period-over-Period Change	
	2020	2021	Dollar	Percentage
	(in thousands, except percentages)			
Subscription revenues	$29,652	$38,474	$8,822	30%
Professional services revenues	4,569	4,180	(389)	(9)
Total revenue	$34,221	$42,654	$8,433	25%

The following table presents our subscription revenues and professional services revenues as a percentage of our total revenue for each period presented above.

	Three Months Ended March 31,	
	2020	2021
Subscription revenues	87%	90%
Professional services revenues	13	10
Total revenue	100%	100%

Subscription Revenues

Subscription revenues increased by $8.8 million, or 30%, to $38.5 million for the three months ended March 31, 2021 compared to $29.7 million for the three months ended March 31, 2020. This increase was primarily due to customer additions as well as expansion from existing customers within and across lines of business.

Professional Services Revenues

Professional services revenues decreased by $0.4 million, or 9%, to $4.2 million for the three months ended March 31, 2021 compared to $4.6 million for the three months ended March 31, 2020. This decrease was primarily attributable to a decrease in the number of professional service hours performed during the quarter.

Cost of Revenues and Gross Margin

	Three Months Ended March 31,		Period-over-Period Change	
	2020	2021	Dollar	Percentage
	(in thousands, except percentages)			
Cost of revenues:				
Cost of subscription revenues	$4,187	$5,689	$1,502	36%
Cost of professional services revenues	5,073	5,080	7	*%
Total cost of revenues	$9,260	$10,769	$1,509	16%
Gross margin:				
Subscription	86%	85%		
Professional services	(11)	(22)		
Total gross margin	73%	75%		

* represents less than 1%

Cost of Subscription Revenues

Cost of subscription revenues increased by $1.5 million, or 36%, to $5.7 million for the three months ended March 31, 2021 compared to $4.2 million for the three months ended March 31, 2020. This increase was primarily attributable to an increase of $1.3 million in third-party cloud hosting costs and $0.4 million in employee-related costs as a result of increased headcount. These increases were partially offset by a $0.2 million decrease in amortization and depreciation expense.

Gross Margin—Subscription

Our gross margin for subscription revenue remained substantially consistent during the three months ended March 31, 2021, compared to the three months ended March 31, 2020. While our gross margins for subscription revenue may fluctuate in the near-term as we invest in our growth, we expect our subscription revenue gross margin to improve over the long-term as we achieve additional economies of scale.

Cost of Professional Services Revenues

Cost of professional services revenues remained substantially consistent during the three months ended March 31, 2021, compared to the three months ended March 31, 2020.

Gross Margin—Professional Services

Our gross margin for professional services revenue decreased primarily due to lower utilization of professional services personnel.

Operating Expenses

Research and Development

	Three Months Ended March 31,		Period-over-Period Change	
	2020	2021	Dollar	Percentage
	(in thousands, except percentages)			
Research and development	$7,613	$ 10,422	$2,809	37%

Research and development expenses increased by $2.8 million, or 37%, to $10.4 million for the three months ended March 31, 2021 compared to $7.6 million for the three months ended March 31, 2020. The increase was primarily attributable to an increase of $2.0 million in employee-related costs as a result of increased headcount, $0.2 million in share-based compensation expense and $0.6 million in subcontractors, professional fees and other expenses.

Sales and Marketing

	Three Months Ended March 31,		Period-over-Period Change	
	2020	2021	Dollar	Percentage
	(in thousands, except percentages)			
Sales and marketing	$23,291	$25,135	$1,844	8%

Sales and marketing expenses increased by $1.8 million, or 8%, to $25.1 million for the three months ended March 31, 2021 compared to $23.3 million for the three months ended March 31, 2020. The increase in sales and marketing expenses was primarily attributable to an increase of $7.5 million in employee-related costs as a result of increased headcount and variable compensation for our sales personnel and $0.6 million in share-based compensation expense. These increases were partially offset by a $3.8 million in deferred contract acquisition costs driven by an increase in total sales, $1.4 million decrease in online marketing activities due to performance improvements and processes optimization and $1.1 million decrease in travel costs driven largely by the COVID-19 pandemic.

General and Administrative

	Three Months Ended March 31,		Period-over-Period Change	
	2020	2021	Dollar	Percentage
	(in thousands, except percentages)			
General and administrative	$ 5,306	$ 9,373	$4,067	77%

General and administrative expenses increased by $4.1 million, or 77%, to $9.4 million for the three months ended March 31, 2021 compared to $5.3 million for the three months ended March 31, 2020. The increase was primarily attributable to an increase of $1.8 million in employee-related costs as a result of increased headcount, $1.8 million in share-based compensation expense and increase of $0.5 million in outsourcing and professional services.

Financial Income (Expense), Net

	Three Months Ended March 31,		Period-over-Period Change	
	2020	2021	Dollar	Percentage
	(in thousands, except percentages)			
Financial income (expense), net	$ (559)	$ 45	$ 604	108%

Financial income, net increased by approximately $0.6 million, or 108%, to $ 0.1 million of income for the three months ended March 31, 2021 compared to $(0.5) million of expense for the three months ended March 31, 2020. This increase was primarily attributable to an increase in foreign currency exchange rates income.

Income Tax Expenses

	Three Months Ended March 31,		Period-over-Period Change	
	2020	2021	Dollar	Percentage
	(in thousands, except percentages)			
Income tax expenses	$ 469	$ 404	$ (65)	(14)%

Income tax expenses decreased by $0.1 million, or 14%, to $0.4 million for the three months ended March 31, 2021 compared to $0.5 million for the three months ended March 31, 2020. The decrease in provision for income taxes was primarily due to a decrease in taxable income from our operations in the United States.

Comparison of the Years Ended December 31, 2019 and 2020

Revenue

	Year Ended December 31,		Period-over-Period Change	
	2019	2020	Dollar	Percentage
	(in thousands, except percentages)			
Subscription revenues	$ 94,769	$130,303	$35,534	37%
Professional services revenues	10,360	18,003	7,643	74
Total revenue	$105,129	$148,306	$43,177	41%

The following table presents our subscription revenues and professional services revenues as a percentage of our total revenue for each period presented above.

	Year Ended December 31,	
	2019	2020
Subscription revenues	90%	88%
Professional services revenues	10	12
Total revenue	100%	100%

Subscription Revenues

Subscription revenues increased by $35.5 million, or 37%, to $130.3 million for the year ended December 31, 2020 compared to $94.8 million for the year ended December 31, 2019. This increase was primarily due to expansion from existing customers within and across lines of business, as well as new customer additions. Approximately 59% of the increase in revenue was attributable to the growth from existing customers, and the remaining increase in revenue was attributable to new customers.

Professional Services Revenues

Professional services revenues increased by $7.6 million, or 74%, to $18.0 million for the year ended December 31, 2020 compared to $10.4 million for the year ended December 31, 2019. This increase was primarily attributable to an increase in the number of professional service hours performed as we expanded our professional services organization to help our customers further realize the benefits of our platform.

Cost of Revenues and Gross Margin

	Year Ended December 31,		Period-over-Period Change	
	2019	2020	Dollar	Percentage
	(in thousands, except percentages)			
Cost of revenues:				
Cost of subscription revenues	$11,947	$19,141	$7,194	60%
Cost of professional services revenues	18,729	20,017	1,288	7%
Total cost of revenues	$30,676	$39,158	$8,482	28%
Gross margin:				
Subscription	87%	85%		
Professional services	(81)	(11)		
Total gross margin	71%	74%		

Cost of Subscription Revenues

Cost of subscription revenues increased by $7.2 million, or 60%, to $19.1 million for the year ended December 31, 2020 compared to $11.9 million for the year ended December 31, 2019. This increase was primarily attributable to an increase of $3.7 million in third-party cloud hosting costs, $1.5 million in employee-related costs as a result of increased headcount, $1.2 million in amortization and depreciation expense, and $0.8 million allocated overhead and other costs.

Gross Margin—Subscription

Our gross margin for subscription revenue remained substantially consistent during the year ended December 31, 2020, compared to the year ended December 31, 2019. While our gross margins for subscription revenue may fluctuate in the near-term as we invest in our growth, we expect our subscription revenue gross margin to improve over the long-term as we achieve additional economies of scale.

Cost of Professional Services Revenues

Cost of professional services revenues increased by $1.3 million, or 7%, to $20.0 million for the year ended December 31, 2020 compared to $18.7 million for the year ended December 31, 2019. This increase was primarily attributable to an increase of $0.9 million in employee-related costs as a result of increased headcount and $0.4 million in allocated overhead costs.

Gross Margin—Professional Services

Our gross margin for professional services revenue increased primarily due to higher utilization of professional services personnel.

Operating Expenses

Research and Development

	Year Ended December 31,		Period-over-Period Change	
	2019	2020	Dollar	Percentage
	(in thousands, except percentages)			
Research and development	$26,639	$31,560	$4,921	18%

Research and development expenses increased by $4.9 million, or 18%, to $31.6 million for the year ended December 31, 2020 compared to $26.6 million for the year ended December 31, 2019. The increase was primarily attributable to an increase of $3.0 million in employee-related costs as a result of increased headcount, $1.3 million in share-based compensation expense and $0.6 million in subcontractors, professional fees and other expenses.

Sales and Marketing

	Year Ended December 31,		Period-over-Period Change	
	2019	2020	Dollar	Percentage
	(in thousands, except percentages)			
Sales and marketing	$75,004	$87,208	$12,204	16%

Sales and marketing expenses increased by $12.2 million, or 16%, to $87.2 million for the year ended December 31, 2020 compared to $75.0 million for the year ended December 31, 2019. The increase in sales and marketing expenses was primarily attributable to an increase of $9.5 million in employee-related costs as a result of increased headcount and variable compensation for our sales personnel, $2.8 million in deferred contract acquisition costs driven by an increase in total sales, $0.5 million in allocated overhead costs, and $0.7 million in share-based compensation expense. These increases were partially offset by a $1.3 million decrease in online marketing activities due to performance improvements and processes optimization.

General and Administrative

	Year Ended December 31,		Period-over-Period Change	
	2019	2020	Dollar	Percentage
	(in thousands, except percentages)			
General and administrative	$22,095	$33,541	$11,446	52%

General and administrative expenses increased by $11.4 million, or 52%, to $33.5 million for the year ended December 31, 2020 compared to $22.1 million for the year ended December 31, 2019. The increase was primarily attributable to an increase of $8.8 million in share-based compensation expense and $1.6 million in employee-related costs as a result of increased headcount, partially offset by a $0.6 million decrease in travel and personnel-related costs due to COVID-19. General and administrative expenses for the year ended December 31, 2019 were reduced by $1.6 million following a legal settlement. For additional information, please refer to note 5 to the consolidated financial statements included elsewhere in this prospectus.

Financial Income (Expense), Net

	Year Ended December 31,		Period-over-Period Change	
	2019	2020	Dollar	Percentage
	(in thousands, except percentages)			
Financial income (expense), net	$474	$(156)	$(630)	(133)%

Financial expense, net increased by approximately $0.6 million, or 133%, to $(0.2) million of expense for the year ended December 31, 2020 compared to $0.5 million of income for the year ended December 31, 2019. This increase was primarily attributable to an increase in foreign currency exchange rates expenses and bank fees, partially offset by an increase in interest income.

Income Tax Expenses

	Year Ended December 31,		Period-over-Period Change	
	2019	2020	Dollar	Percentage
	(in thousands, except percentages)			
Income tax expenses	$1,307	$1,708	$ 401	31%

Income tax expenses increased by $0.4 million, or 31%, to $1.7 million for the year ended December 31, 2020 compared to $1.3 million for the year ended December 31, 2019. The increase in income tax expenses was primarily due to an increase in tax on our operations in the United States.

Quarterly Results of Operations

The following tables set forth our unaudited quarterly consolidated statements of operations and other data for each of the quarters indicated, as well as the percentage that each line item in such consolidated statements of operations represents of our total revenue for each quarter presented. The unaudited quarterly consolidated statements of operations data for each quarter has been prepared on a basis consistent with our audited consolidated financial statements included in this prospectus, and reflects, in the opinion of management, all adjustments, consisting only of normal, recurring adjustments, that are necessary for a fair statement of this financial information. Our historical results are not necessarily indicative of the results that may be expected in the future. The following quarterly financial and other data should be read in conjunction with the other information set forth under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the information set forth in our consolidated financial statements and the related notes thereto included elsewhere in this prospectus. Our results for any quarter are not necessarily indicative of results that may be expected for a full year or any other period.

	Three Months Ended							
	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
	(in thousands)							
Revenues								
Subscription	$ 22,081	$ 24,874	$ 27,574	$ 29,652	$32,112	$ 33,634	$ 34,905	$ 38,474
Professional services	2,707	3,068	2,857	4,569	4,409	5,022	4,003	4,180
Total revenue	24,788	27,942	30,431	34,221	36,521	38,656	38,908	42,654
Cost of revenues								
Subscription(1)(2)	2,658	3,315	3,937	4,187	4,220	5,226	5,508	5,689
Professional services(1)	4,649	5,248	4,804	5,073	4,724	5,144	5,076	5,080
Total cost of revenue	7,307	8,563	8,741	9,260	8,944	10,370	10,584	10,769
Gross profit	17,481	19,379	21,690	24,961	27,577	28,286	28,324	31,885
Operating expenses								
Research and development (1)	6,807	6,847	6,751	7,613	6,781	7,579	9,587	10,422
Sales and marketing (1)	17,188	20,221	21,737	23,291	19,547	21,508	22,862	25,135
General and administrative (1)	5,550	5,472	4,684	5,306	4,764	12,103	11,368	9,373
Total operating expenses	29,545	32,540	33,172	36,210	31,092	41,190	43,817	44,930
Operating loss	(12,064)	(13,161)	(11,482)	(11,249)	(3,515)	(12,904)	(15,493)	(13,045)
Finance income (expenses), net	150	78	189	(559)	115	169	119	45
Loss before provision for income taxes	(11,914)	(13,083)	(11,293)	(11,808)	(3,400)	(12,735)	(15,374)	(13,000)
Income tax expenses	(314)	(344)	(370)	(469)	(136)	(511)	(592)	(404)
Net loss	$(12,228)	$ (13,427)	$ (11,663)	$ (12,277)	$ (3,536)	$ (13,246)	$ (15,966)	$ (13,404)

	Three Months Ended							
	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
	(in thousands)							
Selected Other Data:								
Annualized Recurring Revenue(3)	$103,387	$ 117,255	$ 131,225	$ 137,782	$146,133	$ 154,407	$ 164,343	$ 177,517

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

	Three Months Ended							
	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
	(in thousands)							
Cost of revenues	$ 13	$ 12	$ 12	$ 34	$ 43	$ 53	$ 71	$ 177
Research and development	91	76	65	240	103	116	1,137	471
Sales and marketing	117	111	106	222	206	249	428	793
General and administrative	89	85	140	285	265	6,178	4,387	2,091
Total share-based compensation	$ 310	$ 284	$ 323	$ 781	$ 617	$ 6,596	$ 6,023	$ 3,532

(2) Includes amortization of acquired intangibles expenses as follows:

	Three Months Ended							
	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
	(in thousands)							
Cost of revenues	$ 74	$ 74	$ 75	$ 44	$ —	$ —	$ —	$ —

(3) We use Annualized Recurring Revenue ("ARR") as a measure of our revenue trend and as an indicator of our future revenue opportunity from existing customer contracts. We define ARR as the annualized value of customer subscription contracts as of the measurement date, assuming any contract that expires during the next 12 months is renewed on its existing terms (including contracts for which we are negotiating a renewal). See "—Key Business and Financial Metrics—Annualized Recurring Revenue" for additional information on how we define and use this metric. Customers having 500 or more employees represented 77%, 78% and 80% of our ARR as of June 30, September 30 and December 31, 2019, respectively; 81%, 82%, 83% and 83% of our ARR as of March 31, June 30, September 30 and December 31, 2020, respectively; and 86% of our ARR as of March 31, 2021. Customers with ARR greater than $100,000 and who have purchased enterprise-wide subscriptions or who have department-wide usage of our Digital Adoption Platform across four or more applications had ARR of $13.2 million, $16.8 million and $19.2 million as of June 30, September 30 and December 31, 2019, respectively; $20.9 million, $28.0 million, $32.2 million and $41.8 million as of March 31, June 30, September 30 and December 31, 2020, respectively; and $55.9 million as of March 31, 2021.

The following table sets forth our results of operations as a percentage of total revenue for each period presented above.

	Three Months Ended							
	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
Revenues								
Subscription	89%	89%	91%	87%	88%	87%	90%	90%
Professional services	11	11	9	13	12	13	10	10%
Total revenue	100	100	100	100	100	100	100	100%
Cost of revenues								
Subscription	11	12	13	12	12	14	14	13%
Professional services	19	19	16	15	13	13	13	12%
Total cost of revenue	29	31	29	27	24	27	27	25%
Gross profit	71	69	71	73	76	73	73	75%
Operating expenses	—	—	—	—	—	—	—	
Research and development	27	25	22	22	19	20	25	24%
Sales and marketing	69	72	71	68	54	56	59	59%
General and administrative	22	20	15	16	13	31	29	22%
Total operating expenses	119	116	109	106	85	107	113	105%
Operating loss	(49)	(47)	(38)	(33)	(10)	(33)	(40)	(31)%
Finance income (expenses), net	1	*	1	(2)	*	*	*	*
Loss before provision for income taxes	(48)	(47)	(37)	(35)	(9)	(33)	(40)	(31)%
Income tax expenses	(1)	(1)	(1)	(1)	*	(1)	(2)	(1)%
Net loss	(49)%	(48)%	(38)%	(36)%	(10)%	(34)%	(41)%	(32)%

* represents less than 1%

Quarterly Revenue Trends

Our quarterly revenue increased sequentially in each of the periods presented, primarily due to expansion within existing customers as well as increases in revenues from new customers. We have typically acquired more new customers in the fourth quarter of our fiscal year, though this seasonality is sometimes not immediately apparent in our revenue due to the fact that we recognize subscription revenue over the term of the contract.

Quarterly Cost of Revenue and Gross Margin Trends

Our quarterly gross margin has generally fluctuated during the periods presented above, primarily as result of fluctuations in the gross margin of our professional services.

Quarterly Operating Expense Trends

Total operating expenses generally increased sequentially during the periods presented, primarily due to the addition of personnel in connection with the expansion of our business, investment in our sales capacity, our research and development and our infrastructure. The decrease in operating expenses for the three months ended June 30, 2020 was primarily due to our response to the COVID-19 pandemic, as further discussed elsewhere in this section under “—Impact of COVID-19.”

Liquidity and Capital Resources

Overview

We have financed operations to date primarily through our operating cash flows and the net proceeds we have received from sales of equity securities. Our primary requirements for liquidity and capital are to finance working capital, capital expenditures and general corporate purposes. As of March 31, 2021, our principal sources of liquidity were cash and cash equivalents of $68.5 million and short-term bank deposits of $43.3 million.

We believe that our existing cash and cash equivalents and short-term bank deposits, together with cash flow from operations and net proceeds from sales of committed equity securities, will be sufficient to support our liquidity and capital requirements for at least the next 12 months. Our future capital requirements will depend on many factors, including our revenue growth, the timing and extent of investments to support such growth, the expansion of sales and marketing activities, increases in general and administrative costs and many other factors, including those described elsewhere in this section under "—Key Factors Affecting Our Performance" and elsewhere in this prospectus under "Risk Factors." We may, in the future, enter into arrangements to acquire or invest in complementary technologies, solutions or businesses. We may be required to seek additional equity or debt financing. In the event we require additional financing, we may not be able to raise such financing on terms acceptable to us or at all. In particular, the widespread COVID-19 pandemic has resulted in, and may continue to result in, significant disruption of global financial markets, which may reduce our ability to access capital. If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in continued innovation, we may not be able to compete successfully, which would adversely affect our business, financial condition and results of operations.

Cash Flows

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

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
	(in thousands)			
Net cash (used in) operating activities	$(48,544)	$ (8,653)	$ (7,428)	$ (2,882)
Net cash (used in) provided by investing activities	3,522	(45,729)	(723)	(1,199)
Net cash provided by financing activities	84,849	41,614	3,678	10,671
Effect of foreign currency exchange rate changes on cash, cash equivalents, and restricted cash	51	248	(26)	(455)
Net increase in cash, cash equivalents and restricted cash	39,878	(12,520)	(4,499)	6,135
Cash, cash equivalents and restricted cash at beginning of year	35,537	75,415	75,415	62,895
Cash, cash equivalents and restricted cash at end of the period	$ 75,415	$ 62,895	$70,916	$69,030

Operating Activities

Our largest source of operating cash is cash collection from sales of subscriptions to our customers. Our primary uses of cash from operating activities are for employee-related expenses, marketing expenses, hosting expenses and allocated overhead expenses. We have generated negative cash flows and have supplemented working capital requirements through net proceeds from the sale of equity securities.

Cash used in operating activities for the three months ended March 31, 2020 of $7.4 million was primarily related to our net loss of $12.3 million, adjusted for non-cash charges of $2.0 million and net cash outflows of approximately $2.8 million provided by changes in our operating assets and liabilities. Non-cash charges primarily consisted of share-based compensation, depreciation and amortization of property and equipment,

amortization of capitalized software and amortization of acquired intangibles. The main drivers of the changes in operating assets and liabilities were related to a $5.1 million decrease in trade receivables, net and a $1.4 million increase in accrued expenses and other liabilities. These amounts were partially offset by a $2.6 million decrease in employees and payroll accruals and $2.5 million decrease in prepaid expenses and other assets.

Cash used in operating activities for the three months ended March 31, 2021 of $2.9 million was primarily related to our net loss of $13.4 million, adjusted for non-cash charges of $4.5 million and net cash outflows of approximately $6.0 million provided by changes in our operating assets and liabilities. Non-cash charges primarily consisted of share-based compensation, depreciation and amortization of property and equipment and amortization of capitalized software. The main drivers of the changes in operating assets and liabilities were related to a $13.8 million increase in trade receivables, net and a $7.0 million increase in prepaid expenses and other assets. These amounts were partially offset by a $21.1 million increase in deferred revenues and a $4.3 increase in employees and payroll accruals.

Cash used in operating activities for the year ended December 31, 2019 of $48.5 million was primarily related to our net loss of $50.1 million, adjusted for non-cash charges of $6.6 million and net cash outflows of approximately $5.0 million provided by changes in our operating assets and liabilities. Non-cash charges primarily consisted of share-based compensation, depreciation and amortization of property and equipment, amortization of capitalized software and amortization of acquired intangibles. The main drivers of the changes in operating assets and liabilities were related to a $14.3 million increase in trade receivables, net, due to increases in sales, a $13.9 million increase in prepaid expenses and other assets due to an increase in deferred contract acquisition costs, and a $2.0 million decrease in accrued expenses and other liabilities. These amounts were partially offset by a $20.1 million increase in deferred revenues, mainly due to increased billing, and a $4.4 million increase in employee-related accruals, mainly due to higher commission payments.

Cash used in operating activities for the year ended December 31, 2020 of $8.7 million was primarily related to our net loss of $45.0 million, adjusted for non-cash charges of $18.7 million and net cash inflows of approximately $17.6 million provided by changes in our operating assets and liabilities. Non-cash charges primarily consisted of share-based compensation, depreciation and amortization of property and equipment, amortization of capitalized software and amortization of acquired intangibles. The main drivers of the changes in operating assets and liabilities were related to a $6.1 million increase in accrued expenses and other liabilities, mainly due to an increase in rent related accruals, a $5.2 million increase in deferred revenues, mainly due to increased billing, and a $5.0 million increase in employee-related accruals due to higher commission payments and deferral of payroll taxes.

Investing Activities

Cash used in investing activities of $0.7 million for the three months ended March 31, 2020 was related to capital expenditures of $0.4 million and capitalization of software development costs of $0.3 million.

Cash used in investing activities of $1.2 million for the three months ended March 31, 2021 was related to capital expenditures of $0.5 million and capitalization of software development costs of $0.7 million.

Cash provided by investing activities of $3.5 million for the year ended December 31, 2019 was related to net proceeds from short-term investments of $8.0 million, capital expenditures of $2.5 million and capitalization of software development costs of $2.0 million.

Cash used in investing activities of $45.7 million for the year ended December 31, 2020 was related to net investment in short-term investments of $43.4 million, capital expenditures of $0.8 million and capitalization of software development costs of $1.5 million.

Financing Activities

Cash provided by financing activities of $3.7 million for the three months ended March 31, 2020 was primarily related to 3.5 million in proceeds from equity financing and $0.2 million of proceeds from the exercise of share options.

Cash provided by financing activities of $10.7 million for the three months ended March 31, 2021 was primarily related to 10.0 million in proceeds from equity financing and $0.7 million of proceeds from the exercise of share options.

Cash provided by financing activities of $84.8 million for the year ended December 31, 2019 was primarily related to $82.1 million in proceeds from equity financings, net of issuance costs, as well as $2.2 million in proceeds from the non-controlling interest of our Japan joint venture and $0.5 million of proceeds from the exercise of share options.

Cash provided by financing activities of $41.6 million for the year ended December 31, 2020 was primarily related to $38.5 million in proceeds from equity financings, net of issuance costs, as well as $2.3 million in proceeds from the non-controlling interest of our Japan joint venture and $0.8 million of proceeds from the exercise of share options.

Commitments and Contractual Obligations

The following table summarizes our non-cancellable contractual obligations as of December 31, 2020:

	Less than 1 year	1 to 3 years	3 to 5 years	Total
		(in thousands)		
Operating lease obligations	$ 5,612	$ 10,098	$ 3,220	$ 18,930
Purchase obligations, including hosting services	5,695	17,714	—	23,409
Total	$ 11,307	$ 27,812	$ 3,220	$ 42,339

The contractual commitment amounts in the table above are associated with agreements that are enforceable and legally binding. Obligations under contracts that we can cancel without a significant penalty are not included in the table above. For additional information, please refer to note 5 to the consolidated financial statements included elsewhere in this prospectus.

In addition to the obligations described above, our subscription agreements contain standard indemnification obligations. Pursuant to these agreements, we will indemnify, defend, and hold the other party harmless with respect to a claim, suit, or proceeding brought against the other party by a third party alleging that our intellectual property infringes upon the intellectual property of the third party, or results from a breach of our representations and warranties or covenants, or that results from any acts of negligence or willful misconduct. The term of these indemnification agreements is generally perpetual any time after the execution of the agreement. Typically, these indemnification provisions do not provide for a maximum potential amount of future payments we could be required to make. However, in the past we have not been obligated to make significant payments for these obligations and no liabilities have been recorded for these obligations on our consolidated balance sheet as of December 31, 2019 or 2020 or March 31, 2021.

We also indemnify our officers and directors for certain events or occurrences, subject to certain limits, while the officer is or was serving at our request in such capacity. The maximum amount of potential future indemnification is unlimited. However, our director and officer insurance policy limits our exposure and enables us to recover a portion of any future amounts paid. Historically, we have not been obligated to make any payments for these obligations and no liabilities have been recorded for these obligations on our consolidated balance sheet as of December 31, 2019 or 2020 or March 31, 2021.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet financing arrangements or any relationships with unconsolidated entities or financial partnerships, including entities sometimes referred to as structured finance or special purpose entities, that were established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

WalkMe K.K.

During the year ended December 31, 2018, we established WalkMe K.K., a Japanese company in which we own a controlling interest, for purposes of facilitating our entry into the Japanese market. We have consolidated the results of operations and financial condition of WalkMe K.K. since its inception. Pursuant to an agreement with the holders of the non-controlling interest in WalkMe K.K., beginning in 2027 we may redeem the non-controlling interest, or be required to redeem such interest by the holders thereof, based on a prescribed formula derived from the relative revenues of WalkMe K.K. and the Company. The balance of the redeemable non-controlling interest is reported on our balance sheet below total liabilities but above shareholders' deficit at the greater of the initial carrying amount adjusted for the redeemable non-controlling interest's share of earnings or losses and other comprehensive income or loss, or its estimated redemption value. As of December 31, 2019 and 2020 and March 31, 2021, the redeemable non-controlling interest of non-controlling interests in WalkMe K.K. amounted to $2.0 million, $8.6 million and $19.0 million, respectively.

Qualitative and Quantitative Disclosures about Market Risk

Interest Rate Risk

As of March 31, 2021, we had $115.4 million of cash and cash equivalents and bank deposits. Interest-earning instruments carry a degree of interest rate risk. However, our historical interest income has not fluctuated significantly. A hypothetical 10% change in interest rates would not have had a material impact on our financial results for the years ended December 30, 2019 and 2020 or the three months ended March 31, 2021. We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure.

Foreign Currency Exchange Risk

Our reporting currency and the functional currency of our non-U.S. subsidiaries is U.S. dollar, with the exception of Walkme K.K our Japanese subsidiary, for which the Japanese Yen is the functional currency. The majority of our revenues were denominated in U.S. dollars and the remainder in other currencies. However, a significant portion of our operating costs in Israel, consisting principally of salaries and employee-related costs, and operating lease and facility expenses are denominated in NIS. This foreign currency exposure gives rise to market risk associated with exchange rate movements of the U.S. dollar against the NIS.

To reduce the impact of foreign currency exchange risks associated with forecasted future cash flows and certain existing assets and liabilities and the volatility in our consolidated statements of operations, we have established a hedging policy. Currently, our hedging activity relates to U.S. dollar/NIS exchange rate exposure. We do not enter into derivative instruments for trading or speculative purposes. We account for our derivative instruments as either assets or liabilities and carry them at fair value in the consolidated balance sheets. The accounting for changes in the fair value of the derivative depends on the intended use of the derivative and the resulting designation. Our hedging activities reduce but do not eliminate the impact of currency exchange rate movements.

A decrease of 10% in the U.S. dollar/NIS exchange rate would have increased our cost of revenue and operating expenses by 3.1%, 4.1% and 2.75% for the years ended December 31, 2019 and 2020 and the three months ended March 31, 2021, respectively. If the NIS fluctuates significantly against the U.S. dollar, it may have a negative impact on our results of operations.

Critical Accounting Policies

Our consolidated financial statements and the related notes thereto included elsewhere in this prospectus are prepared in accordance with GAAP. The preparation of consolidated financial statements in accordance with GAAP requires us to make estimates, judgments and assumptions that affect the amounts reported in our consolidated financial statements and the related disclosures. Our management believes that the estimates, judgment and assumptions used are reasonable based upon information available at the time they are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the dates set forth in the consolidated financial statements, and the reported amounts of revenue and expenses during the applicable reporting periods. Actual results could differ from those estimates.

We believe that the accounting policies described below require management's most difficult, subjective or complex judgments. Judgments or uncertainties affecting the application of these policies may result in materially different amounts being reported under different conditions or using different assumptions. Accordingly, we believe these are the most critical to aid in fully understanding and evaluating our financial condition and results of operations. See note 2 to the consolidated financial statements included elsewhere in this prospectus for additional information regarding these and our other significant accounting policies.

Revenue Recognition

We generate revenue primarily from sales of subscriptions to access our Digital Adoption Platform, together with related services to our customers. Arrangements with customers do not provide the customer with the right to take possession of the software operating our platform at any time. Instead, customers are granted continuous access to our platform over the contractual period. Revenue is recognized when control of these services is transferred to our customers, which is based on the customer's usage of the product and reflects the consideration we expect to receive in exchange for those services. Revenue excludes sales and other indirect taxes.

Effective February 1, 2018, we elected to early adopt Accounting Standards Codification 606, Revenue from Contracts with Customers, or ASC 606, on a modified retrospective basis. Our revenue recognition policies require us to make significant judgments and estimates.

We account for revenue contracts with customers through the following steps:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract; and
- recognize revenue when or as, we satisfy a performance obligation.

Our contracts with customers often include promises to transfer multiple performance obligations. In these contracts, we identify each performance obligation and evaluate whether the performance obligations are distinct within the context of the contract at contract inception. Performance obligations that are not distinct at contract inception are combined.

We allocate the transaction price to each distinct performance obligation based on the stand-alone selling price for each performance obligation. Judgment is required to determine the stand-alone selling price for each distinct performance obligation. We generally estimate the stand-alone selling price of our subscription and professional services based on the actual renewal prices in stand-alone transactions.

Cost to Obtain a Contract

We capitalize sales commissions and associated payroll taxes paid to sales personnel that are incremental to the acquisition of customer contracts. These costs are recorded as deferred contract acquisition costs on the consolidated balance sheets. We determine whether costs should be deferred based on our sales compensation plans and if the commissions are incremental and would not have occurred absent the customer contract.

Sales commissions for the renewal of a contract are not considered commensurate with the sales commissions paid for the acquisition of the initial contract given a substantive difference in commission rates in proportion to their respective contract values. Sales commissions paid for the renewal of a contract to sales personnel are amortized over the contractual term of the renewals. Sales commissions paid upon the initial acquisition of a customer contract for sales personnel are amortized over a period of four years. We determine the period of benefit for sales commissions paid for the acquisition of the initial customer contract by taking into consideration the length of terms in its customer contracts, life of the technology and other factors.

Amortization of sales commissions are included in sales and marketing expense in the consolidated statements of operations. We have applied the practical expedient in ASC 606 to expense costs as incurred for costs to obtain a contract with a customer when the amortization period would have been one year or less. We periodically review these deferred contract acquisition costs to determine whether events or changes in circumstances have occurred that could impact the period of benefit.

Share-Based Compensation

Share-based compensation expense related to employees, consultants, and non-employee directors is measured based on the grant-date fair value of the awards. We establish fair value as the measurement objective in accounting for share-based payment transactions and recognize expenses on a straight-line basis over the requisite service period, which is generally the vesting term of four years. The fair value of each award is estimated on the grant date using the Black-Scholes option-pricing model.

Determining the fair value of share-based awards at the grant date requires significant judgement. The determination of the grant date fair value of share-based awards using the Black-Scholes option-pricing model is affected by our estimated common share fair value as well as other subjective assumptions including the expected term of the awards, the expected volatility over the expected term of the awards, expected dividend yield and risk-free interest rates. The assumptions used in our option-pricing model represent management's best estimates. These assumptions and estimates are as follows:

- Fair Value of Ordinary Shares. As our ordinary shares are not publicly traded, we estimate the fair value of our ordinary shares based on contemporaneous valuations and other factors deemed relevant by management.
- Expected Term. The expected term of the share options reflects the period for which we believe the option will remain outstanding. To determine the expected term, we generally apply the simplified method approach. The simplified method deems the term to be the average of the time-to-vesting and the contractual life of the options.
- Expected Volatility. As we do not have trading history for our ordinary shares, the selected volatility used is representative of expected future volatility. We base expected future volatility on the historical and implied volatility of comparable publicly traded companies over a similar expected term.
- Expected Dividend Yield. We have never declared or paid any cash dividends and do not presently intend to pay cash dividends in the foreseeable future. As a result, we used an expected dividend yield of zero.
- Risk-Free Interest Rates. We use the U.S. Treasury yield for our risk-free interest rate that corresponds with the expected term.

The following table reflects the weighted average assumptions used to estimate the fair value of options granted during the years ended December 31, 2019 and 2020 and the three months ended March 31, 2020 and 2021:

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
Expected dividend yield	—	—	—	—
Expected volatility	60%-65%	60%	60%	60%
Expected term (years)	5-6.08	6.08	6.08	5-6.55
Risk-free interest rate	1.51%-2.39%	0.28%-1.45%	1.45%	0.49%-1.05%

Assumptions used in valuing non-employee share options are generally consistent with those used for employee share options with the exception that the expected term is over the contractual life, or 10 years.

We will continue to use judgment in evaluating the assumptions related to our share-based compensation on a prospective basis. As we continue to accumulate additional data related to our ordinary shares, we may have refinements to our estimates, which could materially impact our future share-based compensation expense.

Ordinary Share Valuations

In the absence of a public trading market, the fair value of our ordinary shares was determined by our board of directors, with input from management, taking into account our most recent valuations from an independent third-party valuation specialist. The valuations of our ordinary shares were determined in accordance with the guidelines outlined in the American Institute of Certified Public Accountants Practice Aid, Valuation of Privately-Held-Company Equity Securities Issued as Compensation. The assumptions we used in the valuation models were based on future expectations combined with management judgment and considered numerous objective and subjective factors to determine the fair value of our ordinary shares as of the date of each option grant, including the following factors:

- Contemporaneous valuations performed at periodic intervals by unrelated third-party specialists;
- The liquidation preferences, rights, preferences and privileges of our protected shares relative to our ordinary shares;
- Our actual operating and financial performance;
- The price of ordinary shares sold to third-party investors in secondary transactions in arm’s-length transactions;
- Current business conditions and projections;
- Our stage of development;
- The likelihood and timing of achieving a liquidity event for the ordinary shares underlying the share options, such as an initial public offering or sale of our company, given prevailing market conditions;
- Any adjustment necessary to recognize a lack of marketability of the ordinary shares underlying the granted options; and
- The market performance of comparable publicly traded companies.

In valuing our ordinary shares, the fair value of our business was determined using various valuation methods, including combinations of income and market approaches with input from management. The income approach estimates value based on the expectation of future cash flows that a company will generate. These future cash flows are discounted to their present values using a discount rate that is derived from an analysis of the cost of capital of comparable publicly traded companies in our industry or similar business operations as of

each valuation date and is adjusted to reflect the risks inherent in our cash flows. The market approach estimates value based on a comparison of the subject company to comparable public companies in a similar line of business. From the comparable companies, a representative market value multiple is determined and then applied to the subject company's financial forecasts to estimate the value of the subject company.

For each valuation, the fair value of our business determined by the income and market approaches was then allocated to the ordinary shares using either the option-pricing method ("OPM"), or a hybrid of the probability-weighted expected return method ("PWERM") and OPM methods.

In addition, we also considered any secondary transactions involving our ordinary shares. In our evaluation of those transactions, we considered the facts and circumstances of each transaction to determine the extent to which they represented a fair value exchange and assigned the transactions an appropriate weighting in the valuation of our ordinary shares. Factors considered include the number of different buyers and sellers, transaction volume, timing relative to the valuation date, whether the transactions occurred between willing and unrelated parties, and whether the transactions involved investors with access to our financial information.

In some cases, we considered the amount of time between the valuation date and the grant date to determine whether to use the latest ordinary share valuation determined pursuant to the method described above or a straight-line calculation between two valuation dates. This determination included an evaluation of whether the subsequent valuation indicated that any significant change in valuation had occurred between the previous valuation and the grant date.

Application of these approaches and methodologies involves the use of estimates, judgments, and assumptions that are highly complex and subjective, such as those regarding our expected future revenue, expenses, and future cash flows, discount rates, market multiples, the selection of comparable public companies, and the probability of and timing associated with possible future events. Changes in any or all of these estimates and assumptions or the relationships between those assumptions impact our valuations as of each valuation date and may have a material impact on the valuation of our ordinary shares.

Internal Use Software Development Costs

We capitalize certain costs related to the development of our platform and other software applications for internal use. In accordance with authoritative guidance, we begin to capitalize our costs to develop software when preliminary development efforts are successfully completed, management has authorized and committed project funding, and it is probable that the project will be completed and the software will be used as intended. We stop capitalizing these costs when the software is substantially complete and ready for its intended use, including the completion of all significant testing. These costs are amortized on a straight-line basis over the estimated useful life of the related asset, generally estimated to be three years. We also capitalize costs related to specific upgrades and enhancements when it is probable the expenditure will result in additional functionality and expense costs incurred for maintenance and minor upgrades and enhancements. Costs incurred prior to meeting these criteria together with costs incurred for training and maintenance are expensed as incurred and recorded within research and development expenses in our consolidated statements of operations.

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

Recently Adopted Accounting Pronouncements

See the section titled "Summary of Significant Accounting Policies" in note 2 to our consolidated financial statements included elsewhere in this prospectus for more information.

JOBS Act Accounting Election

We are an emerging growth company, as defined in the JOBS Act. The JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of this extended transition period until the earlier of the date we (x) are no longer an emerging growth company, or (y) affirmatively and irrevocably opt out of the extended transition period. As a result, our operating results and financial statements may not be comparable to those of companies that comply with new or revised accounting pronouncements as of public company effective dates.

A LETTER FROM WALKME'S FOUNDERS

It all started with a question.

Our journey together as founders started in 2011 with one simple question everyone was asking: can you help me with this website? And so our journey started with a simple and cool idea to solve this challenge: step-by-step guidance on top of a website, a "walkthrough." That's how we chose the name WalkMe, short for "Walk me through it".

But the interesting story is how, from one simple idea, we embarked upon a journey to revolutionize how people use technology.

We launched WalkMe with the confidence that our success would be immediate - thinking that every website owner would buy our product - but we quickly understood this was in fact not the case.

If anything, the fact that our success wasn't immediate only fueled our motivation and determination. We were convinced of the need and motivated by any challenge. We focused our energy on making our product better, the market fit more compelling and perfecting our go-to-market. We did this by asking a lot of questions and constantly testing different approaches; we started gathering data before gathering data was a thing - a practice that would transform and differentiate our product in the years to come.

We asked a lot of questions - and the best answers came from our customers.

As our questions evolved, so did the digital landscape of our customers. We were a new technology, and we wanted to build trust and a market fit. With our first few customers, we were concerned not only about the product experience, but how we measure the value our customers get out of WalkMe, not the value to us. Motivated by challenge, we built our product by focusing on the problems and the challenges we wanted to solve for our customers - rather than the solution; we never settled for compliments and positive feedback alone, and encouraged our customers to give us the constructive or negative feedback that would make us better. That's where our best ideas always came from.

And so, with the help of our customers, what started as a simple point solution for online guidance, has transformed into a strategic platform designed to extract the value of technology, leveraging real-time data and insights that focus on the business goals of the organization, to drive the behaviors for which they bought or built software in the first place. And today, we are supporting nearly 2,000 organizations to achieve the most meaningful business initiative - digital transformation.

It's not just about the technology. It's an industry.

We take pride in our technology not only because it is groundbreaking, but because it answers a real need, a true pain point felt by anyone who uses a digital platform. Through this technology, we developed not only a community of WalkMe customers - but an entire community of digital adoption (DAP) professionals who are building careers based entirely on their expertise with our platform. We are supporting and connecting these professionals through a vibrant community, making jobs available through our job board and investing in their professional advancement and growth through our Digital Adoption Institute, as well as a marketplace which connects WalkMe digital adoption service providers with organizations and businesses.

We're just getting started.

In the modern global economy, nearly every industry has been disrupted by the power of technology. We are on a mission to help organizations accelerate their digital transformations by redefining how users interact with software and how organizations measure and execute their technology and business strategies.

We've now reached a critical milestone in our journey, one that we have been dreaming of for many years. Building this vision started as a personal quest and throughout this journey our passion has only grown stronger.

From the start, as co-founders, we have been fortunate in that we complement each other very well. We have a business background and a technology background. Together, we have both grown significantly, because we have been able to challenge and support each other in all the right areas.

But we could not have - and have not - gotten here by ourselves. We are here with the help of our employees, customers, business partners, and investors. It is thanks to their invaluable support, advice, and continuous feedback that we constantly learn, grow, and develop; and it is with this very purpose, as we continue through this journey, that we humbly invite you to join us in building the future of digital adoption; building a future which empowers humanity, fundamentally changing how humans interact with technology.

Dan & Rafi. WalkMe Co-Founders


walkme
Nestlé is a playground of constant innovation, it's what allows us to keep our competitive edge. It's imperative to us that our employees and customers feel that Nestlé's digital transformation is empowering them, not weighing them down.
WalkMe provides that safety net that allows us to plan, measure and execute upon our digital transformation strategy knowing our users are supported and engaged.
Head of Workforce 360, Nestlé
2x
Increase in task completion
~300K
Employees are able to access a digital assistant right from their desktop
increase
In overall adoption rates and user satisfaction across key applications
Nestlé
Customer Since: 2019
Company Size: ~300,000 employees
Use Case: Customer Experience


walkme
We want to be able to effectively understand how people are using our tools and services, and WalkMe allows us to do that—to gain insights we wouldn't be able to gain otherwise.
Chief Information Officer, Red Hat
93% Fewer clicks for a key sales-related process
20+ Applications utilize WalkMe to boost productivity
up to 20% Projected annual savings in software licences
Red Hat
Customer Since: 2016
Company Size: ~12,000 employees
Use Case: Employee Experience


walkme
Ultimately, all of our investments in technology are to improve the quality of healthcare we provide to our patients, and WalkMe helps make that a reality.
Success with WalkMe allows us to have a truly digital workplace. It also means our leaders have real-time guidance to ensure our frontline workers are paid on time and correctly and healthcare centers receive the correct equipment at the right time, enabling a better patient experience.
Head of Talent Technology, CHRISTUS Health
$1M month
in improved payment outcomes
30+
applications use WalkMe to support rapid digital transformation
90%+
open rates for internal announcements sent through Workstation
CHRISTUS Health
Customer Since: 2018
Company Size: 45,000+ employees
Use Case: Employee Experience


walkme
WalkMe had a positive impact on Sprinklr in a short period of time—our time to value was within 90 days for both our customer and employee experience use cases.
WalkMe allows us to create a frictionless user experience internally and externally. This helps us make our customers happier and supports our growth goals.
VP Customer Delight & Operations, Sprinklr
330% Increase in feature adoption
84% Increase in engagement with new product announcements
11+ Internal applications utilize WalkMe to improve user experience
~85% Reduction in support on travel and expense applications
sprinklr
Customer Since: 2019
Company Size: 2000+ employees
Use Case: Employee Experience Customer Experience


WalkMe assisted over 46,000 Quest Diagnostics employees navigate a digital transformation of their coreHR application experience, helping keep users productive while optimizing adoption of a new technology. In a department where data integrity and efficiency are key, WalkMe drives increased process completion and reduces support volume across key HR applications.
Quest Diagnostics
Ulta Beauty relies on WalkMe to optimize its supply chain operations and simplify its employee experience on complex inventory management applications. Since implementing WalkMe, Ulta has realized significant support cost savings, higher employee productivity, and increased user satisfaction.
ULTA BEAUTY
Growth and scale are core components of each platform and process that Unity puts in place. WalkMe helps drive self-service for end-users across internal systems from HR to Sales to increase efficiency and user satisfaction.
unity
Corporate clients rely on Bank of the West's commercial banking portal for mission-critical cash management needs. WalkMe has been essential in the roll-out of a new e-banking application, providing resources and real-time guidance to demystify complex payment processes for customers. Additionally, WalkMe has helped drive lower customer call volumes to the bank's contact center while also serving as a valuable resource for call agents to assist clients who do still call in.
BANK OF THE WEST

BUSINESS

Our Vision

Our vision is to fundamentally transform the productivity of humanity by harnessing the power of technology.

In the modern global economy, nearly every industry has been disrupted by the power of technology. We are on a journey to help organizations accelerate their digital transformations by redefining how users interact with software and how organizations measure and execute their technology and business strategies.

Overview

WalkMe is the defining solution enabling organizations to better realize the value of their software investments. Using our cloud-based Digital Adoption Platform, users—employees and customers of organizations—can navigate websites, SaaS applications, or mobile apps through a digital, GPS-like experience to accomplish any task from simple, online transactions, to complex cross-application software processes, to fully autonomous experiences that require no manual clicks or entries.

Using our unique, no code software implementation process, our Digital Adoption Platform overlays upon any application and enables a data first approach to understand the gaps between user interactions and behavior with technology and an organization's business goals. With actionable insights, we then enable organizations to create and deliver elegant experiences that lead users to success, ensuring digital adoption and ultimately fulfilling the promise of digital transformation.

With a digital adoption strategy powered by WalkMe, employees and customers of organizations can benefit from intuitive and unified technology experiences. Chief information officers ("CIO") and business leaders gain visibility and insights across the organization's enterprise technology stack. This allows organizations to become more results driven, agile and innovative, to better compete in today's ever-changing business environment, to accelerate their digital strategies and to ultimately achieve their objectives**.**

The digital revolution has fundamentally shifted the core competencies required of successful companies. According to the U.S. Bureau of Economic Analysis, digital investment, defined as private non-residential fixed investment in software, research and development, and information processing equipment, comprised 56% of all non-residential fixed investment by U.S. businesses as of the fourth quarter of 2020. From remote-first workforces leveraging virtual collaboration for seamless communications to new digitally-enabled business models, technology is impacting every part of people's lives. Meanwhile, as daily usage of technology has increased over time, expectations for digital interactions have evolved, resulting in the consumerization of software and increased demand for frictionless user experiences. To compete in an increasingly digital world, organizations continue to acquire new technologies, investing billions of dollars a year in software applications that promise specific business outcomes to elevate and exceed their key business metrics. These software applications, increasingly delivered over the cloud, cover every business process and department within an organization. According to Gartner, enterprise software spend is expected to increase from $506 billion in 2021 to $715 billion by 2024, as enterprises invest in software to transform their businesses.

Fully realized, these investments promise increased employee productivity, better customer experiences and improved business insights for CIOs and business leaders. In practice, however, the more software organizations acquire, the more complex their enterprise technology stack is to manage, use and maintain. CIOs and business leaders lack visibility into what or how software is being utilized, which processes can be optimized and whether their technology investments are delivering the expected business value. Similarly, users—both employees and customers—struggle to navigate a growing number of applications with different interfaces to complete business

processes. Users must continuously relearn new technology functions that may have vastly different and evolving capabilities.

As a result, despite massive investments in technology, the majority of organizations fail to successfully capitalize on their digital transformation initiatives, accomplish their strategic objectives and deliver business value at scale. According to Boston Consulting Group, 70% of digital transformations fall short of their objectives. We believe the principal reason for such failures is the inability of users to overcome deeply rooted behaviors and adopt underlying software.

We believe the key to digital adoption is understanding points of failure and bottlenecks through data-based insights, then continually acting on and improving processes to achieve digital transformation more rapidly and strategically. According to a recent Harvard Business Review Analytic Services study we sponsored of over 500 corporate executives, 80% of respondents stated that, in order to increase the chances of digital transformation success, it is important or very important for senior management to have a clear and complete overview of their organization's digital adoption progress via analytics. Moreover, 81% of those surveyed agreed or strongly agreed that the ability to rapidly adopt new technologies and embed them in their employees' everyday work is a competitive differentiator in their industry.

With digital transformation success, we believe CIOs and business leaders:

- gain visibility into the usage of the software applications stack to better understand resource allocation;
- create streamlined digital experiences that meet business goals for the organization;
- have the ability to measure return on investment in technology spend; and
- track software usage to gain insight into tangible business impact created by manager-led departments.

In addition, digital transformation success provides employees and customers with:

- intuitive and improving user experiences with technology;
- simplified learning curves for gaining proficiency on a new application, increasing efficiency and solving the problem of under-utilization of software;
- reduced breadth and variety of applications that they are required to engage with and continuously learn; and
- more frequent engagement with software, which leads to increased retention.

From new digital transformation programs to optimizing value out of existing technologies, we help organizations tie software adoption to their strategic goals across every level, from CIOs and business leaders, to employees and customers. As of March 31, 2021, through our Digital Adoption Platform, we had approximately 2,000 customers in 42 countries, including 155 of the Fortune 500 and 243 of the Global 2000.

Our success in helping customers achieve their digital transformation strategies has allowed us to achieve significant growth. For the years ended December 31, 2019 and 2020, our revenue was $105.1 million and $148.3 million, respectively, representing year-over-year growth of 41%. For the three months ended March 31, 2020 and 2021, our revenue was $34.2 million and $42.7 million, respectively, representing year-over-year growth of 25%. For the years ended December 31, 2019 and 2020, our net loss was $50.1 million and $45.0 million, respectively, our operating cash flow was ($48.5) million and ($8.7) million, respectively, and our free cash flow was ($53.0) million and ($11.0) million, respectively. For the three months ended March 31, 2020 and 2021, our net loss was $12.3 million and $13.4 million, respectively, our operating cash flow was ($7.4) million and ($2.9) million, respectively, and our free cash flow was ($8.2) million and ($4.1) million, respectively. See the section titled "Prospectus Summary—Summary Consolidated Financial and Other Data" for additional information regarding free cash flow, a measure that is not calculated under GAAP.

Key Trends Driving the Need for a Digital Adoption Platform

Digital transformation is a priority for enterprise organizations. According to Gartner, enterprise software spend is expected to increase from $506 billion in 2021 to $715 billion by 2024, as enterprises invest in technology to increase productivity, better compete and grow their businesses. Moreover, global enterprise spend on digital transformation is projected to reach nearly $2.4 trillion within the next four years, representing over 57% of all business spending on technology, according to IDC. According to research by Accenture, digital leaders, defined as the top 10% of companies leading technology innovation, achieve two to three times greater revenue growth as compared to their competitors—a widening divide that Accenture calls the "Digital Achievement Gap." As enterprises attempt to drive successful digital transformation, budget allocations to software continue to increase. According to IDC, global enterprise spend on software as a percentage of total global IT spend has grown from 22% in 2016 to 26% in 2020, and is projected to grow to 30% by 2024. Moreover, according to Gartner, by 2025, 70% of organizations will use digital adoption solutions across the entire technology stack to overcome still insufficient application user experiences.

The COVID-19 pandemic has further accelerated this trend, as public health measures force enterprises to accelerate their cloud-migration initiatives, enable virtual work collaboration at scale and transform operations to deliver contactless, digitally-enabled experiences for their employees and customers. According to a KPMG survey, 79% of CEOs say that their companies are accelerating the creation of a seamless digital consumer experience as a result of the COVID-19 pandemic and 63% have increased their digital transformation budget. As technology innovation accelerates in an increasingly online world, companies must become digital or risk being rendered obsolete.

Digital transformation is dependent on people adopting new software applications. Based on Blissfully 2020 SaaS trends report, enterprises maintain 288 SaaS applications, on average, representing approximately 10 applications per employee, with usage of applications growing at an estimated rate of 30% annually. Despite this growth, enterprises are not experiencing the promised returns on their digital transformation investments largely, we believe, because their employees are overwhelmed by the increasing number of software applications they are being asked to learn and utilize, and their customers are confused by new digital interactions that are constantly evolving as applications are updated. Enterprises require assistance bridging this gap between their digital transformation aspirations and the technical acumen of their internal and external users.

Failure to adopt applications has significant costs for organizations. According to Insight Enterprises, over 20% of licensing spend is on software that is not utilized, which represents $3.0 million a year in wasted investment for most organizations. For employees, underutilization results in additional time required to complete tasks, ultimately leading to lost customers and revenue. For managers, underutilization results in wasted IT spend and resources and reduced employee productivity. As a result, CIOs face difficulty steering their organizations to desired goals. These factors often result in organizations achieving only a small portion of their digital transformation goals while incurring large monetary and operational costs.

Users need a frictionless software application experience. As new advanced digital user interfaces such as wearables, smartphones and AI-powered voice assistants become more prevalent, enterprise applications appear dated and cumbersome by comparison. This disparity in interfaces affects engagement and heightens expectations for software provided by organizations to their users. Moreover, employees expect frictionless technology experiences, which is in turn critical for employee retention. In the virtual work environment, frictionless onboarding and streamlined workflows have become essential to maintaining an efficient and productive workforce. Meanwhile, customers experience pain points along their digital journeys, such as difficult to navigate websites, which can lead to lost sales. Enterprises must increasingly prioritize frictionless digital experiences for their employees and customers.

In a digital world, delivering experiences that employees value and customers love is key to capturing the benefit of applications.

Business processes span multiple applications across organizational silos. Employees depend on a vast array of enterprise software applications that often span different departments to perform their job functions. A sales employee may utilize different applications for external purposes such as CRM, quoting and project management, while simultaneously dealing with internal HR, payroll, expense and other back-office tools. According to a recent report by Harvard Business Review Analytic Services, employees find cross-application workflows are on average 42% more difficult to use than single application processes. When multiple workflows exist without sufficient guidance, more potential points of failure arise, as employees can no longer be experts in each application across the organization. A unified and guided user experience becomes critical as the number of applications grows. Finally, for department-level managers and CIOs overseeing entire organizations, multiple applications and workflows without centralization or ML-based analytics do not provide the visibility required for insightful decision-making.

The role of the CIO is evolving from traditional to transformational. The CIO has increasingly become a key influencer in most parts of an organization, including customer experience, operations, COVID-19 response and recovery efforts, innovation and overall leadership of the organization. To succeed, CIOs must present themselves in the core business strategy of the organization. They accordingly require the right technology to lead the organization to digital transformation success, by ensuring a robust, resilient and agile infrastructure. This requires access to the right data and visibility into their digital portfolio and the ability to create seamless user experiences for users across the organization and across any platform.

WalkMe's Digital Adoption Platform

Our Digital Adoption Platform enables organizations to measure, drive and act to maximize the impact of their digital transformation and accelerate the return on their software investment. Our unified, strategic platform drives value through the following building blocks:

Data and Visibility

WalkMe Insights provides CIOs and business leaders with visibility across the software stack and the insights needed to measure, drive and act to maximize the impact of their digital transformation strategies.

User Experience

User experience is the foundation of WalkMe. With our software, enterprises can design and overlay contextual and personalized experiences that drive adoption of its digital assets on mobile, web and desktop interfaces.

User-Centric Technology Applicable Anywhere

Our technology is designed to leverage the application user interface ("UI") as the primary integration point to deliver our products. Unlike Application Programming Interfaces ("APIs") which are not consistently available across applications and require developer resources to implement, our UI-focused approach allows us to deploy our Digital Adoption Platform across any application and deliver contextually aware, fully dynamic workflow guidance, automation and analytics.

Our Digital Adoption Platform drives the success of digital transformation initiatives by empowering CIOs and business leaders with critical business insights to increase software adoption and improve user experiences for employees and customers:

- **For CIOs and Business Leaders**, our platform provides unified visibility and insights across the organization's software stack, to improve key business processes and drive employees and customers to action. Our data-driven insights offer strategic perspective and provide a competitive advantage to CIOs.

- **A leading food and beverage company** uses our Digital Adoption Platform to gain visibility into user behavior across applications and focus resources to target employees at the point in their journey that they need help. By automating common workflow processes and providing targeted support for others, they are realizing improved task completion rates of nearly two times prior levels, in some cases. Importantly, user satisfaction has increased and productivity gains have given employees more time to focus on higher value initiatives

- **For Employees,** our platform provides a contextual and unified experience that can be seamlessly delivered across any application (third party, proprietary, mobile or desktop) to provide personalized process workflow guidance and automation.
  - **A global pharmacy store chain** utilized our technology to drive digital adoption across multiple apps that are relied upon by more than 220,000 employees globally, resulting in an average reduction of 50% in support tickets. During the pandemic, a key driver of WalkMe's success was its role in standing up new technology with as little friction as possible.
  - **A leading biotechnology company** uses WalkMe across over 45 applications in over 11 languages to empower its workforce to be successful while continuing to deliver on its promises to employees and customers. WalkMe is used as a strategy for adoption of existing apps as well as a method of deploying new pieces of software. With WalkMe, they rolled out an enterprise wide HCM to 90,000+ employees with no formal training methods and user satisfaction ranking at 98% in some cases.
- **For Customers,** our platform can be deployed on any customer facing website or application to power self-service onboarding, feature engagement, support and more.
  - **One of the world's largest technology and consulting companies** uses WalkMe to support onboarding, mitigate support tickets, and increase success of their customers on over 20 B2B offerings. They've seen 6x increase in product adoption, 4x higher conversion rate, 80% revenue growth of digital offerings, and a 300% improvement in product usage consumption, and user retention.

Key Benefits of Our Digital Adoption Platform

By overcoming the digital transformation challenge, organizations are better able to leverage technology to drive key business metrics that focus on mitigating risk for the business, driving efficiency and revenues. Our Digital Adoption Platform:

- **Provides Insights to Help CIOs and Business Leaders Drive Business Outcomes Horizontally Across the Organization.** CIOs and business leaders use our Insights capabilities and integration-center technology to gain visibility into the enterprise technology stack, including software usage and user experiences across business processes. This analytics suite delivers metrics horizontally across departmental managers, which include tactical information such as how employees and customers engage with applications (e.g., number of active users and application and feature utilization) as well as higher level, strategic information targeted to CIOs (e.g., enterprise wide technology utilization and process adoption). Our analytics can be leveraged to change user behaviors and increase digital adoption, which drives business outcomes that align with the strategic goals of the entire organization.
- **Delivers Immediate Value.** Our technology provides CIOs and business leaders with immediate visibility into the software stack and business processes, consolidates applications for users to navigate and provides detailed guidance on how to use them effectively. From an employee and customer perspective, time to mastery of new technologies is greatly reduced. In addition, managers do not have to rely on IT resources to facilitate deployment and integration with legacy systems, shortening the wait for useful insights and allowing for quick decisions. Such dynamics enable enterprises to cultivate agile and productive workforces that can rapidly adapt to changing organizational needs. By using our

platform, enterprises organically understand the data-based insights and derived solutions to their issues, saving additional learning curve costs and achieving faster and increased ROI on their software spend.

- **Optimizes Software Usage and Technology Spend**. We enable enterprises to make greater use of software more efficiently. For example, many enterprises utilize their CRM tools solely as a contact database. With our Digital Adoption Platform, organizations can create easy to use business process workflows that facilitate and encourage employees to use the CRM tools as an interactive sales pipeline and forecasting system that provides comprehensive revenue generation benefits. Through our Digital Adoption Platform, organizations are able to capture this additional value from new user behavior formed around the optimal product adoption.

  These improved usage behaviors also lead to increased return on technology investment for CIOs. According to an October 2020 Forrester Consulting study, *The Total Economic Impact™ of WalkMe Digital Adoption Platform*, a study WalkMe commissioned ("TEI Study"), our Digital Adoption Platform was estimated to deliver net present value savings of $9.8 million from increased application usage and process efficiency over a three-year period for a modeled composite of representative customers. The TEI study also found that WalkMe can deliver up to a 368% return on investment over three years for customers implementing our Digital Adoption Platform, with a payback period of less than three months. The study further found that WalkMe enabled organizations can realize future license savings of about 20% savings in the third year of implementing our Digital Adoption Platform. Additionally, the study indicated that the value of the benefits customers derive from WalkMe can grow approximately 126% over three years as organizations implement more use cases.

- **Increases Employee Productivity and Reduces Support Costs.** By engaging employees across software applications, employees are able to use more easily the software applications that the enterprise has deployed. This leads to improved productivity, increased data accuracy, reduced support costs and increased employee engagement. Based on the TEI Study, employees observe a 60% reduction in training time on applications and savings of 50% from reduced IT support calls and Help Desk tickets. With WalkMe, employees are able to realize the full capabilities of different applications without friction, driving better performance in their jobs and improving business outcomes for the organization.

- **Improves Customer Engagement.** Our Digital Adoption Platform improves customer engagement and retention by simplifying the end user experience. According to the TEI Study, our Digital Adoption Platform resulted in an approximate increase of 35% in customer retention and 10% growth in upsell opportunities from existing customers over three years.

For additional details regarding the TEI Study, see "Market and Industry Data."

Our Competitive Strengths

Category-defining platform powering digital transformation. We pioneered the digital adoption category. We believe that our position as the market leader and our strong brand awareness increases our opportunities to win new customers and to expand our offerings within our existing customers. According to a 2020 Everest Group study that observed 14 Digital Adoption Platform vendors, in 2019 WalkMe's Digital Adoption Platform market share, by license revenue, was greater than 50%. As of March 31, 2021, our customers included 155 of the Fortune 500 and 243 of the Global 2000. We believe the adoption of WalkMe by the largest global enterprises is evidence that our platform has the enterprise-grade functionality, scalability, reliability and security required by the world's most demanding organizations.

Broad, rich dataset and AI/ML capabilities provide valuable insights and continuous optimization. The breadth of applications where our software is deployed has enabled us to build a massive dataset, capturing on average billions of data events per day. We leverage this dataset to power our machine learning algorithms, which proactively identify where users struggle, what users' intent was in completing an action within an application or workflow, and where opportunities exist for automation of repetitive workflows. The depth of our experience has provided us with deep insights on best practices and industry benchmarking, as well as key performance indicators,

all of which we are able to share with our customers. As a result, WalkMe acts as both a platform for discovering and implementing digital transformation initiatives, and enabling customers to rapidly adjust business processes and test impact, driving a cycle of continuous optimization.

Proprietary AI technology that recognizes user interfaces. Our technology operates as a layer upon any user interface and leverages artificial intelligence to analyze and identify the underlying elements of the UI. By deploying this patented UI intelligence technology across thousands of software instances, we have developed deep insights into how users interact with software and a powerful understanding of the consistent elements present across many different user interfaces. This core technology ensures that if an application or user interface is updated, the existing collection of our instructional guides and automated workflow processes are automatically updated to support the new version of the underlying application with limited or no input from our customer. For example, if an update to an underlying application changes the location of a field linked to a Walk-Thru, WalkMe will automatically recognize the new location and the workflow for the user will not be disrupted. Similarly, as users customize their UI to their own preferences, the WalkMe automations and guidance layers will adapt to the user by recognizing the relevant underlying elements. This technology enables our customers to scale and advance their digital transformation strategies by significantly reducing maintenance requirements and costs borne from constant changes to the underlying software, continuous process modification and optimization, and the flexibility desired by and unique needs of each user.

Growing ecosystem that positions WalkMe at the center of the digital transformation industry. We are investing to continue to grow our brand awareness and build out the WalkMe Beyond brand, an ecosystem of professionals, partners, and collaborators with powerful network effects. We have established WalkMe Beyond as a core strategy that brings together the various industry activities that are shaping our ecosystem, including our research arm, professionals certified by us on our platform, our partners, the Digital Adoption Institute, our customer community portal, Integration center, developer hub and a soon-to-launch services exchange marketplace.

Infrastructure agnostic and extensible technology. Our Digital Adoption Platform can be deployed across any type of application including SaaS cloud applications, on-premise software on servers, on desktops or on mobile devices and across all operating systems. Because our platform works across all of these systems, our customers are able to automate digital processes across their internally built, third-party application environments from a single platform. Our platform is easy to access and operate from anywhere, which is important for increasingly distributed and remote workforces.

Our Market Opportunity

We estimate our total addressable market opportunity to be approximately $34 billion. We calculated this figure by estimating the total number of organizations globally by referencing independent industry data from the S&P Global Market Intelligence database. We segmented these organizations globally into three cohorts based on the number of employees: organizations that have between 500 and 5,000 employees globally, between 5,000 and 25,000 employees globally and over 25,000 employees globally. We then applied an average annual contract value to each cohort using internally generated data of actual customer spend for the respective cohort.

The ARR applied to the estimated number of organizations in each cohort based on the number of global employees is calculated using our internal data for actual customer spend by size, based on global employee count. We calculated the median ARR of the top 100 customers of each cohort, multiplied the calculated ARR for each cohort by the number of organizations in each cohort and then aggregated these values across all cohorts to arrive at our estimated total addressable market opportunity in 2021.

Our Growth Strategy

We intend to capitalize on our large market opportunity, first mover advantage and category-defining technology platform by executing the following key elements of our growth strategy:

Innovate and advance our platform. Our investments in research and development to build our technology have been a core differentiator for us. We released WalkMe for mobile applications in 2017, our Insights engine in 2018, and introduced ActionBot in 2019 and our patented UI Intelligence technology in 2019. We will

continue to invest in technology innovation to enhance our platform, including machine-learning, hyper-automation and process mining/discovery technologies.

Acquire new customers. We have achieved significant and broad-based customer adoption, including 242 of the Global 2000. We believe that we have a substantial opportunity to continue to grow our customer base. We intend to accelerate new customer acquisition across the markets that we serve as well as enter into new market segments by scaling our sales and marketing capabilities and channel relationships.

Increase usage and spend from our existing customers. Our customers often initially adopt WalkMe for a specific use case within a single department. After their initial adoption, our customers frequently expand to new users and use cases across additional applications within a department and ultimately to applications across the entire enterprise. We believe that our ease of use, depth, breadth of our platform, and, according to the TEI Study, a pay-back period of less than 3 months, will enable us to increase adoption by our existing customers.

Expand internationally. We believe there is a global need for our Digital Adoption Platform. As of March 31, 2021, we had customers across 42 countries and, during 2020 and the first quarter of 2021, approximately 29% and 30% of our revenue came from customers outside of the United States. We have made significant investments in expanding our presence in Europe, the Middle East, Africa and Asia, and we believe there is a compelling opportunity to expand our offerings internationally in those markets with minimal additional investment to our technology and infrastructure.

Expand our ecosystem and go-to-market partnerships. We intend to continue investing in our ecosystem and partner relationships to extend the functionality of our platform, support new use cases and add new go-to-market channels. We have built a flexible technology platform with open APIs which third-party developers can use to develop and sell new applications and solutions through our WalkMe Marketplace, which will increase our value to our customers and further embed WalkMe as a strategic platform within the enterprise. We will continue to invest in building our partner relationships including our relationships with system integrators to increase our delivery capacity, add new go-to-market channels and increase our sales pipeline. We will continue to grow our WalkMe Beyond ecosystem, digital adoption platform (“DAP”) professional as a Profession and our WalkMe Marketplace for independent professionals to offer services supporting WalkMe.

Our Technology

Our technology is designed to autonomously understand user behavior across digital journeys by leveraging the application UI as the primary integration point to deliver our products. Our UI-focused approach enables seamless integration and allows us to deploy our products across any application—including custom built software—to deliver contextually aware, fully dynamic workflow guidance, as well as automation and analytics based on the user needs. Our Digital Adoption Platform does not require any coding or changes to the underlying application to implement the seamless deployment of WalkMe across the applications used by our customers.

At the core of our UI-focused approach is DeepUI, our proprietary UI Intelligence technology. DeepUI leverages patented AI and machine learning algorithms to analyze any software application or website UI in relation to the user’s process flow context, navigation intent and permissions, among many other factors.

By understanding how users interact with the underlying elements of any application’s UI at a granular level, our Digital Adoption Platform is able to automatically adapt as applications are continuously updated. For example, just as a person would know how to recognize a login page because they have seen similar pages countless times before, our DeepUI technology recognizes the underlying elements of an application’s UI and automatically adapts to enable users to successfully navigate through any application process flow, regardless of changes to the underlying UI. In addition, our DeepUI technology drives reductions in operational and maintenance costs by removing the need to support manual updates triggered by version changes to the underlying application. We do this by periodically scanning the applications upon which our software is deployed and collecting user behavior metadata. We do this seamlessly, with no impact on the user.

The data collected by DeepUI is digested by Insights. Insights collects user attributes, session information, WalkMe interactions, location, device, among others, processing on average billions of events every day. Insights' core technology is a petabyte scale real-time analytics platform that can support data at any scale and in any form. The events are aggregated and accumulated into smart dashboards, which enable our customers to analyze and run ad hoc queries on real time and historical data. This provides our customers with actionable insights to help with their data-driven decisions and maximize their value from our platform.

Our Core Principles in Building Our Technology

No prerequisites and frictionless deployment on any digital asset

Our technology is platform agnostic and supports any digital asset that is used by our customers, including all modern web browsers (desktop and mobile), mobile native applications (iOS and Android), and desktop operating systems (Windows and macOS).

Simple and flexible deployment across any enterprise environment

Our platform is easy to deploy across any enterprise, including complex IT environments and custom-built software. We support delivery through a browser extension, code snippet, mobile SDK, desktop agent, or through 3rd party apps.

No-code simplicity, enterprise grade functionality

We designed our platform so that any individual can build complex implementations without the need for coding by leveraging our UI intelligence technology and our robust and easy-to-use editor. Like recording a macro in Office, our editor enables the building of Walkthroughs by recording the steps a user takes. This makes building content simple, fast and easy to maintain, while also supporting enterprise requirements such as collaboration by multiple users building on the same account, testing environments or versioning.

Data-driven approach

Our platform is built on a big-data pipeline that collects and processes on average billions of events every day, providing CIOs and business leaders visibility into the software stack and an understanding into digital experiences across applications. In order to monitor business goals, customers are able to leverage data, identify areas of improvement, apply digital adoption capabilities, define success and act upon it.

Deliver extensible, agile and integration-ready platforms

Our platform achieves extensibility and agility by designing core services such as content management and user behavior analysis to be broadly applicable to any application. This reduces the complexity and the required effort needed to adopt new applications that are built to serve additional use cases. Furthermore, our platform is designed to be easily integrated with software utilized by our customers by exposing an API and set of tools for incoming and outgoing data integrations, in both batch mode as well as online.

Cloud-native architecture for performance, reliability and availability

Our software is built on a microservices-based architecture, leveraging public cloud infrastructure from Amazon Web Services and Google Cloud Platform. Our architecture is designed to be highly scalable and reliable, as it runs on top of business critical systems.

Security and privacy by design

WalkMe is ISO 27001 and SOC 2 Type II certified. In addition, we have developed features that provide our customers with security controls over their use of WalkMe that helps achieve their compliance with

regulatory requirements. Additionally, our UI-focused integration approach supports improved security by aligning our Digital Adoption Platform with the user role-based policies already integrated within the application.

Our Platform

Our extended functional capabilities, designed to solve key business challenges, include:

Experience

User experience is what drives WalkMe. With WalkMe, our customers can design contextual and personalized experiences that engage and drive user adoption of their digital assets on mobile, web and desktop.

- **Smart Walk-Thrus.** Smart Walk-Thrus are intelligent and context aware, step-by-step instructions delivered to users in real-time as dynamic, in-app experiences that adjust guidance based on user roles and actions, app navigation orientation, workflow process stage and custom defined conditions. Walk-Thrus simplify the user experience by providing on-screen guidance and automation, helping ensure proper task completion. Examples include guiding employees on how to add a lead or account to a CRM, or helping consumers complete a purchase. Walk-Thrus can also branch into other Walk-Thrus based on contextual rules. They can scroll down pages to a hidden component, commute users in and out of systems (including third-party data sources) and even perform active tasks, such as validating and submitting forms.
- **Flow Steps**. Flow Steps function to alter the sequence of the Smart Walk-Thru; for example, they can split the Smart Walk-Thru into different paths, wait for a certain condition before continuing, or handle errors.
- **SmartTips**. SmartTips are functional tool tips used for guidance and validation. SmartTips can add remarks that address certain processes that are prone to user error, especially in complicated or vague forms. SmartTips can provide information on what is on the page or in an input field and provide real-time feedback on data before form submission.
- **ShoutOuts**. ShoutOuts are notifications that display announcements and encourage interaction. ShoutOuts can be represented by an action button that will launch another WalkMe item. For example, in a CRM setting, ShoutOuts can be used to inform users that the website will be going down for maintenance, or remind employees to log activity.
- **Onboarding**. Onboarding is a to-do list for users. Onboarding Tasks enable users to see their progress as they move through the Tasks, gamifying the experience and pushing them to complete more tasks and engage with WalkMe. Onboarding can be used to train new hires on a series of tasks, or to help inform users of widespread changes in an application or on a website.
- **TeachMe**. WalkMe's Micro-LMS suite, TeachMe, allows users to package their WalkMe experiences into learning modules and complete courses. Learning is available to them in the application when it is most relevant to them. Courses will appear in a tab on the left hand side of the screen that can be minimized or maximized. Courses in TeachMe are made using Walk-Thrus, Resource, Articles, Videos and more.
- **Workstation**. Workstation connects employees through a single interface to the applications within an enterprise and simplifies task completion through a natural language conversational interface and automation.
- **WalkMe Mobile**. WalkMe Mobile is a native mobile platform for iOS and Android applications that adds the WalkMe capabilities to mobile apps.

Automation

- **Automated Steps**. An Automation process is an automated Smart Walk-Thru that can run simultaneously while a visual Smart Walk-Thru (including balloon steps) is also running. For example, an automated process can copy and paste text from one application and into another and close the process without undermining data integrity.

- **ActionBot.** Our ActionBot is a natural language chatbot interface that allows users to perform entire tasks from a central conversational interface, meaning the user is not required to search, operate and navigate sophisticated enterprise management systems, fill in complex forms or struggle through convoluted flows between disconnected platforms. The ActionBot automation can be performed on top of the UI or by utilizing APIs.

Build

- **No-code editor**. Our no-code editor is our main authoring tool through which WalkMe customers can create, design and manage content without writing new software code. With key functionalities such as segmentation, conditional logic and branching, our customers can create seamless user experiences that drive users to success.
- **Solution Accelerators**. We have built several platform-specific solution templates based on the implementations gathered by WalkMe across the most commonly used applications. These Solution Accelerators drive best practices, reduce customer maintenance efforts and costs and enable faster implementation and time-to-value for frequently used actions such as changing password or updating an address.
- **Shield**. WalkMe Shield is an automated testing solution which ensures that the end users' experience is always up-to-date. Shield records both the WalkMe and user experience to ensure flows are up-to-date with every website change, browser update and platform version release.

Insights

WalkMe Insights provides CIOs and business leaders with visibility across the software stack and the insights needed to measure, drive and act to ultimately maximize the impact of their digital transformation strategy.

- **Visibility into Software Application Utilization**. Provides insight into all applications deployed across an organization, including usage trends, cross-application user journeys, and workflow processes.
- **Real-time Assessment of User Productivity**. Provides granular data to identify opportunities to optimize user and business productivity and eliminate the friction from adopting new technologies.
- **Innovative Suite of Digital Experience Analytics**. Measures user engagement and usage across the underlying application by capturing every interaction users have with HTML elements on a website to create rich user event data that can be leveraged for analytics.
- **Powerful User Journey Insights through Session Stream and Session Playback**. Session Stream delivers analytics for understanding user journeys and experiences by displaying the exact sequence of user actions and events in a single session. Session Playback pairs with Session Stream to provide a video-like re-creation of a user's actual experience.
- **Unique Business Process Analytics through Funnels**. Analyze linear business processes to understand user challenges, path to completion, conversion and logical cohort segmentation. In addition, Funnels provides ability to drill into detailed user-list and session playback analysis and can be used with any WalkMe or application UI interaction.
- **Tracked Events Dashboard to Drive Pattern Recognition**. Enables CIOs and business leaders to view customer usage trends through Insight's Tracked Events and better understand patterns to track what works and what does not. Tracked Events Dashboard can be customized with a set of selected tracked events and can be shown at a user or account level.
- **Custom Reports**. In cases where customers are interested in datasets that are not available throughout our dashboards, a custom report can be created and added to the WalkMe Insights dashboard. Custom

reports can aggregate data from multiple applications in one place and are flexible to be downloaded, sent periodically via email or integrated with external applications, such as BI and Analytics software.

Integration Center

Our Integration Center technology supports both incoming and outgoing integrations to strengthen data analysis on the one hand and create segmented and personalized user experiences on the other. Our customers integrate their most business-critical applications to and from WalkMe for better decision making and more impactful user experiences.

Customers

We serve a diverse set of customers across all major industries, including some of the world's largest and most sophisticated enterprises. As of March 31, 2021, we had approximately 2,000 customers including 155 of the Fortune 500 and 243 of the Global 2000, as well as 368 customers with ARR greater than $100,000 and 22 customers with ARR greater than $1,000,000. Below is a representative list of customers categorized by industry vertical. No single customer accounted for more than 2.0% and 1.6% of our ARR in the years ended December 31, 2019 and 2020, respectively, or more than 2.5% and 3.3% of our ARR in the three months ended March 31, 2020 and 2021.

Consumer & Retail	Technology	Financial Services	Energy, Industrial, & Transportation
Circle K	LinkedIn	Bank of the West	American Airlines
L'Oreal	Red Hat	Citigroup†	BMW
Nestle	Sprinklr	E*trade††	Chevron
Southern Glazers	Unity Technologies	Goldman Sachs†	Orica
Ulta		IGM Financial Services	Schneider Electric
		Nasdaq	Veolia
		Paychex	
		Sun Life Financial	
		Zurich Insurance Group	

Healthcare & Life Science	Education & Non Profit	Communications
AstraZeneca	Kaplan	British Telecommunications PLC
Christus Health	Make a Wish Foundation	Cisco
Geisinger	McGraw Hill	LogMeIn
Modernizing Medicine	Stanford University School of Medicine	Lumen Technologies
Parexel	University of Miami	
Quest Diagnostics	University of Virginia	
Syneos Health		
Team Health		

† Citigroup Global Markets Inc. and Goldman Sachs & Co. LLC are acting as representatives for the underwriters for the offering to which this prospectus relates.

†† E*trade is a subsidiary of Morgan Stanley & Co. LLC who is acting as a representative for the underwriters for the offering to which this prospectus relates.

Customer Case Studies

Nestlé

Nestlé is the world's largest food and beverage company with over 2,000 brands, nearly 300,000 employees and operations in approximately 190 countries around the world.

The Situation

Nestlé realized early on in its digital transformation that investment in new technology wouldn't prove valuable if the software wasn't being used effectively to provide a better experience to end users. With nearly 300,000 end users globally, Nestlé needed a digital adoption solution that could work across applications, both new and existing, to enable a more effective workforce.

WalkMe's Impact

- WalkMe gave Nestlé insights into user behavior, enabling IT to focus resources on precise pain points and address user challenges quickly. Nestlé deploys WalkMe solutions to simplify key processes and eliminate repetitive tasks, rapidly improving user efficiency.
- Nestlé uses WalkMe Workstation not only as an IT notification center to directly communicate with nearly 300,000 end users globally, but also as a desktop personal assistant to help employees find what they need, when they need it.
- Overall adoption rates at Nestlé increased as friction with applications decreased. Task completion rates increased; even doubled in many cases. Less time was spent on repetitive tasks which allowed employees to take on more value-added work.

Red Hat

Red Hat is a multinational software company that provides open source software products to enterprises. Founded in 1993, Red Hat is headquartered in Raleigh, North Carolina and employs approximately 12,000 employees. Examples of its offerings include Red Hat Enterprise Linux, an operating system that runs on hardware for use in cloud environments, and Red Hat Virtualization, a software solution that allows customers to use a common hardware infrastructure to run various operating systems and applications. Red Hat also creates, maintains and contributes to many free software projects, and has acquired and released several proprietary software product codebases under open source licenses.

The Situation

Red Hat invests heavily in its employee experience with hundreds of live enterprise applications. This complex IT landscape is further complicated by ongoing digital transformation, resulting in constant changes in functionalities and processes.

Red Hat faced challenges including how to improve the employee experience on an increasing number of applications, prevent the inefficient use of applications, increase self-service within applications, and ultimately realize a return on their software investments.

By creating a Center of Excellence with an arm dedicated to Digital Adoption, Red Hat has been able to quickly identify pain points in the employee experience and deploy WalkMe to help.

WalkMe's Impact

- Red Hat utilizes WalkMe for over 20 applications across their technology stack to simplify user experience, encourage self-service, automate repetitive tasks and gain visibility into how employees interact with technology. In one instance, Red Hat observed 93% fewer clicks for a key sales-related process. The result is improved data integrity and a time savings that relates to the equivalent of two full-time employees a year. This also means associates can focus on meaningful work, which is one of Red Hat's strategic focus areas.
- During a recent HCM migration of 17,000 employees in 10 languages, Red Hat calculated over a half a million dollars in cost avoidance due to the elimination of traditional training methods
- Red Hat uses WalkMe for insights into how their employees interact with software, to determine if enterprise applications are being used to their full potential and sunset apps that are no longer of value. Due to the increased transparency into the usage of applications, Red Hat expects to save up to 20% on licensing, experience a $915,000 yearly productivity gain for a specific application, and realize $638,000 in savings on design and implementation training.
- WalkMe allows Red Hat to understand adoption habits throughout the user lifecycle and tailor each piece of technology to user needs without costly development hours. Results include a 39% drop in support tickets on a specific application.
- WalkMe has improved employee experience and engagement at Red Hat, as seen by a 100% user satisfaction within a complex process. Users are also more productive with WalkMe, as seen by employee time savings ranging from 47% to 63% in specific HR processes. This ultimately helps Red Hat promote a culture of self-service while deflecting support.

CHRISTUS Health

CHRISTUS Health is an international not-for-profit health system headquartered in Irving, Texas. CHRISTUS Health operates more than 600 health centers, long-term care facilities, community hospitals, walk-in clinics and health ministries. Beyond the United States, the system also operates services in the Chile, Mexico and Colombia, and employs over 45,000 people, including over 15,000 physicians.

The Situation

CHRISTUS Health comprises more than 600 health centers across the country. Efficient use of technology for such large, busy, and dispersed groups is critical to both patient outcomes as well as the bottom line. With multiple migrations on the horizon, CHRISTUS Health has layered WalkMe over 30 applications to support the rapid digital transformation taking place across the enterprise.

WalkMe's Impact

- WalkMe supported an enterprise-wide migration to an ERP that replaced over 40 disparate applications for HR, supply chain, performance and financial management, among others. This generated $1 million per month in improved payment outcomes by catching potential errors at the time of entry that would not have otherwise been claimed or processed.
- WalkMe ActionBot was used to converse with employees, answer questions in real time and automate processes across applications, improving user experience and boosting productivity.
- WalkMe Workstation sits on employee's desktops and provides unified content to employees via a central communication hub, enabling CHRISTUS Health to simplify self-service support and reduce demand on IT, as well as drive visibility of important announcements directly on the user's screen. Typically, these key messages would be lost in the abyss of employees' overloaded email inboxes, but with Workstation, they see open rates of over 90%.
- WalkMe enables CHRISTUS Health to stay agile as an organization. In times of rapid digital transformation, implementing a new process or system update previously took several months, with WalkMe, these changes can be successfully adopted in a matter of days.

Sprinklr

Sprinklr is an American software company based in New York City that develops a world leading SaaS customer experience management (CXM) platform. Founded in 2009, Sprinklr has offices in 25 countries and employs over 2000 employees. The company's software combines different applications for social advertising, content management, collaboration, employee advocacy, customer care and social media research, enabling businesses to manage their customer experiences on modern channels.

The Situation

Sprinklr uses WalkMe to enable their customers and employees to keep up with their growth. Sprinklr deployed WalkMe on its customer-facing products to reduce support, improve the onboarding experience and increase conversion.

With the success it experienced on its customer facing applications, Sprinklr quickly expanded its use of WalkMe to internal tools. WalkMe has allowed Sprinklr to further enable its users to take advantage of its technology stack in a way that increases effectiveness and fosters a frictionless employee and customer experience.

WalkMe's Impact

- WalkMe's analytics are used by Sprinklr to gain actionable insights into customer behavior on its products. This allows Sprinklr to create unique onboarding experiences, which have led to a 330% increase in feature adoption and an 84% increase in engagement with new product announcements.
- WalkMe's cross-application functionality allows product teams to work together to target users at impactful points in their user journey. This has resulted in a 30% increase in time spent by Sprinklr's customers and a 22% decrease in customer support tickets.

- Internally, Sprinklr layered WalkMe customized in-app guidance over 11 enterprise applications, with 7-10 planned for this year. Outreach for support on travel and expense applications was reduced by approximately 85%. Employee productivity and satisfaction improved across the applications.
- WalkMe feels native to Sprinklr's internal applications, which is especially important when overlaid on an application like an HCM, the one system that touches 100% of employees.

Veolia

Veolia is a French transnational company with activities in three main service and utility areas—water management, waste management and energy services. Veolia is headquartered in Paris, France, and employs nearly 180,000 employees around the world. A global leader in optimized resource management, Veolia designs and provides water, waste and energy management solutions that contribute to the sustainable development of communities and industries.

The Situation

Veolia's digital transformation involved investing millions of dollars in new technology to migrate away from legacy processes and platforms to boost enterprise-wide productivity. It needed a digital adoption strategy that could unify an employee base that ranged from workers in the field with little exposure to digital tools to corporate employees and get them up to speed quickly on business critical applications.

WalkMe's Impact

- WalkMe solutions were used to engage 5,000 employees to quickly get them up to speed on over 15 new applications. Prior to Veolia's implementation of WalkMe, many of the employees in the field had little to no interaction with technology. WalkMe allowed for the rapid upskilling required to support its digital transformation and Veolia proudly reports a 400% return on its initial investment in WalkMe.
- WalkMe Digital Adoption Platform was implemented across over 20 applications for real-time support and insights into software usage. WalkMe allowed Veolia to quantify errors, track progress and measure how long it took employees to learn and complete new processes.
- Veolia uses WalkMe to share data across applications, improve data quality, as well as eliminate extra clicks which saves both time and money. By streaming employee communications with WalkMe Workstation, Veolia observed a 70% jump in employee user engagement with internal communications, up from 10% before WalkMe.
- Veolia is now seeking to implement WalkMe across their pipeline of new application roll-outs for increased adoption and improved engagement.

Sales and Marketing

Our sales and marketing teams work together closely to drive awareness and adoption of our platform, accelerate customer acquisition and increase revenue from customers. While we sell to organizations of all sizes across a broad range of industries, our key focus is on larger enterprises that tend to invest more heavily in software application deployment. These organizations have larger workforces and customer bases and therefore a greater need for our Digital Adoption Platform. We plan to continue to invest in our direct sales force to grow our larger enterprise customer base, both in the U.S. and internationally.

Marketing

To support our sales team in reaching potential customers, our integrated marketing programs are architected to address the specific needs of our diverse market segments. They create qualified sales

opportunities, highlight WalkMe's position as the market pioneer and leader and educate and raise awareness of our Digital Adoption Platform. In addition, we have tailored customer marketing initiatives focusing on driving expansion within existing accounts and virality among Digital Adoption Platform professionals and advocates.

Our marketing department ensures thought leadership and market education for our Digital Adoption Platform. It promotes activity around our growing WalkMe Beyond ecosystem as well as Realize, our customer and user conference.

Sales

Our go-to-market model involves a combination of direct sales and partner-assisted sales.

Direct Sales:

We sell subscriptions to our platform primarily through our direct sales force which is largely organized by territory and customer size, measured by the number of employees. Our direct sales force is focused on landing new customers, as well as expanding within them as they adopt WalkMe for additional use cases and applications. We typically onboard a new customer with solutions targeting:

- one application or department, after which our sales force focuses on expanding into other applications or departments, or
- an enterprise-wide deployment where WalkMe is used across departments, applications and use cases.

We sell to multiple buyers within an enterprise including:

- CIO or VP IT who is focused on digital transformation to business efficiency, workforce agility and an overall return on software investment;
- VP of sales, whose priorities include sales productivity and forecast accuracy;
- Head of Human Resources who aims to improve the digital experience of employees, especially in a remote work environment;
- Head of Product who is trying to improve revenue and customer retention across an application or platform; and
- Head of Contact Center who is looking to reduce support overhead and improve productivity of support teams.

Partner-Assisted Sales:

We work with strategic systems integrators such as Accenture, Deloitte, IBM, PwC and Cognizant to sell with and/or through them to their clients. We believe that Global Systems Integrators ("GSI") are important consulting and implementation partners for WalkMe, enabling enterprises to further their digital adoption strategies and are a natural extension of our go-to-market function. We have also developed relationships with leading regional systems integrators.

Customer Support and Professional Services:

Our customer success team provides customer support for each of our customers. Support begins in the customer acquisition phase and continues throughout the duration of the relationship. Customer support includes working with customers on launch and on-boarding, ongoing support, analytics and renewal. We have a dedicated professional services team. This team provides support to customers that require services, may have special operational needs or may require more custom analytics.

Research and Development

Our research and development organization is responsible for the design, development, testing and delivery of new technologies, features, integrations and improvements to our platform. It is also responsible for operating and scaling our platform, including the underlying public cloud infrastructure.

Our research and development organization consists of teams specializing in software engineering, user experience, product management, data science, technical program management and technical writing. As of March 31, 2021, we had approximately 200 employees in our research and development organization. Our research and development employees are located primarily in our Tel Aviv offices. We intend to continue to invest in our research and development capabilities to expand our platform.

Human Capital Resources, Culture and Values

We employ a growing and highly-skilled employee base, including our sales force and engineers and promote a culture of innovation to continuously enhance our services and commercial footprint. Our human capital objectives include, as applicable, identifying, recruiting, retaining, incentivizing and integrating our current and new employees.

As of March 31, 2021, we had approximately 940 full-time employees. Employee turnover has not had a material impact on our operations to date. None of our employees are represented by a trade or labor union. In certain countries in which we operate, we are subject to local labor law requirements, which may automatically make our employees subject to industry-wide collective bargaining agreements. We have not experienced any work stoppages and we consider our relationship with our employees to be good.

Our Culture and Values

The WalkMe Cultural Framework underlines the foundations of our company culture, forming the basis of how we live and work each day as a customer-focused community of equals. Every member of the team is encouraged to show up, speak up and amplify the voices of those around them. We take pride in our products, our people and the impact we are able to have on the world. Every employee has a powerful and personal impact on the future of the business. Our values include:

- *Empowering Progress*: We aim to increase the potential of technology to continue changing how humans interact with the world and the potential of people to constantly fuel that progress.
- *Embracing Authenticity*: We share the good and the bad with transparency and empathy and place the highest regard for our employees to be unapologetic in their diversity of opinion.
- *Leading from Eye Level*: We are growing fast, empowering employees to shine in a flat structure. We celebrate each other’s wins and believe in the power of ideas and innovation, not the power of rank.
- *Celebrating Uniqueness*: We embrace our differences as our greatest asset and take strength from what makes us unique.
- *Accelerating Performance*: We empower our customers to realize the value of their technology investments to reduce costs, increase revenue and mitigate risk to the business.

Competition

We have pioneered the Digital Adoption Platform market, and we do not believe that any single company currently offers a solution that effectively competes with the full functionality of our integrated platform technology solutions. Our main sources of competition fall into the following categories:

- Non-adoption from enterprises maintaining the status quo of offline, internally developed, or non-dynamic, FAQ-centric application guidance and workflow support;

- Point solutions embedded natively or as an add-on to software provided by diversified enterprise software companies such as SAP, Oracle, Microsoft, Salesforce; and
- Providers of software for specific in-app guidance or analytics use cases for SaaS applications, which lack holistic platform solutions and extensibility across applications.

We believe that the principal competitive factors in our markets include the following:

- Breadth of applications and technology integrations supported;
- Support for cross-application guidance, automation and analytics;
- Expertise in third-party application implementations;
- Integration of robust analytics and visualization capabilities: in addition to analytics across WalkMe usage, our Digital Experience Analytics provides usage analytics across the underlying, third-party platforms;
- Cross-platform support for workflows including mobile native applications (iOS and Android) and desktop (Windows and macOS);
- Ease of implementation and use;
- Performance, security, scalability and reliability;
- Quality of customer support;
- Total cost of ownership; and
- Brand recognition and reputation.

We believe that we compete favorably with respect to the factors listed above. However, some of the vendors we compete with might have greater financial, technical and other resources, greater brand recognition, larger sales forces and marketing budgets, broader distribution networks, more diverse product and services offerings and larger and more mature intellectual property portfolios. These competitors may be able to leverage these resources to gain business in a manner that discourages customers from purchasing our offerings. Furthermore, we expect that our industry will continue to attract new competitors, including smaller emerging companies, which could introduce new offerings or alternative solutions to the problems we address. We may also expand into new markets and encounter additional competitors in such markets.

Our Intellectual Property

We consider our trademarks, trade dress, patents, copyrights, trade secrets and other intellectual property rights, including those in our know-how and the software code of our proprietary technology and products, to be, in the aggregate, material to our business. We protect our intellectual property rights by relying on federal and state statutory and common law rights, foreign laws where applicable, as well as contractual restrictions.

We seek to control access to our trade secrets and other confidential information related to our proprietary technology by entering into confidentiality agreements with our employees, consultants, vendors and business partners who have access to our confidential information, and we maintain policies and procedures designed to control access to and distribution of our confidential information.

We seek patent protection covering certain inventions originating from us and, from time to time, review opportunities to acquire patents to the extent we believe such patents may be useful or relevant to our business. As of March 31, 2021, we owned six issued U.S. patents, six U.S. patent applications and eight foreign patent applications.

We pursue the registration of our domain names, trademarks and service marks in the United States and in locations outside the United States. As of March 31, 2021, we owned a registered trademark for the “WALKME”

logo in the United States and 14 other countries, and a registered trademark for the "WALKME" mark in Israel. We also had 11 applications for trademark registrations pending in the United States and various other countries.

While most of the intellectual property underlying our technology and products is developed and owned by us, we have obtained rights to use intellectual property of third parties through licenses, services and/or other relevant agreements. Although we believe these agreements are sufficient for the operation of our business, these agreements typically limit our use of the third parties' intellectual property to specific uses and for specific time periods.

From time to time, we have faced, and we expect to face in the future, allegations by third parties, including our competitors, that we have infringed their trademarks, copyrights, patents and other intellectual property rights or challenging the validity or enforceability of our intellectual property rights. We are not presently a party to any such legal proceedings that, in the opinion of our management, would individually or taken together have a material adverse effect on our business, financial condition, results of operations or cash flows. For additional information regarding the risks discussed above and other risks related to our intellectual property, see "Risk Factors—Risks Related to Information Technology, Intellectual Property and Data Security and Privacy."

Government Regulations

We are subject to a variety of laws and regulations in the United States, Europe, Israel and elsewhere that involve matters central to our business. Many of these laws and regulations are still evolving and being tested in courts, and could be interpreted in ways that could harm our business. These may involve privacy, data protection and personal information, rights of publicity, content, intellectual property, advertising, marketing, distribution, data security, data retention and deletion, electronic contracts and other communications, competition, consumer protection, telecommunications, taxation, economic or other trade prohibitions or sanctions, anti-corruption law compliance, securities law compliance and online payment services, among others.

In particular, we are subject to U.S. federal, state, and foreign laws regarding privacy and protection of data relating to individuals. Foreign data protection, privacy, content, competition, and other laws and regulations can impose different obligations or be more restrictive than those in the United States. U.S. federal and state and foreign laws and regulations, which in some cases can be enforced by private parties in addition to government entities, are constantly evolving and can be subject to significant change. As a result, the application, interpretation, and enforcement of these laws and regulations are often uncertain, particularly in the new and rapidly-evolving industry in which we operate, and may be interpreted and applied inconsistently from country to country and inconsistently with our current policies and practices.

We are also subject to the European General Data Protection Regulation (the "GDPR"). The GDPR, and national implementing legislation in EEA member states, impose a strict data protection compliance regime. Failure to comply with the GDPR could result in penalties for noncompliance (including possible fines of up to the greater of €20 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 individuals as well as other regulatory investigations and resulting reputational damage).

In addition, following the departure of the United Kingdom as an EU Member State on January 31, 2020, we are subject to the UK General Data Protection Regulation and the UK Data Protection Act 2018 (together, the "UK GDPR"). Failure to comply with the UK DP Laws could lead to fines of up to £17.5 million or 4% of total annual revenue, whichever is greater. Compliance with the GDPR and the UK GDPR may require us to modify our data processing practices and policies and incur substantial compliance-related costs and expenses and these changes may lead to other additional costs and increase our overall risk exposure.

The California Consumer Privacy Act (the "CCPA"), which took effect in January 2020 and to which we are subject, also establishes certain transparency rules and creates new data privacy rights for users, including rights

to access and delete their personal information and new ways to opt-out of certain sales or transfers of their personal information, and provides users with additional causes of action. Additionally, California voters approved a new privacy law, the California Privacy Rights Act (the "CPRA"), in the November 3, 2020 election. Effective starting on January 1, 2023 (with certain obligations applicable to data processed from and after January 2022), the CPRA will significantly modify the CCPA, including by expanding consumers' rights with respect to certain sensitive personal information. The CPRA also creates a new state agency that will be vested with authority to implement and enforce the CCPA and the CPRA. Similarly, there are a number of legislative proposals in the United States, at both the federal and state level, as well as other jurisdictions that could impose new obligations or limitations in areas affecting our business. For example, on March 2, 2021, Virginia enacted the Virginia Consumer Data Protection Act ("CDPA"), a comprehensive privacy statute that shares similarities with the CCPA, CPRA, and legislation proposed in other states. The CDPA will require us to incur additional costs and expenses in an effort to comply with it before it becomes effective on January 1, 2023.

As an Israeli headquartered company, we are also subject to the Israeli Protection of Privacy Law, 5741-1981 (the "PPL"), and the regulations enacted thereunder, including the Privacy Protection Regulations (Data Security), 5777-2017 (the "Data Security Regulations"). The PPL imposes certain obligations on the owners of databases containing personal data, including a requirement to register databases with certain characteristics, an obligation to notify data subjects of the purposes for which their personal data is collected and processed and of the disclosure of such data to third parties, a requirement to respond to certain requests from data subjects to access, rectify and/or delete personal data relating to them, and an obligation to maintain the security of personal data. In addition, the Data Security Regulations, impose comprehensive data security requirements on the processing of personal data. The Protection of Privacy Regulations (Transfer of Data to Overseas Databases), 5761-2001, further impose certain conditions on cross-border transfers of personal data from databases in Israel.

Certain violations of the PPL are considered a criminal and/or a civil offense and could expose the violating entity to criminal, administrative, and financial sanctions, as well as to civil actions. Additionally, the Israel Privacy Protection Authority may issue a public statement that an entity violated the PPL, and such a determination could potentially be used against such entity in civil litigation.

In July 2020, the Israeli Ministry of Justice indicated that it intends to promote amendments to the PPL designed, among other things, to accommodate the PPL to the digital era, enhance the Israel Privacy Protection Authority's investigative and enforcement powers (including powers to impose fines) and to expand data subjects' rights.

Some countries are also considering or have passed legislation implementing data protection requirements or requiring local storage and processing of data or similar requirements that could increase the cost and complexity of delivering our services. For information regarding risks related to these compliance requirements, please see "Risk Factors—Risks Related to Information Technology, Intellectual Property and Data Security and Privacy—We are subject to stringent and changing laws, regulations, standards, and contractual obligations related to privacy, data protection, and data security. Our actual or perceived failure to comply with such obligations could result in significant liability or reputational harm to our business." The foregoing description does not include an exhaustive list of the laws and regulations governing or impacting our business. See the discussion contained in the "Risk Factors—Risks Related to Other Legal, Regulatory and Tax Matters" section of this prospectus for information regarding how actions by regulatory authorities or changes in legislation and regulation in the jurisdictions in which we operate may have a material adverse effect on our business.

Facilities

Our corporate headquarters is located in Tel-Aviv, Israel, where we occupy an office space totaling approximately 40,000 square feet, under a lease agreement that expires in February 2023. Our U.S. headquarters is located in San Francisco, where we occupy an office space totaling approximately 40,000 square feet, subject to a lease agreement that expires in July 2024.

We also lease office space in Raleigh, North Carolina, as well as in London, Paris, Tokyo, Sydney and Singapore.

We believe that these facilities are sufficient to meet our current needs and that suitable additional space will be available as needed to accommodate any foreseeable expansion of our operations. We lease all of our facilities and do not own any real property.

Legal Proceedings

We are not subject to any material legal proceedings.

MANAGEMENT

Executive Officers and Directors

The following table sets forth the name and position of each of our executive officers and directors as of the date of this prospectus:

Name	Age	Position
Executive Officers		
Dan Adika	35	Chief Executive Officer and Chairperson
Rafael Sweary	49	President and Director
Andrew Casey	51	Chief Financial Officer
Non-Employee Directors		
Haleli Barath	46	Director
Michele Bettencourt (1)	60	Director
Menashe Ezra (3)	68	Director
Ron Gutler (1) (2) (3)	63	Director
Jeff Horing (3)	57	Director
Rory O'Driscoll (2)	56	Director
Michael Risman (3)	53	Director
Roy Saar (1) (2)	51	Director

(1) Member of the audit committee
(2) Member of the compensation committee
(3) Member of the nominating, governance and sustainability committee

Executive Officers

Dan Adika is our Co-Founder and has served as our Chief Executive Officer and a member of our board of directors since March 2012. Prior to co-founding our company, Mr. Adika served as a software engineer at Hewlett-Packard Company, a computer and information technology company, from May 2010 to May 2011. Before that, from January 2005 to March 2010, Mr. Adika served as a computer programmer in the Israel Defense Forces. We believe that Mr. Adika's technical experience and knowledge of our company qualify him to serve on our board of directors.

Rafael Sweary is our Co-Founder and has served as our President and as a member of our board of directors since March 2012. Prior to co-founding our company, Mr. Sweary served as the Entrepreneur-in-Residence at Ocean Assets from June 2005 to November 2007. Before that, from June 2001 to June 2005, Mr. Sweary served as the President and Chief Executive Officer at Jetro Platforms, an enterprise software company which he co-founded. Mr. Sweary holds a B.A. in economics from the College of Management Academic Studies in Israel and an M.B.A. from the University of Baltimore. We believe that Mr. Sweary's broad leadership and industry experience and knowledge of our company qualify him to serve on our board of directors.

Andrew Casey has served as our Chief Financial Officer since March 2020. Prior to joining our company, Mr. Casey served as Senior Vice President Finance and Business Operations at ServiceNow, Inc., a cloud computing company, from June 2014 to March 2020. Before that, Mr. Casey served in senior finance roles at several technology companies, including Vice President, Finance at Hewlett-Packard from September 2011 to June 2014; Senior Director Finance, Enterprise Sales and Services at NortonLifeLock Inc. (formerly Symantec)

from September 2007 to October 2011; Senior Director, Corporate Finance at Oracle Corporation from July 2005 to September 2007; and Director, FP&A at Sun Microsystems from June 1996 to July 2005. Mr. Casey holds a B.A. in economics from the University of Redlands, an M.B.A. from Claremont Graduate University and is a certified Managerial Accountant.

Non-Employee Directors

Haleli Barath has served as a member of our board of directors since February 2021. Since 2009, Ms. Barath has served as Managing Partner at BFP & Co. law firm which she co-founded. Since 2014, Ms. Barath has served as a General Partner at Cerca Partners, a venture capital firm which she co-founded. Since February 2021, Ms. Barath has also served on the board of IM Cannabis Corp., a publicly traded company. Ms. Barath also currently serves on the boards of directors of several privately-held companies. Ms. Barath holds a Bachelor of Laws (LL.B.) from Hebrew University in Jerusalem, Israel. We believe that Ms. Barath's corporate law and business expertise gained from her experience in the legal profession and in the venture capital industry, including her time spent serving on boards of directors of various companies and familiarity with Israeli companies, qualifies her to serve on our board of directors.

Michele Bettencourt has served as a member of our board of directors since March 2021. From February 2017 to February 2020, Ms. Bettencourt served as Co-Chief Executive Officer of He Said She Said Productions NYC, a film production company which she founded. From August 2014 to February 2018, Ms. Bettencourt also served as chairperson of the board of directors of Imperva, Inc., a cyber security company, where she also served as Chief Executive Officer from August 2014 to July 2017. Before that, from November 2010 to March 2014, Ms. Bettencourt served as Chief Executive Officer of Coverity Inc., a software company, through its acquisition by Synopsys, Inc. From January 2006 to October 2009, Ms. Bettencourt served as Senior Vice President of Special Projects at Autonomy Corporation plc. Before that, from 2003 to 2005, Ms. Bettencourt served as Chief Executive Officer of Verity Inc., an enterprise search company, and led the company through its acquisition by Autonomy in 2005. Ms. Bettencourt served on the board of directors of Proofpoint, Inc., an enterprise security company, from April 2012 until January 2017, and on the board of directors of Versant Corporation from January 2012 to December 2012 through its acquisition by Actian Corporation. Ms. Bettencourt holds a B.A. in English from Santa Clara University. We believe that Ms. Bettencourt's extensive management experience and service on the board of directors of technology companies qualifies her to serve on our board of directors.

Menashe Ezra has served as a member of our board of directors since December 2014. Since 2008, Mr. Ezra has served as Managing Partner at Gemini Israel Ventures, a venture capital firm. Before joining Gemini Israel Ventures, from October 2001 to October 2007, Mr. Ezra served as Managing Partner at BRM Capital, a venture capital firm. Before that, from 1993 to 1998, Mr. Ezra served as Chief Executive Officer at WaveAccess, a wireless communications company which he founded and which was sold to Lucent Technologies Inc., a telecommunications company, or Lucent, in 1998. From December 1998 to April 2001, Mr. Ezra served as VP Wireless Network Solutions at Lucent. Mr. Ezra also serves on the boards of directors of several privately-held companies. Mr. Ezra holds a B.Sc. in electrical engineering from Tel Aviv University. We believe that Mr. Ezra's experience in the venture capital industry, including his time spent serving on the boards of directors of various companies and familiarity with Israeli companies, qualifies him to serve on our board of directors.

Ron Gutler has served as a member of our board of directors since October 2020. Mr. Gutler currently serves on the boards of directors of Fiverr International Ltd., Wix.com Ltd., CyberArk Software Ltd. and several private companies. From May 2002 through February 2013, Mr. Gutler served as the Chairman of the board of directors of NICE Systems Ltd., a public company specializing in voice recognition, data security and surveillance. Between 2002 and 2011, Mr. Gutler served as the Chairman 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 holds a B.A. and an M.B.A. from the Hebrew University of Jerusalem. We believe that Mr. Gutler's extensive management experience serving on the board of directors of technology companies qualifies him to serve on our board of directors.

Jeff Horing has served as a member of our board of directors since August 2018. Since January 1995, Mr. Horing has served as Managing Director at Insight Venture Partners, a private equity firm which he co-founded. Mr. Horing has served on the boards of directors of JFrog Ltd., a software company, since September 2018; nCino, Inc., a financial technology company, since February 2015; and Alteryx, Inc., a software company, since September 2014. Mr. Horing also currently serves on the boards of directors of several privately-held companies and has previously served on the boards of directors of numerous publicly-held companies, including the board of directors of Tintri, Inc., a software company, from February 2014 to June 2017. Mr. Horing holds a B.S. and B.A. from the University of Pennsylvania's Moore School of Engineering and the Wharton School, respectively, and an M.B.A. from the M.I.T. Sloan School of Management. We believe that Mr. Horing's corporate finance and business expertise gained from his experience in the venture capital industry, including his time spent serving on boards of directors of various companies and familiarity with Israeli companies, qualifies him to serve on our board of directors.

Rory O'Driscoll has served as a member of our board of directors since February 2014. Since 2007, Mr. O'Driscoll has served as a Managing Partner at Scale Venture Partners, a venture capital firm. Mr. O'Driscoll has also served as a member of the board of directors of Bill.com Holdings, Inc., a software company, since July 2013. Mr. O'Driscoll previously served on the board of directors of Box, Inc., a data storage and file management software company, from March 2010 to July 2020, and DocuSign, Inc., an eSignature and digital transaction management company, from December 2010 to August 2018. Mr. O'Driscoll also currently serves on the boards of directors of several privately held companies. Mr. O'Driscoll holds a B.Sc. in Economics from the London School of Economics. We believe that Mr. O'Driscoll's extensive experience in the venture capital industry and his knowledge of technology companies qualify him to serve on our board of directors.

Michael Risman has served as a member of our board of directors since June 2021. Prior to then and since December 2019, he also served as the representative of the former corporate director, Vitruvian Directors I Limited. Since May 2006, Mr. Risman has served as Managing Partner of Vitruvian Partners, a private equity firm which he co-founded. Prior to that, from September 1995 to May 2006, Mr. Risman served as a Global Equity Partner at Apax Partners, a private equity firm, where he led their Information Technology Investment Team in Europe. Mr. Risman has previously served on the boards of directors of Farfetch, a fashion technology company, from November 2014 to August 2020; Just Eat, an online food ordering company from April 2012 to March 2016; and Dialog Semiconductor, a semiconductor solutions manufacturer, from August 1999 to July 2006. Mr. Risman also currently serves on the board of directors of several privately-held companies in which funds managed by Vitruvian Partners have invested. Mr. Risman holds an M.A. in electrical engineering from Cambridge University and an M.B.A. from the Harvard Business School. We believe that Mr. Risman's extensive experience in the venture capital industry and his knowledge of technology companies qualify him to serve on our board of directors.

Roy Saar has served as a member of our board of directors since March 2012. Since 2008, Mr. Saar has served in positions of increasing responsibility at Mangrove Capital Partners, an investment firm, most recently serving as Partner. In 2002, Mr. Saar co-founded RFcell Technologies Ltd., a wireless product and service provider. Before that, in 1999, he co-founded Sphera Corporation, a virtual server technology vendor for SaaS providers, which was acquired by Parallels in 2007. Since January 2007, Mr. Saar has also served as a member of the board of directors of Wix.com Ltd. Mr. Saar also currently serves on the boards of directors of several privately-held companies. Mr. Saar holds a B.A. in Business Administration and Economics from Tel Aviv University. We believe that Mr. Saar's extensive experience in the venture capital industry and with technology companies qualify him to serve on our board of directors.

Family Relationships

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

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 Nasdaq, may, subject to certain conditions, "opt out" from the Companies Law requirements to appoint external directors and related Companies Law rules concerning the composition of the audit committee and compensation committee of the board of directors (other than the gender diversification rule under the Companies Law, which requires the appointment of a director from the other gender if at the time a director is appointed all members of the board of directors are of the same gender). In accordance with these regulations, we elected to "opt out" from those 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 Nasdaq, and (iii) we comply with the director independence requirements and the audit committee and compensation committee composition requirements under U.S. laws (including applicable rules of Nasdaq) applicable to U.S. domestic issuers.

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

We intend to rely on this "foreign private issuer exemption" with respect to the quorum requirement for shareholder meetings. Whereas under the corporate governance rules of Nasdaq, a quorum requires the presence, in person or by proxy, of holders of at least 33$^{1/3}$% of the total issued outstanding voting power of our shares at each general meeting of shareholders, pursuant to our Post-IPO Articles, and as permitted under the Companies Law, the quorum required for a general meeting of shareholders will consist of at least two shareholders present in person or by proxy in accordance with the Companies Law, who hold or represent at least 33$^{1/3}$% of the total outstanding voting power of our shares, except if (i) any such general meeting of shareholders was initiated by and convened pursuant to a resolution adopted by the board of directors and (ii) at the time of such general meeting, we qualify to use the forms and rules of a "foreign private issuer," the requisite quorum will consist of two or more shareholders present in person or by proxy who hold or represent at least 25% of the total outstanding voting power of our shares (and if the meeting is adjourned for a lack of quorum, the quorum for such adjourned meeting will be, subject to certain exceptions, any number of shareholders). We otherwise intend to comply with the rules generally applicable to U.S. domestic companies listed on Nasdaq. We may, however, in the future decide to use the "foreign private issuer exemption" and opt out of some or all of the other corporate governance rules.

Board of Directors

Under the Companies Law and our Post-IPO Articles, our business and affairs will be managed under the direction of our board of directors. Our board of directors may exercise all powers and may take all actions that are not specifically granted to our shareholders or to executive management. Our Chief Executive Officer (referred to as a "general manager" under the Companies Law) is responsible for our day-to-day management. Our Chief Executive Officer is appointed by, and serves at the discretion of, our board of directors, subject to the employment agreement that we have entered into with him. All other executive officers are appointed by the Chief Executive Officer, subject to applicable corporate approvals, and are subject to the terms of any applicable employment or consulting agreements that we may enter into with them.

Under our Post-IPO Articles, our board of directors must consist of not less than three but no more than ten directors divided into three classes with staggered three-year terms, provided, however, that in the event at any time our board of directors is comprised of nine or less members, the maximum number of members permitted under the Post-IPO Articles shall not exceed nine. Each class of directors consists, as nearly as possible, of one-third of the total number of directors constituting the entire board of directors. At each annual general

meeting of our shareholders, the election or re-election of directors following the expiration of the term of office of the directors of that class of directors will be for a term of office that expires on the third annual general meeting following such election or re-election, such that from the annual general meeting of 2022 and thereafter, each year the term of office of only one class of directors will expire.

Our directors will be divided among the three classes as follows:

- the Class I directors will be Roy Saar, Michael Risman, Menashe Ezra and Dan Adika, and their terms will expire at our annual general meeting of our shareholders to be held in 2022;
- the Class II directors, will be Michele Bettencourt, Rafael Sweary and Rory O'Driscoll, and their terms will expire at our annual general meeting of our shareholders to be held in 2023; and
- the Class III directors will be Jeff Horing, Ron Gutler and Haleli Barath, and their terms will expire at our annual general meeting of our shareholders to be held in 2024.

Our directors will 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 (i) in the event of a contested election, the method of calculation of the votes and the manner in which the resolutions will be presented to our shareholders at the general meeting will be determined by our board of directors in its discretion, and (ii) in the event that our board of directors does not or is unable to make a determination on such matter, then the directors will be elected by a plurality of the voting power represented at the general meeting in person or by proxy and voting on the election of directors.

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

Under our Post-IPO Articles, the approval of the holders of at least 65% of the total voting power of our shareholders is generally required to remove any of our directors from office or any amendment to this provision shall require the approval of at least 65% of the total voting power of our shareholders to remove any of our directors from office. In addition, vacancies on our board of directors may only be filled by a vote of a simple majority of the directors then in office. A director so appointed will hold office until the next annual general meeting of our shareholders for the election of the class of directors in respect of which the vacancy was created, or in the case of a vacancy due to the number of directors being less than the maximum number of directors stated in our Post-IPO Articles, the new director filling the vacancy will serve until the next annual general meeting of our shareholders for the election of the class of directors to which such director was assigned by our board of directors.

Chairperson of the Board

Our Post-IPO Articles provide that the Chairperson of our board of directors is appointed by the members of our board of directors from among them. Under the Companies Law, the chief executive officer of a public company, or a relative of the chief executive officer, may not serve as the chairperson of the board of directors of such public company, and the chairperson of the board of directors of a public company, or a relative of the chairperson, may not be vested with authorities of the chief executive officer of such public company without shareholder approval consisting of a majority vote of the shares present and voting at a shareholders meeting, and in addition, either:

- 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 are voted 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 that re voted against such appointment does not exceed two percent (2%) of the aggregate voting rights in the company.

The shareholders' approval can be effective for a period of up to five years following an initial public offering, and subsequently, for additional periods of up to three years.

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

During a special and annual general meeting of our shareholders held on June 6, 2021, our shareholders approved the appointment of Dan Adika as Chairperson of our board of directors in addition to his role as our Chief Executive Officer. According to the Companies Law and the regulations promulgated thereunder, such appointment is valid for an initial term of five years following the closing of this offering. Following such initial term, each renewal of the appointment of our Chief Executive Officer as Chairperson of the board of directors will be subject to the shareholder approval described above and will be limited to a three-year term.

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 Nasdaq, 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 Nasdaq, which do not have a "controlling shareholder," may, subject to certain conditions, "opt out" from the Companies Law requirements to appoint external directors and related Companies Law rules concerning the composition of the audit committee and compensation committee of the board of directors. In accordance with these regulations, we have 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 our board of directors.

Appointment Rights

Pursuant to our articles of association in effect prior to this offering, certain of our shareholders had rights to appoint members of our board of directors. All rights to appoint directors will terminate upon the closing of this offering. Our currently serving directors were appointed as follows:

- Dan Adika was appointed by a majority vote based on the number of shares held by Mr. Eyal Cohen, Brooks S.M. Projects Ltd. and Mr. Dan Adika;
- Haleli Barath was appointed by resolution of our board of directors;
- Michele Bettencourt was appointed by resolution of our board of directors;
- Menashe Ezra was appointed by Gemini Israel V, L.P. and Gemini Partners Investors V, L.P;
- Ron Gutler was appointed by unanimous consent of our board of directors;
- Jeff Horing was appointed by Insight Venture Partners IX, L.P., Insight Venture Partners (Cayman) IX, L.P., Insight Venture Partners IX (Co-Investors), L.P. and Insight Venture Partners (Delaware) IX, L.P.;
- Rory O'Driscoll was appointed by Scale Venture Partners IV, L.P.;
- Michael Risman was appointed by Vitruvian Directors I Limited on behalf of Ambleside S.a.r.l;
- Roy Saar was appointed by Mangrove III Investments S.a.r.l.; and
- Rafael Sweary was appointed by a majority vote based on the number of shares held by Mr. Eyal Cohen, Brooks S.M. Projects Ltd. and Mr. Dan Adika.

Committees of our 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 Nasdaq 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, Michele Bettencourt and Roy Saar. Ron 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 Nasdaq corporate governance rules. Our board of directors has determined that each of Ron Gutler, Michele Bettencourt and Roy Saar is an audit committee financial expert as defined by the SEC rules and has the requisite financial experience as defined by Nasdaq 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 consistent with the Companies Law, the SEC rules and Nasdaq corporate governance rules, which include:

- retaining and terminating our independent auditors, subject to ratification by our board of directors, and in the case of retention, to ratification by the shareholders;
- pre-approving audit and non-audit services to be provided by the independent auditors and related fees and terms;
- overseeing the accounting and financial reporting processes of our company and audits of our financial statements, the effectiveness of our internal control over financial reporting and making such reports as may be required of an audit committee under the rules and regulations promulgated under the Exchange Act;
- reviewing with management and our independent auditor our annual and quarterly financial statements prior to publication or filing (or submission, as the case may be) to the SEC;
- recommending to our board of directors the retention and termination of the internal auditor, and the internal auditor's engagement fees and terms, in accordance with the Companies Law as well as approving the yearly or periodic work plan proposed by the internal auditor;
- reviewing with our general counsel and/or external counsel, as deemed necessary, legal and regulatory matters that could have a material impact on the financial statements;
- identifying irregularities in our business administration, inter alia, by consulting with the internal auditor or with the independent auditor, and suggesting corrective measures to our board of directors;
- reviewing policies and procedures with respect to transactions (other than transactions related to the compensation or terms of services) between us and our officers and directors, or affiliates of our officers or directors, or transactions that are not in the ordinary course of our business and deciding whether to approve such acts and transactions if so required under the Companies Law; and
- establishing procedures for the handling of employees' complaints as to the management of our business 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 Nasdaq corporate governance rules, we are required to maintain a compensation committee consisting of at least two independent directors.

Our compensation committee consists of Rory O'Driscoll, Ron Gutler and Roy Saar. Rory O'Driscoll serves as chairperson of the compensation committee. Our board of directors has determined that each member of our compensation committee is independent under Nasdaq corporate governance rules, including the additional independence requirements applicable to the members of a compensation committee.

Compensation Committee Role

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

- making recommendations to our 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 making recommendations to our 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 our shareholders.

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. Certain of the persons listed in the table under the section titled "Management—Executive Officers and Directors" are office holders under the Companies Law.

Our board of directors has adopted a compensation committee charter setting forth the responsibilities of the committee, which are consistent with Nasdaq corporate governance rules and the Companies Law, and 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 our Chief Executive Officer and other executive officers, including reviewing and approving corporate goals and objectives relevant to the compensation of our Chief Executive Officer and other executive officers, including evaluating their performance in light of such goals and objectives;

- approving and exempting certain transactions regarding office holders' compensation pursuant to the Companies Law; and
- administering our equity-based compensation plans, including without limitation, approving the adoption of such plans, amending and interpreting such plans and the awards and agreements issued pursuant thereto, and making awards to eligible persons under the plans and determining the terms of such awards.

Nominating, Governance and Sustainability Committee

Our nominating, governance and sustainability committee consists of Menashe Ezra, Jeff Horing, Ron Gutler and Michael Risman. Menashe Ezra serves as chairman of the nominating and governance committee. Our board of directors has adopted a nominating, governance and sustainability committee charter setting forth the responsibilities of the committee, 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;
- establishing and maintaining effective corporate governance policies and practices, including, but not limited to, developing and recommending to our board a set of corporate governance guidelines applicable to our business; and.
- overseeing our policies, programs and strategies related to environmental, social and governance matters (ESG)

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 the recommendation of our compensation committee, and second, by a simple majority of the ordinary shares present, in person or by proxy, and voting (excluding abstentions) at a general meeting of shareholders, provided that either:

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

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

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

The compensation policy must be based on certain considerations, include certain provisions and reference certain matters as set forth in the Companies Law. The compensation policy must serve as the basis for decisions concerning the financial terms of employment or engagement of office holders, including exculpation, insurance, indemnification or any monetary payment or obligation of payment in respect of employment or engagement. The compensation policy must be determined and later reevaluated according to certain factors, including: the advancement of the company's objectives, business plan and long-term strategy; the creation of appropriate

incentives for office holders, while considering, among other things, the company's risk management policy; the size and the nature of the company's operations; and with respect to variable compensation, the contribution of the office holder towards the achievement of the company's long-term goals and the maximization of its profits, all with a long-term objective and according to the position of the office holder. The compensation policy must furthermore consider the following additional factors:

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

The compensation policy must also include, among other things:

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

Our compensation policy also addresses our executive officers' individual characteristics (such as their 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, as provided in our compensation policy, may be based on a discretionary evaluation of the Chief Executive Officer's overall performance by the compensation committee and the board of directors.

The equity-based compensation under our compensation policy for our executive officers (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 and restricted share units, in accordance with our equity incentive plan then in place. 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 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, which will be approved by our board of directors and shareholders prior to the closing of this offering, will become effective immediately prior to the closing of this offering and will be filed as an exhibit to the registration statement of which this prospectus forms a part.

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

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

Executive Officers other than the Chief Executive Officer

The Companies Law requires the approval of the compensation of a public company's executive officers (other than the chief executive officer) in the following order: (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 discussed above with respect to the approval of director compensation). However, if the shareholders of the company decline to approve a compensation arrangement with an executive officer that is inconsistent with the company's stated compensation policy, the compensation committee and board of directors may override the shareholders' decision if each of the compensation committee and the board of directors provide detailed reasons for their decision.

An amendment to an existing arrangement with an office holder (who is not a director) requires only the approval of the compensation committee, if the compensation committee determines that the amendment is not material in comparison to the existing arrangement. However, 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, (ii) 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 (iii) 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 discussed above with respect to the approval of director compensation). However, if the shareholders of the company decline to approve the compensation arrangement with the chief executive officer, the compensation committee and board of directors may override the shareholders' decision if each of the compensation committee and the board of directors provide, in detail, reasons for their decision. The approval of each of the compensation committee and the board of directors should be in accordance with the company's stated compensation policy; however, in special circumstances, they may approve compensation terms of a chief executive officer that are inconsistent with such policy provided that they have considered those provisions that must be included in the compensation policy according to the Companies Law and that shareholder approval was obtained (by a special majority vote as discussed above with respect to the approval of director compensation). In addition, the compensation committee may waive the shareholder

approval requirement with regards to the approval of the engagement terms of a candidate for the chief executive officer position, if it determines that the compensation arrangement is consistent with the company's stated compensation policy and that the chief executive officer candidate did not have a prior business relationship with the company or a controlling shareholder of the company and that subjecting the approval of the engagement to a shareholder vote would impede the company's ability to employ the chief executive officer candidate. In the event that the chief executive officer candidate 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.

Aggregate Compensation of Office Holders

The aggregate compensation, including share-based compensation, paid by us and our subsidiaries to our executive officers and directors for the year ended December 31, 2020 was approximately $4.8 million. This amount includes approximately $0.1 million set aside or accrued to provide pension, severance, retirement or similar benefits or expenses, but does not include business travel, relocation, professional and business association dues and expenses reimbursed to such executive officers and directors, and other benefits commonly reimbursed or paid by companies in Israel.

As of March 31, 2021, options to purchase 7,545,376 ordinary shares granted to our executive officers and directors were outstanding under our equity incentive plans at a weighted average exercise price of $6.74 per ordinary share.

After the closing of this offering and subject to the approval of our shareholders which we expect to obtain prior to the closing of this offering, we intend to pay each of our non-employee directors an annual retainer of $30,000, with an additional annual payment for service on board committees as follows: $10,000 (or $20,000 for the chairperson) per membership of the audit committee, or $7,500 (or $15,000 for the chairperson) per membership of the compensation committee and $4,000 (or $8,000 for the chairperson) per membership of the nominating, governance and sustainability committee or any other board committee. In addition, upon election, non-employee directors, will be granted equity awards under our incentive plan at a value of $400,000, which will vest on a monthly basis over a period of three years. In addition, each non-employee director will be granted equity awards under our incentive plan (provided the director is still in office) at a value of $180,000, which will vest on the earlier of the first anniversary of the date on which such options and restricted share units were granted or the date upon which our next annual general meeting of the shareholders is convened, subject to such director's continued service through such date. Any unvested equity grants will accelerate and fully vest upon the occurrence of a change in control transaction.

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 chief executive officer of the company. We have not yet appointed our internal auditor, but we intend to appoint an internal auditor following the closing of this offering.

Approval of Related Party Transactions under Israeli Law

Fiduciary Duties of Directors and Executive Officers

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

- information on the business advisability of a given action brought for his, her or its approval or performed by virtue of his, her or its position; and
- all other important information pertaining to such action.

The duty of loyalty requires that an office holder act in good faith and in the best interests of the company, and includes, among other things, the duty to:

- refrain from any act involving a conflict of interest between the performance of his, her or its duties in the company and his, her or its other duties or personal affairs;
- refrain from any activity that is competitive with the business of the company;
- refrain from exploiting any business opportunity of the company for the purpose of gaining a personal advantage for himself, herself or itself or others; and
- disclose to the company any information or documents relating to the company's affairs which the office holder received as a result of his, her or its position as an office holder.

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

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

The Companies Law requires that an office holder promptly disclose to the board of directors any personal interest that such office holder may have and all related material information known to such office holder concerning any existing or proposed transaction with the company. A personal interest includes an interest of any person in an act or transaction of a company, including a personal interest of 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 such person has the right to appoint at least one director or the general manager, but excluding a personal interest stemming solely from one's ownership of shares in the company. A personal interest includes the personal interest of a person for whom the office holder holds a voting proxy or the personal interest of the office holder with respect to the officer holder's vote on behalf of a person for whom he or she holds a proxy even if such 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 matter, then all of the directors may participate in deliberations of the audit committee or board of directors, as applicable, with respect to such transaction and vote on the approval thereof and, in such case, shareholder approval is also required.

Certain disclosure and approval requirements apply under Israeli law to certain transactions with controlling shareholders, certain transactions in which a controlling shareholder has a personal interest and certain arrangements regarding the terms of service or employment of a controlling shareholder. For these purposes, a controlling shareholder is any shareholder that has the ability to direct the company's actions, including any shareholder holding 25% or more of the voting rights if no other shareholder owns more than 50% of the voting rights in the company. Two or more shareholders with a personal interest in the approval of the same transaction are deemed to be one shareholder.

For a description of the approvals required under Israeli law for compensation arrangements of officers and directors, see "—Compensation of Directors and Executive Officers."

Shareholder Duties

Pursuant to the Companies Law, a shareholder has a duty to act in good faith and in a customary manner toward the company and other shareholders and to refrain from abusing his or her power with respect to the company, including, among other things, in voting at a general meeting and at shareholder class meetings with respect to the following matters:

- an amendment to the company's articles of association;
- an increase of the company's authorized share capital;
- a merger; or
- interested party transactions that require shareholder approval.

In addition, a shareholder has a general duty to refrain from discriminating against other shareholders.

Certain shareholders also have a duty of fairness toward the company. These shareholders include any controlling shareholder, any shareholder who knows that it has the power to determine the outcome of a shareholder vote and any shareholder who has the power to appoint or to prevent the appointment of an office holder of the company or exercise any other rights available to it under the company's articles of association with respect to the company. The Companies Law does not define the substance of this duty of fairness, except to state that the remedies generally available upon a breach of contract will also apply in the event of a breach of the duty of fairness.

Exculpation, Insurance and Indemnification of Office Holders

Under the Companies Law, a company may not exculpate an office holder from liability for a breach of the duty of loyalty. An Israeli company may exculpate an office holder in advance from liability to the company, in whole or in part, for damages caused to the company as a result of a breach of duty of care but only if a provision authorizing such exculpation is included in its articles of association. Our Post-IPO Articles 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:

- a financial liability imposed on him or her in favor of another person pursuant to a judgment, including a 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 abovementioned events and amount or criteria;
- reasonable litigation expenses, including legal 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 legal 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.

An Israeli company may insure an office holder against the following liabilities incurred for acts performed as an office holder if and to the extent provided in the company's articles of association:

- a breach of the duty of loyalty to the company, to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;
- a breach of the duty of care to the company or to a third-party, including a breach arising out of the negligent conduct of the office holder;
- a financial liability imposed on the office holder in favor of a third-party;
- a financial liability imposed on the office holder in favor of a third-party harmed by a breach in an administrative proceeding; and
- expenses, including reasonable litigation expenses and legal fees, incurred by the office holder as a result of an administrative proceeding instituted against him or her, pursuant to certain provisions of the Israeli Securities Law.

An Israeli company may not indemnify or insure an office holder against any of the following:

- a breach of the duty of loyalty, except to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;
- a breach of the duty of care committed intentionally or recklessly, excluding a breach arising out of the negligent conduct of the office holder;
- an act or omission committed with intent to derive illegal personal benefit; or
- a fine, monetary sanction or forfeit levied against the office holder.

Under the Companies Law, exculpation, indemnification and insurance of office holders must be approved by the compensation committee and the board of directors (and, with respect to directors and the chief executive officer, by the shareholders). However, under regulations promulgated under the Companies Law, the insurance of office holders does 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, which was approved by the shareholders by the same special majority required to approve a compensation policy, provided that the insurance policy is on market terms and the insurance policy is not likely to materially impact the company's profitability, assets or obligations.

Our Post-IPO Articles allow us to exculpate, indemnify and insure our office holders for any liability imposed on them as a consequence of an act (including any omission) which was performed by virtue of being an office holder. Our office holders are currently covered by a directors and officers' liability insurance policy.

We have entered into indemnification agreements with each of our directors and executive officers exculpating them in advance, 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) 10% of our initial public offering's valuation, (ii) 25% of our total shareholders' equity as reflected in our most recent consolidated financial statements prior to the date on which the indemnity payment is made and (iii) 10% of our total market cap calculated based on the average closing price our ordinary shares over the 30 trading days prior to the actual payment, multiplied by the total number of our issued and outstanding shares as of the date of the payment (other than indemnification for an offering of securities to the public, including by 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, however, is against public policy and therefore unenforceable.

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 salary and benefits. These agreements may also contain customary provisions regarding non-competition, non-solicitation, confidentiality of information and assignment of inventions. However, the enforceability of the non-competition provisions may be limited under applicable law.

Share Option Plans

Restated 2012 Plan

The Restated 2012 Plan was adopted by our board of directors on June 29, 2012, amended as of December 6, 2012, and further amended and restated on June 4, 2020 and further amended on May 11, 2021. The Restated 2012 Plan provides for the grant of options to our employees, directors, office holders, consultants and other eligible service providers. The Restated 2012 Plan will be terminated upon the effective date of the registration statement of which this prospectus forms a part, and thereafter we will not grant any additional awards under the Restated 2012 Plan. However, the Restated 2012 Plan will continue to govern the terms and conditions of the outstanding awards previously granted under the Restated 2012 Plan.

Authorized Shares. As of the date of this prospectus, there are 1,300,899 ordinary shares reserved and available for issuance under the Restated 2012 Plan. Ordinary shares subject to options granted under the Restated 2012 Plan that expire or become unexercisable without having been exercised in full will become available again for future grant under the 2021 Share Incentive Plan.

Administration. Our board of directors, or a duly authorized committee of our board of directors, or the administrator, administers the Restated 2012 Plan. Under the Restated 2012 Plan, the administrator has the authority, subject to applicable law, to interpret the terms of the Restated 2012 Plan and any notices of grant or options granted thereunder, appoint a trustee, designate recipients of option grants, designate the types of options and elect the Israel tax track with respect to the options, determine and amend the terms of awards, including the exercise price of an option award, the fair market value of an ordinary share, the time and vesting schedule applicable to an option grant or the method of payment for an award, accelerate or amend the vesting schedule applicable to an option grant, prescribe the forms of agreement for use under the Restated 2012 Plan and take all other actions and make all other determinations necessary for the administration of Restated 2012 Plan. If the administrator is a duly authorized committee of our board of directors, our board of directors will determine the grant of options to be made, if any, to members of such committee.

The administrator also has the authority to amend and rescind rules and regulations relating to the Restated 2012 Plan or terminate the Restated 2012 Plan.

Eligibility. The Restated 2012 Plan provides for granting options in compliance with Section 102 of the Israeli Income Tax Ordinance (New Version), 5721-1961 (the "Ordinance"), or, for options granted to consultants, advisors, service providers or controlling shareholders of the company, under Section 3(i) of the Ordinance.

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. 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. Section 102 includes two alternatives for tax treatment involving the issuance of options or shares to a trustee for the benefit of the grantees and also includes an additional alternative for the issuance of options or shares directly to the grantee. Section 102(b)(2) of the Ordinance, the most favorable tax treatment for the grantee, permits the issuance to a trustee under the "capital gain track."

Grant. All options granted pursuant to the Restated 2012 Plan are evidenced by a notice of grant, in a form approved by the administrator in its sole discretion. The notice of grant will set forth the terms and conditions of the option grant. Each option will expire ten years from the date of the grant thereof, unless such shorter term of expiration is otherwise designated by the administrator.

Unless otherwise determined by the administrator and stated in the option agreement, and subject to the conditions of the Restated 2012 Plan, options vest and become exercisable under the following schedule: twenty-five percent (25%) of the shares covered by the option, on the first anniversary of the vesting commencement date determined by the administrator, and 1/36 of the shares covered by the award at the end of each subsequent month thereafter over the course of the following three (3) years; provided that the grantee remains continuously as an employee or provides services to the Company throughout such vesting dates.

Exercise. An option under the Restated 2012 Plan may be exercised by providing the company with a written or electronic notice of exercise and full payment of the exercise price for such shares with respect to which the option is exercised, in such form and method as may be determined by the administrator and permitted by applicable law, and any other deliverable as may be stipulated in the option agreement. An option may not be exercised for a fraction of a share.

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

Termination of Employment. In the event of termination of an optionee's employment or service with the company or any of its affiliates for any reason other than "cause" (as defined in the Restated 2012 Plan) or due to such optionee's death or disability, all vested and exercisable options held by such optionee as of the date of termination may be exercised within three months after such date of termination, unless otherwise provided by the administrator. After such three month period, all unexercised options will terminate and the shares covered by such options shall again be available for issuance under the Restated 2012 Plan and after this offering, under the 2021 Share Incentive Plan.

In the event of termination of an optionee's employment or service with the company or any of its affiliates due to such optionee's death or disability, all vested and exercisable options held by such optionee as of the date of termination may be exercised by the optionee, the optionee's legal guardian, the optionee's estate, or by a person who acquired the right to exercise the option by bequest or inheritance, as applicable, within twelve months after such date of termination, unless otherwise provided by the administrator. Any options which are unvested as of the date of death or disability or which are vested but not then exercised within the twelve month period following such date, will terminate and the shares covered by such options shall again be available for issuance under the Restated 2012 Plan and, after this offering, under the 2021 Share Incentive Plan.

Notwithstanding any of the foregoing, if an optionee's employment or services with the company or any of its affiliates is terminated for "cause," all outstanding options held by such optionee (whether vested or unvested) will terminate on the date of such termination and the shares covered by such options shall again be available for issuance under the Restated 2012 Plan and, after this offering, under the 2021 Share Incentive Plan.

Right of Repurchase. If, after an optionee has exercised an option under the Restated 2012 Plan, an event defined as "cause" occurs while the optionee remains employed or engaged by the Company or the optionee violates the terms of any confidentiality, non-competition or other agreement with the Company, then the Company shall have the right to repurchase all of the shares held by the optionee in exchange for payment of the exercise price, forfeit all such shares, redeem all such shares at par value (or for less than that amount if allowed by applicable law), convert such shares into deferred shares entitling their holder only to their par value upon liquidation, or take any other action which may be required in order to achieve similar results.

Adjustments. In the event of a share split, reverse share split, share dividend, recapitalization, combination or reclassification of our shares, or any other increase or decrease in the number of issued shares effected without receipt of consideration by the company (but not including the conversion of any convertible securities of the company), the administrator shall make an appropriate adjustment in the number of shares related to each outstanding option and to the number of shares reserved for issuance under the Restated 2012 Plan, to the class and kind of shares subject to the Restated 2012 Plan, as well as the exercise price per share of each outstanding option, provided however, that any fractional shares resulting from such adjustment shall be rounded down to the nearest whole share unless otherwise determined by the administrator. Except as expressly provided herein, no issuance by the company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of shares subject to an option.

Merger or Acquisition. In the event of a sale of all or substantially all of the assets or shares of the company, or a merger or other reorganization of the company with or into another corporation or a scheme of arrangement for the purpose of effecting such sale or merger, the administrator shall have discretion to (i) cause any outstanding option to be assumed or an equivalent award substituted by the successor company or one of its affiliates, or (ii) in the event such options are not assumed or substituted for, provide the optionee the right to exercise the award as to all or part of the shares, including discretion to accelerate vesting of unvested awards and provide for cancellation of unexercised options upon closing of the transaction, and/or provided for

cancellation of each outstanding option in exchange for a cash payment for each vested share equal to the fair market value foregoing of the underlying shares, as reflected in the terms of the transaction, less the exercise price, or (iii) notwithstanding the foregoing, provide that upon completion of the transaction that the terms of any option will be otherwise amended, modified or terminated and/or that the option will confer the right to receive any other security or asset, including cash, as the administrator shall deem in good faith to be appropriate.

U.S. Appendix. Our United States Appendix to the Restated 2012 Plan (the "U.S. Appendix") governs 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. The U.S. Appendix will share in the option pool discussed above. Each option will be evidenced by a notice of grant, which will contain the terms and conditions upon which such option will be issued and exercised. Each option which is intended to be an incentive stock option will be granted in compliance with the requirements of Section 422 of the Code and applicable law. Only our United States employees are eligible to be granted incentive stock options. With respect to any option granted to a United States optionee, in the event of a conflict between the terms of the U.S. Appendix and the Restated 2012 Plan, the terms of the U.S. Appendix will prevail.

2021 Share Incentive Plan

We adopted, which will become effective upon the completion of this offering, the 2021 Plan. The 2021 Plan provides for the grant of equity-based incentive awards to our employees, directors, office holders, service providers and consultants in order to incentivize them to increase their efforts on behalf of the Company and to promote the success of the Company's business.

Shares Available for Grants. The maximum number ordinary shares available for issuance under the 2021 Plan is equal to the sum of (i) 9,954,480 shares, (ii) any shares subject to awards under the Restated 2012 Plan which have expired, or were cancelled, terminated, forfeited or settled in cash in lieu of issuance of shares or became unexercisable without having been exercised and (iii) an annual increase on the first day of each year beginning in 2022 and on January 1st of each calendar year thereafter and ending on January 1, 2031, equal to the lesser of (A) 5% of the outstanding ordinary shares of the Company on the last day of the immediately preceding calendar year, on a fully diluted basis; and (B) such amount as determined by our board of directors if so determined prior to January 1 of a calendar year, provided that no more than 99,544,800 ordinary shares may be issued upon the exercise of Incentive Stock Options. If permitted by our board of directors, shares tendered to pay the exercise price or withholding tax obligations with respect to an award granted under the 2021 Plan or the Restated 2012 Plan may again be available for issuance under the 2021 Plan, unless determined otherwise by the Board. Our board of directors may also reduce the number of ordinary shares reserved and available for issuance under the 2021 Plan in its discretion.

Administration. Our board of directors, or a duly authorized committee of our board of directors, or the administrator, will administer the 2021 Plan. Under the 2021 Plan, the administrator has the authority, subject to applicable law, to interpret the terms of the 2021 Plan and any award agreements or awards granted thereunder, designate recipients of awards, determine and amend the terms of awards, including the exercise price of an option award, the fair market value of an ordinary share, the time and vesting schedule applicable to an award or the method of payment for an award, accelerate or amend the vesting schedule applicable to an award, prescribe the forms of agreement for use under the 2021 Plan and take all other actions and make all other determinations necessary for the administration of the 2021 Plan.

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

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

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

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

Unless otherwise determined by the administrator and stated in the award agreement, and subject to the conditions of the 2021 Plan, awards vest and become exercisable under the following schedule: 25% of the shares covered by the award on the first anniversary of the vesting commencement date determined by the administrator (and in the absence of such determination, the date on which such award was granted) and 6.25% of the shares covered by the award at the end of each subsequent three-month period thereafter over the course of the following three years; provided that the grantee remains continuously as an employee or provides services to the company throughout such vesting dates.

Each award will expire ten years from the date of the grant thereof, unless such shorter term of expiration is otherwise designated by the administrator.

Awards. The 2021 Plan provides for the grant of stock options (including incentive stock options and nonqualified stock options), ordinary shares, restricted shares, RSUs, stock appreciation rights and other share-based awards.

Options granted under the 2021 Plan to the Company 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. The exercise price of an option may not be less than the par value of the shares (if the shares bear a par value) for which such option is exercisable. The exercise price of an Incentive Stock Option may not be less than 100% of the fair market value of the underlying share on the date of grant or such other amount as may be required pursuant to the Code, and in the case of Incentive Stock Options granted to ten percent stockholders, not less than 110%.

Exercise. An award under the 2021 Plan may be exercised by providing the Company with a written or electronic notice of exercise and full payment of the exercise price for such shares underlying the award, if applicable, in such form and method as may be determined by the administrator and permitted by applicable law. An award may not be exercised for a fraction of a share. With regard to tax withholding, exercise price and purchase price obligations arising in connection with awards under the 2021 Plan, the administrator may, in its discretion, accept cash, provide for net withholding of shares in a cashless exercise mechanism or direct a securities broker to sell shares and deliver all or a part of the proceeds to the Company or the trustee.

Transferability. Other than by will, the laws of descent and distribution or as otherwise provided under the 2021 Plan, neither the options nor any right in connection with such options are assignable or transferable.

Termination of Employment. In the event of termination of a grantee’s employment or service with the Company or any of its affiliates, all vested and exercisable awards held by such grantee as of the date of termination may be exercised within three months after such date of termination, unless otherwise determined by the administrator, but in no event later than the date of expiration of the award as set forth in the award agreement. After such three-month period, all such unexercised awards will terminate and the shares covered by such awards shall again be available for issuance under the 2021 Plan.

In the event of termination of a grantee's employment or service with the Company or any of its affiliates due to such grantee's death or permanent disability, or in the event of the grantee's death within the three month period (or such longer period as determined by the administrator) following his or her termination of service, all vested and exercisable awards held by such grantee as of the date of termination may be exercised by the grantee or the grantee's legal guardian, estate or by a person who acquired the right to exercise the award by bequest or inheritance, as applicable, within one year after such date of termination, unless otherwise provided by the administrator, but in no event later than the date of expiration of the award as set forth in the award agreement. Any awards which are unvested as of the date of such termination or which are vested but not then exercised within the one year period following such date, will terminate and the shares covered by such awards shall again be available for issuance under the 2021 Plan.

Notwithstanding any of the foregoing, if a grantee's employment or services with the Company or any of its affiliates is terminated for "cause" (as defined in the 2021 Plan), all outstanding awards held by such grantee (whether vested or unvested) will terminate on the date of such termination and the shares covered by such awards shall again be available for issuance under the 2021 Plan.

Voting Rights. Except with respect to restricted share awards, grantees will not have the rights as a shareholder of the Company with respect to any shares covered by an award until the award has vested and/or the grantee has exercised such award, paid any exercise price for such award and becomes the record holder of the shares. With respect to restricted share awards, grantees will possess all incidents of ownership of the restricted shares, including the right to vote and receive dividends on such shares.

Dividends. Grantees holding restricted share awards will be entitled to receive dividends and other distributions with respect to the shares underlying the restricted share award. Any stock split, stock dividend, combination of shares or similar transaction will be subject to the restrictions of the original restricted share award. Grantees holding RSUs will not be eligible to receive dividend but may be eligible to receive dividend equivalents.

Transactions. In the event of a share split, reverse share split, share dividend, recapitalization, combination or reclassification of the Company's shares, the administrator in its sole discretion may, and where required by applicable law shall, without the need for a consent of any holder, make an appropriate adjustment in order to adjust (i) the number and class of shares reserved and available for the outstanding awards, (ii) the number and class of shares covered by outstanding awards, (iii) the exercise price per share covered by any award, (iv) the terms and conditions concerning vesting and exercisability and the term and duration of the outstanding awards, (v) the type or class of security, asset or right underlying the award (which need not be only that of the Company, and may be that of the surviving corporation or any affiliate thereof or such other entity party to any of the above transactions), and (vi) any other terms of the award that in the opinion of the administrator should be adjusted; provided that any fractional shares resulting from such adjustment shall be rounded to the nearest whole share unless otherwise determined by the administrator. In the event of a distribution of a cash dividend to all shareholders, the administrator may determine, without the consent of any holder of an award, that the exercise price of an outstanding and unexercised award shall be reduced by an amount equal to the per share gross dividend amount distributed by the Company, subject to applicable law.

In the event of a merger or consolidation of the Company or a sale of all, or substantially all, of the Company's shares or assets or other transaction having a similar effect on the Company, or change in the composition of the board of directors, or liquidation or dissolution, or such other transaction or circumstances that our board of directors determines to be a relevant transaction, then without the consent of the grantee, (i) unless otherwise determined by the administrator, any outstanding award will be assumed or substituted by such successor corporation, or (ii) regardless of whether or not the successor corporation assumes or substitutes the award (a) provide the grantee with the option to exercise the award as to all or part of the shares, and may provide for an acceleration of vesting of unvested awards, (b) cancel the award and pay in cash, shares of the Company, the acquirer or other corporation which is a party to such transaction or other property as determined

by the administrator as fair in the circumstances, or (c) provide that the terms of any award shall be otherwise amended, modified or terminated, as determined by the administrator to be fair in the circumstances.

2021 Employee Share Purchase Plan

We adopted, which will become effective upon the completion of this offering, the ESPP. 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 Code (the "Section 423 Component") and (2) the component not intended to be tax qualified under Section 423 of the 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 (the "Non Section 423 Component").

Authorized Shares. A total of 1,824,988 of our ordinary shares will be available for sale under the ESPP, subject to adjustment as provided for in the ESPP. In addition, on the first day of each fiscal year beginning with our 2022 fiscal year and through our 2031 fiscal year, such pool of ordinary shares shall be increased by that number of our ordinary shares equal to the lesser of:

- 1% of the outstanding ordinary shares as of the last day of the immediately preceding fiscal year, determined on a fully diluted basis; or
- such other amount as our board of directors may determine.

In no event will more than ordinary shares be available for issuance under the Section 423 Component.

ESPP Administration. Unless otherwise determined by our board of directors, the compensation committee of our board of directors; or the administrator; will administer the ESPP and will have the authority to interpret the terms of the ESPP and determine eligibility under the ESPP, to impose a mandatory holding period under which employees may not dispose or transfer shares under the ESPP, prescribe, revoke and amend forms, rules and procedures relating to the ESPP, and otherwise exercise such powers and to perform such acts as the administrator deems necessary or expedient to promote the best interests of the Company and its subsidiaries and to carry out the intent that the ESPP be treated as an "employee stock purchase plan" within the meaning of Section 423 of the Code for the Section 423 Component.

Eligibility. Participation in the Section 423 Component may be limited in the terms of any offering to employees of the Company and any of its designated subsidiaries (a) who customarily work 20 hours or more per week, (b) whose customary employment is for more than five months per calendar year and (c) who satisfy the procedural enrollment and other requirements set forth in the ESPP. Under the Section 423 Component, designated subsidiaries include any subsidiary (within the meaning of Section 424(f) of the Code) of the Company that has been designated by our board of directors or the compensation committee as eligible to participate in the ESPP (and if an entity does not so qualify within the meaning of Section 424(f) of the Code, it shall automatically be deemed to be a designated subsidiary in the Non-Section 423 Component). In addition, with respect to the Non-Section 423 Component, designated subsidiaries may include any corporate or noncorporate entity in which the Company has a direct or indirect equity interest or significant business relationship. Under the Section 423 Component, no employee may be granted a purchase right if, immediately after the purchase right is granted, the employee would own (or, under applicable statutory attribution rules, would be deemed to own) shares possessing 5% or more of the total combined voting power or value of all classes of shares of the Company or any of its subsidiaries. In addition, in order to facilitate participation in the ESPP, the compensation committee may provide for such special terms applicable to participants who are citizens or residents of a non-U.S. jurisdiction, or who are employed by a designated subsidiary outside of the U.S., as the compensation committee may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Except as permitted by Section 423 of the Code, with respect to the Section 423 Component, such special terms may not be more favorable than the terms of rights granted under the Section 423 Component to eligible employees who are residents of the United States.

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

Contributions. The ESPP will permit participants to purchase our ordinary shares through contributions (in the form of payroll deductions, or otherwise, to the extent permitted by the administrator). The percentage of compensation designated by an eligible employee as payroll deductions for participation in an offering may not be less than 1% and may not be more than the maximum percentage specified by the administrator in the applicable offering document (which maximum percentage shall be 20% in the absence of any such specification). A participant may increase or decrease the percentage of compensation designated in his or her subscription agreement, or may suspend his or her payroll deductions, at any time during an offering period; provided, however, that the administrator may limit the number of changes a participant may make in the applicable offering document. In the absence of any specific designation by the administrator, a participant may decrease (but not increase) his or her payroll deduction elections one time during each offering period Exercise of Purchase Right. Amounts contributed and accumulated by the participant will be used to purchase our ordinary shares at the end of each offering period. Unless otherwise determined by the administrator, the purchase price of the shares will be 85% of the lower of the fair market value of our ordinary shares on (i) the first trading day of the offering period or (ii) the last trading day of the offering period (and may not be lower than such amount with respect to the Section 423 Component).

Participants may end their participation at any time during an offering period and will be paid their accrued contributions that have not yet been used to purchase our ordinary shares. Participation ends automatically upon termination of employment with us.

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

Corporate Transactions. In the event of certain transactions or events such as a consolidation, merger or similar transaction, a sale or transfer of all or substantially all of the Company's assets, or a dissolution or liquidation of the Company, with respect to which the administrator determines that an adjustment is appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under the ESPP or with respect to any outstanding purchase rights under the ESPP, the administrator shall make equitable adjustments, if any, to reflect such change with respect to (a) the aggregate number and type of shares that may be issued under the ESPP; (b) the class(es) and number of shares and price per share subject to outstanding rights; and (c) the purchase price with respect to any outstanding rights. In addition, in any such situation, the administrator may, in its discretion, make other adjustments, including:

a. providing for either (i) termination of any outstanding right in exchange for an amount of cash, or (ii) the replacement of such outstanding right with other rights or property;

b. providing that the outstanding rights under the ESPP shall be assumed by the successor or survivor corporation, with appropriate adjustments as to the number and kind of shares and prices;

c. making adjustments in the number and type of shares (or other securities or property) subject to outstanding rights under the ESPP and/or in the terms and conditions of outstanding rights and rights that may be granted in the future;

d. providing that participants' accumulated payroll deductions may be used to purchase shares prior to the next occurring purchase date on such date as the administrator determines and the participants' rights under the ongoing offering period(s) shall be terminated; and

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

Amendment; Termination. The administrator will have the authority to amend, suspend or terminate the ESPP. The ESPP is not subject to a specific termination date.

PRINCIPAL SHAREHOLDERS

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of March 31, 2021 and after this offering 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 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 March 31, 2021, to be outstanding and to be beneficially owned by the person holding the options 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 prior to this offering is based on 73,402,098 ordinary shares outstanding as of March 31, 2021, after giving effect to the Preferred Share Conversion. The percentage of shares beneficially owned after this offering is based on 73,402,098 ordinary shares outstanding as of March 31, 2021, after giving effect to the Preferred Share Conversion and our issuance of 9,250,000 ordinary shares in this offering.

As of March 31, 2021, we had 153 holders of record of our ordinary shares in the United States.

All of our shareholders, including the shareholders listed below, have the same voting rights attached to their ordinary shares. See “Description of Share Capital and Articles of Association—Voting Rights.” Following the closing of this offering, neither our principal shareholders nor our directors and executive officers will have different or special voting rights with respect to their ordinary shares. We have also set forth below information known to us regarding any significant change in the percentage ownership of our ordinary shares by any major shareholders during the past three years. Unless otherwise noted below, each shareholder’s address is 1 Walter Moses St., Tel Aviv, 6789903, Israel.

A description of any material relationship that our principal shareholders have had with us or any of our affiliates within the past three years is included under “Certain Relationships and Related Party Transactions.”

	Ordinary shares beneficially owned before and after this offering	Percentage of ordinary shares beneficially owned	
		Before this offering	After this offering
Name of Beneficial Owner			
Principal Shareholders:			
Entities Affiliated with Insight Partners(1)	23,447,372	31.9	28.4
Entities Affiliated with Greenspring Associates(2)	10,366,855	14.1	12.5
Scale Venture Partners IV, LP(3)	9,429,021	12.9	11.4
Entities Affiliated with Mangrove Capital Partners(4)	6,278,354	8.6	7.6
Entities Affiliated with Gemini Israel Ventures(5)	7,730,048	10.5	9.4
Executive Officers and Directors:			
Dan Adika(6)	2,210,226	2.9	2.6
Rafael Sweary(7)	2,029,916	2.7	2.4
Andrew Casey(8)	183,597	*	*
Haleli Barath(9)	51,944	*	*
Michele Bettencourt(10)	1,944	*	*
Menashe Ezra(5)	7,730,048	10.5	9.4
Ron Gutler(11)	7,335	*	*
Jeff Horing(1)	23,447,372	31.9	28.4
Rory O'Driscoll(3)	9,429,021	12.9	11.4
Michael Risman(12)	3,404,955	4.6	4.1
Roy Saar(13)	6,444,594	8.8	7.8
All directors and executive officers as a group (11 individuals)	**54,940,952**	**74.7**	**66.4**

* Indicates ownership of less than 1%.

(1) Consists of (i) 14,222,932 ordinary shares held of record by Insight Venture Partners IX, L.P., (ii) 7,066,982 ordinary shares held of record by Insight Venture Partners (Cayman) IX, L.P., (iii) 1,506,917 ordinary shares held of record by Insight Venture Partners (Delaware) IX, L.P.,, (iv) 283,901 ordinary shares held of record by Insight Venture Partners IX (Co-Investors), L.P., and (v) 366,640 ordinary shares held of record by Grace Software Cross Fund Holdings, L.P. Insight Holdings Group, LLC ("Holdings") is the sole shareholder of each of Insight Venture Associates IX, Ltd. ("IVA IX Ltd") and Insight Associates XI, Ltd. ("IA XI Ltd"). IVA IX Ltd is the general partner of Insight Venture Associates IX, L.P. ("IVA IX LP"), which is the general partner of Insight Venture Partners IX, L.P., Insight Venture Partners (Cayman) IX, L.P., Insight Venture Partners (Delaware) IX, L.P. and Insight Venture Partners IX (Co-Investors), L.P. (collectively "Fund IX"). IA XI Ltd is the general partner of Insight Associates XI, L.P. ("IA XI LP"), which is the manager of Grace Software Holdings II GP, LLC ("Grace LLC"). Grace LLC is the general partner of Grace Software Cross Fund Holdings, L.P. ("Grace LP"). Each of Jeffrey L. Horing, Deven Parekh, Peter Sobiloff, Jeffrey Lieberman and Michael Triplett is a member of the board of managers of Holdings. Because Messrs. Horing, Parekh, Sobiloff, Lieberman and Triplett are members of the board of managers of Holdings, Holdings is the sole shareholder of each of IVA IX Ltd and IA XI Ltd, IVA IX LP is the general partner of Fund IX, IA XI LP is the manager of Grace LLC and Grace LLC is the general partner of Grace LP, Messrs. Horing, Parekh, Sobiloff, Lieberman and Triplett may be deemed to share voting and dispositive power over the shares noted above. Mr. Horing, a member of the board of directors of the Company, disclaims beneficial ownership of the shares held of record by each of Fund IX and Grace, except to the extent of his pecuniary interest therein, if any. The address for these entities is c/o Insight Partners, 1114 Avenue of the Americas, 36th Floor, New York, NY 10036.

(2) Consists of (i) 5,948,813 ordinary shares held by Greenspring Opportunities III, L.P. ("GO III"), (ii) 3,013,139 ordinary shares held by Greenspring Global Partners VI-A, L.P. ("GGP VIA"), (iii) 1,203,629 ordinary shares held by Greenspring Global Partners VI-C, L.P. ("GGP VIC"), (iv) 185,933 ordinary shares held by

Greenspring Secondaries Fund IV, L.P. (“Greenspring Secondaries IV”), (v) 6,426 ordinary shares held by Greenspring Secondaries Fund IV-D, L.P. (“Greenspring Secondaries IV-D”) and (vi) 8,915 ordinary shares held by Greenspring Secondaries Fund IV-K, L.P. (collectively with Greenspring Secondaries IV and Greenspring Secondaries IV-D, “Greenspring Secondaries”). Greenspring Opportunities General Partner III, L.P. (“GO III GP”), is the general partner of GO III. Greenspring Opportunities GP III, LLC (“GO III GP LLC”), is the general partner of GO III GP. Greenspring General Partner VI, L.P. (“Greenspring General Partner”), is the general partner of GGP VI-A and GGP VI-C. Greenspring GP VI, LLC. (“Greenspring GP LLC”), is the general partner of Greenspring General Partner. Greenspring Secondaries General Partner IV, L.P. (“Secondaries GP”), is the general partner of Greenspring Secondaries. Greenspring Secondaries GP IV, LLC (“Secondaries GP LLC”), is the general partner of Secondaries GP. Greenspring Associates, LLC (“Greenspring Associates”), is the managing member of each of GO III GP LLC and Secondaries GP LLC. C. Ashton Newhall and James Lim own and control each of Greenspring GP LLC. and Greenspring Associates. Each of C. Ashton Newhall and James Lim may be deemed to beneficially own and have voting, investment and dispositive power with respect to the shares held by GO III, GGP VI-A, GGP VI-C and Greenspring Secondaries. Greenspring Associates may be deemed to beneficially own and have voting, investment and dispositive power with respect to the shares held by GO III and Greenspring Secondaries. Each of GO III GP LLC and GO III GP may be deemed to beneficially own and have voting, investment and dispositive power with respect to the shares held by GO III. Each of Greenspring GP LLC and Greenspring General Partner may be deemed to beneficially own and have voting, investment and dispositive power with respect to the shares held by GGP VI-A and GGP VI-C. Each of Secondaries GP and Secondaries GP LLC may be deemed to beneficially own and have voting, investment and dispositive power with respect to the shares held by Greenspring Secondaries. Each of GO III GP, GO III GP LLC, Greenspring General Partner, Greenspring GP LLC, Secondaries GP, Secondaries GP LLC, Greenspring Associates, C. Ashton Newhall and James Lim disclaims beneficial ownership of such shares, except to the extent of its or his proportionate pecuniary interest therein, if any. The address of each of GO III, GGP VI-A, GGP VI-C, Greenspring Secondaries, GO III GP, GO III GP LLC, Greenspring General Partner, Greenspring GP LLC, Secondaries GP, Secondaries GP LLC, Greenspring Associates, C. Ashton Newhall, and James Lim is 100 Painters Mill Road, Suite 700, Owings Mills, Maryland 21117.

(3) Consists of 9,429,021 ordinary shares held of record by Scale Venture Partners IV, L.P. (“SVP IV”). The general partner of SVP IV is Scale Venture Management IV, L.P. whose general partner is Scale Venture Management IV, LLC (“Scale IV LLC”). Rory O’Driscoll, one of our directors, Andrew Vitus and Stacey Bishop are managers of Scale IV LLC and share voting and dispositive power with respect to the ordinary shares held by SVP IV. The address for these entities is c/o Scale Venture Partners, 950 Tower Lane, Suite 1150, Foster City, California 94404.

(4) Consists of (i) 5,638,420 ordinary shares held by Mangrove III Investments S.à r.l (“Mangrove III”) and (ii) 639,934 ordinary shares held by Mangrove V Investments S.à r.l (“Mangrove V”). Mangrove III and Mangrove V are private limited liability companies incorporated and organized under the laws of Luxembourg. Mangrove III S.C.A. SICAR is the owner of 100% of the share capital of Mangrove III and Mangrove V (SCA), RAIF is the owner of 100% of the share capital of Mangrove V. Mangrove III S.C.A. SICAR and Mangrove V (SCA), RAIF are funds incorporated and organized under the laws of Luxembourg in the form of partnerships limited by shares. Mangrove III S.C.A. SICAR is regulated by the Luxembourg CSSF (Commission de Surveillance du Secteur Financier) and is managed by Mangrove III Management S.A., a public limited company incorporated and organized under the laws of Luxembourg. Mangrove V (SCA), RAIF is managed by Mangrove Capital Partners S.A., a public limited company incorporated and organized under the laws of Luxembourg. Mangrove Capital Partners S.A. is an alternative investment fund manager authorized and supervised by the Luxembourg CSSF (Commission de Surveillance du Secteur Financier). Roy Saar, one of our directors, is a partner at Mangrove Capital Partners S.A. The members of the board of directors of Mangrove III Management S.A. are Mark Tluszcz, Hans-Jürgen Schmitz and Willibrord Ehses and the members of the board of directors of Mangrove Capital Partners S.A. are Mark Tluszcz, Hans-Jürgen Schmitz, Michael Rabinowicz and Gerardo Lopez Fojaca. Mangrove Capital Partners S.A.’s address is 31 Boulevard Joseph II, L-1840, Luxembourg.

(5) Consists of (i) 7,652,748 ordinary shares held of record by Gemini Israel V Limited Partnership ("Gemini V") and (ii) 77,300 ordinary shares held of record by Gemini Partners Investors V L.P. ("Gemini Partners"). Gemini Capital Associates V LP ("Gemini Associates LP") is the general partner of Gemini V and Gemini Capital Associates V GP, Ltd. ("Gemini Associates GP") is the general partner of Gemini Associates LP. Gemini Israel Funds IV Ltd. is the general partner of Gemini Partners. Yossi Sela and Menashe Ezra are the managing partners of Gemini Associates GP, and Yossi Sela and Menashe Ezra are the managing partners of Gemini Israel Funds IV Ltd. The address for these entities is 1 Abba Eban Avenue, Merkazim 2001, Bldg A, 3rd Floor, Herzliya Israel.

(6) Includes 2,210,226 ordinary shares underlying options exercisable within 60 days of March 31, 2021.

(7) Includes (a) 1,133,305 ordinary shares held by Brooks S.M. Projects Ltd. and (b) 896,611 ordinary shares underlying options exercisable within 60 days of March 31, 2021. Does not include the ordinary shares to be issued upon the conversion of certain Series A preferred shares Mr. Sweary may be deemed to beneficially own pursuant to an irrevocable proxy and power of attorney granted in favor of Mr. Sweary with respect to such shares that will terminate upon the closing of this offering.

(8) Includes 101,089 ordinary shares underlying options exercisable within 60 days of March 31, 2021. Also includes 82,508 ordinary shares underlying options that will vest upon the completion of this offering.

(9) Includes 51,944 ordinary shares underlying options exercisable within 60 days of March 31, 2021.

(10) Includes 1,944 ordinary shares underlying options exercisable within 60 days of March 31, 2021.

(11) Includes 7,335 ordinary shares underlying options exercisable within 60 days of March 31, 2021.

(12) Consists of 3,404,955 ordinary shares held by Ambleside S.a.r.l., which is a wholly-owned subsidiary of Vitruvian Investment Partnership I, a fund managed by Vitruvian Partners. Mr. Risman is the managing partner of Vitruvian Partners.

(13) Consists of (i) 6,278,354 ordinary shares beneficially held by entities affiliated with Mangrove Capital Partners as set forth in footnote (4) above and (ii) 166,240 Ordinary shares underlying options exercisable within 60 days of March 31, 2021 held by Mr. Saar.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following includes a summary of transactions since January 1, 2018 to which we have been a party in which the amount involved exceeded or will exceed $120,000, and in which any of our directors, executive officers or, to our knowledge, beneficial owners of more than 5% of our capital stock or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest, other than equity and other compensation, termination, change in control and other arrangements, which are described under "Management." We also describe below certain other transactions with our directors, executive officers and shareholders.

Preferred Equity Financings

Series E-3 Preferred Share Financing. In June 2018, we signed a third extension to the Series E Share Purchase Agreement, dated as of October 7, 2016, undertaking to sell to investors an aggregate of 3,047,459 of our Series E-3 preferred shares at a purchase price of $13.12569 per share for an aggregate purchase price of $40 million, such shares to be issued (against payment) upon our funding request, no later than 24 months from the initial closing. In October 2018, we signed a joinder to the third extension to the Series E Share Purchase Agreement, undertaking to sell an aggregate of 761,864 of our Series E-3 preferred shares at a purchase price of $13.12569 per share for an aggregate purchase price of $10 million. Each Series E-3 preferred share will automatically convert into one ordinary share immediately prior to the closing of this offering in accordance with the terms of our articles of association.

Series F Preferred Share Financing. In November 2019, we signed a Series F Share Purchase Agreement, undertaking to sell to investors an aggregate of 4,103,487 of our Series F preferred shares at a purchase price of $21.932565 per share for an aggregate purchase price of $90 million, such shares to be issued (against payment) from time to time upon our funding request(s) or the purchase request(s) of such investors, no later than 24 months from the initial closing or (if earlier) upon an IPO or exit event. In January 2020, we signed a joinder to the Series F Share Purchase Agreement, selling an aggregate of 159,338 of our Series F preferred shares at a purchase price of $21.932565 per share for an aggregate purchase price of approximately $3.5 million. Each Series F preferred share will automatically convert into one ordinary share immediately prior to the closing of this offering in accordance with the terms of our articles of association.

The following table summarizes the Series E-3 preferred shares and Series F preferred shares purchased by holders of more than 5% of our share capital, our executive officers, members of our board of directors and any entities affiliated with our executive officers or a member of our board of directors, as of the date of this prospectus:

	Series E-3 Preferred Shares		Series F Preferred Shares	
Shareholder(1)	Shares Purchased	Aggregate Purchase Price	Shares Purchased	Aggregate Purchase Price
Entities Affiliated with Insight Partners(2)	2,607,525	$34.2 million	911,886	$20.0 million
Entities Affiliated with Mangrove Capital Partners(3)	439,934	$5.8 million	—	—
Entity Affiliated with Vitruvian Partners(4)	—	—	3,191,601	$70.0 million

(1) Additional details regarding certain of these shareholders and their equity holdings are provided in this prospectus under the caption "Principal Shareholders."
(2) Jeff Horing, a member of our board of directors, is a member of the board of managers of Insight Holdings Group LLC.
(3) Roy Saar, a member of our board of directors, is a partner at Mangrove Capital Partners.
(4) Michael Risman, a member of our board of directors, is the managing partner of Vitruvian Partners.

Rights of Appointment Pre-IPO

Our board of directors currently consists of ten directors. Pursuant to our articles of association in effect prior to this offering, certain of our shareholders, including our related parties, had rights to appoint members of our board of directors. See the section titled "Management—Appointment Rights."

All rights to appoint directors and observers will terminate upon the closing of this offering, although currently serving directors that were appointed prior to this offering will continue to serve pursuant to their appointment until the annual general meeting of our shareholders at which the term of their class of director expires.

Investor's Rights Agreement

In June 2021, we entered into an amended and restated investor's rights agreement with certain holders of our preferred shares, entities affiliated with certain of our executive officers and directors, as well as certain of our executive officers and directors. These shareholders are entitled to certain registration rights with respect to the registrable securities held by them. For a description of these registration rights, see "Description of Share Capital and Articles of Association—Registration Rights."

Other Transactions

In March 2012, we entered into a consulting agreement with Brooks S.M. Projects Ltd. ("Brooks"), an entity controlled by Rafael Sweary, our President and a member of our board of directors. Under the agreement, Brooks and Mr. Sweary provided marketing, business strategy and business development consulting services at a monthly cost of NIS 41,250 plus VAT. In May 2019, Brooks and Mr. Sweary terminated the consulting agreement. We paid Brooks an aggregate of approximately $0.5 million and $0.2 million under the consulting agreement for the years ended December 31, 2018 and 2019, respectively.

Maya Flisser, the spouse of Dan Adika, our Chief Executive Officer and a member of our board of directors, is employed by us as a Purchasing Manager based in Tel Aviv. We believe Ms. Flisser's compensation is aligned with that of employees of similar companies in Tel Aviv having similar skills and experience. Ms. Flisser is not an executive officer of the Company.

For each of the years ended December 31, 2018, 2019 and 2020, we paid BFP & Co. ("BFP"), our external corporate counsel, consideration of approximately $790,000, $590,000 and $320,000, respectively, for legal services. For the three months ended March 31, 2021, we paid BFP approximately $125,000 for legal services. Haleli Barath, a member of our board of directors, is a partner at BFP.

Agreements with Directors and Officers

Employment and Consulting Agreements. We have entered into written employment agreements with each of our executive officers. See "Management—Employment and Consulting Agreements with Executive Officers."

Awards. Since our inception, we have granted options to purchase our ordinary shares to our executive officers and certain of our directors. Such option agreements may contain acceleration provisions upon certain merger, acquisition or change of control transactions and other circumstances. We describe our option plans under "Management—Share Option Plans."

Exculpation, Indemnification and Insurance. Our Post-IPO Articles permit us to exculpate, indemnify and insure certain of our office holders to the fullest extent permitted by the Companies Law. We have entered into agreements with certain office holders, exculpating them from a breach of their duty of care to us to the fullest extent permitted by law and undertaking to indemnify them to the fullest extent permitted by law, subject to certain exceptions, including with respect to liabilities resulting from this offering to the extent that these liabilities are not covered by insurance. See "Management—Exculpation, Insurance and Indemnification of Directors and Officers."

Related Party Transaction Policy

Our board of directors has adopted a written related party transaction policy, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part, to set forth the policies and procedures for the review and approval or ratification of related person transactions. This policy will cover, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we were or are to be a participant, where the amount involved exceeds $120,000 and a related person had or will have a direct or indirect material interest, including, without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person.

DESCRIPTION OF SHARE CAPITAL AND ARTICLES OF ASSOCIATION

The following is a description of the material terms of our Post-IPO Articles as they will be in effect upon the closing of this offering. The following descriptions of share capital and provisions of our Post-IPO Articles are summaries and are qualified by reference to our Post-IPO Articles, a copy of which is filed with the SEC as an exhibit to the registration statement of which this prospectus forms a part. The description of the ordinary shares reflects changes to our capital structure that will occur upon the closing of this offering.

Share Capital

Our authorized share capital upon the closing of this offering will consist of 900,000,000 ordinary shares, no par value each, of which 82,652,098 shares will be issued and outstanding immediately following the closing of this offering.

Our board of directors may determine the issue prices and terms for such shares or other securities, and may further determine any other provision relating to such issue of shares or securities. We may also issue and redeem redeemable securities on such terms and in such manner as our board of directors shall determine.

All of our outstanding ordinary shares are validly issued, fully paid and non-assessable. Our ordinary shares are not redeemable and do not have any preemptive rights.

Registration Number and Purposes of the Company

We are registered with the Israeli Registrar of Companies. Our registration number is 51-4682269. Our affairs are governed by our articles of association (and, from and after the closing of this offering, our Post-IPO Articles), applicable Israeli law and the Companies Law. Our purpose as set forth in our Post-IPO Articles is to engage in any lawful act or activity.

Voting Rights

All ordinary shares will have identical voting and other rights in all respects.

Registration Rights

Following the completion of this offering, subject to the lock-up agreements entered into in connection with this offering, certain holders of our ordinary shares will be entitled to rights with respect to the registration of these shares under the Securities Act. These rights are provided under the terms of our amended and restated investor's rights agreement between us and the holders of these shares, which was entered into in June 2021, and include demand registration rights, Form F-3 registration rights, and piggyback registration rights. The registration of ordinary shares by the exercise of registration rights described below would enable the holders to sell these shares without restriction under the Securities Act when the applicable registration statement is declared effective.

In any registration made pursuant to such amended and restated investor's rights agreement, all expenses, including the reasonable fees and expenses of one counsel for the initiating holders, will be borne by us and the discounts or commissions payable to any underwriter will be born pro rata buy the holders participating in such registration. However, we will not be required to bear the expenses in connection with the exercise of the demand or Form F-3 registration rights if the request is subsequently withdrawn at the request of the holders holding a majority of registrable securities to be registered, unless at the time of such withdrawal, such holders have learned of a material adverse change in the condition or business of the Company not known to them at the time of their request for such registration, and have withdrawn their request for registration with reasonable promptness after learning of such material adverse change.

Demand Registration Rights

We expect that the holders of an aggregate of 61,368,628 of our ordinary shares following this offering, based on the number of ordinary shares outstanding as of March 31, 2021 (after giving effect to the Preferred Share Conversion), and an additional 6,677,295 ordinary shares issuable upon the exercise of options outstanding as of March 31, 2021, or their permitted transferees, will be entitled to demand registration rights. Under the terms of the amended and restated investor's rights agreement, at any time after six months following the closing of this offering and until the fifth anniversary thereof, holders of a majority of registrable securities (as defined in the amended and restated investor's rights agreement) can request that we register their shares for trading on any securities exchange or under any market system as to which any our ordinary shares are then admitted for trading, for a reasonably estimated minimum offering amount of $5.0 million. We are required to effect only two registrations pursuant to this provision of the amended and restated investor's rights agreement. We may postpone the filing of a registration statement no more than once during any 12-month period for up to 120 days if our board of directors determines that the filing would be seriously detrimental to us and our shareholders. We are not required to effect a demand registration under certain additional circumstances specified in the amended and restated investor's rights agreement.

Form F-3 Registration Rights

We expect that the holders of an aggregate of 61,368,628 of our ordinary shares following this offering, based on the number of ordinary shares outstanding as of March 31, 2021 (after giving effect to the Preferred Share Conversion), and an additional 6,677,295 ordinary shares issuable upon the exercise of options outstanding as of March 31, 2021, or their permitted transferees, will be entitled to Form F-3 registration rights. At any time after six months following the closing of this offering and until the fifth anniversary thereof, if we are eligible and qualified to file a registration statement on Form S-3, holders can request that we register their shares on a registration statement on Form F-3, with anticipated net proceeds, of at least $1.0 million. We are required to effect only one registration statement on Form F-3 in any 12-month period. We may postpone the filing of a registration statement on Form F-3 no more than once during any 12-month period for up to 120 days if our board of directors determines that the filing would be seriously detrimental to us and our shareholders. We are not required to effect a registration on Form F-3 under certain additional circumstances specified in the amended and restated investor's rights agreement.

Piggyback Registration Rights

If we register any of our securities for public sale at any time including at the closing of this offering and until the fifth anniversary thereof, we expect that the holders of an aggregate of 61,368,628 of our ordinary shares, based on the number of ordinary shares outstanding as of March 31, 2021 (after giving effect to the Preferred Share Conversion), and an additional 6,677,295 ordinary shares issuable upon the exercise of options outstanding as of March 31, 2021, or their permitted transferees, will be entitled to piggyback registration rights, subject to the lock-up agreements entered into in connection with this offering. However, this right does not apply to (1) a registration pursuant to the exercise of a demand or a Form F-3 registration; (2) a registration relating to employee benefit plans; (3) a registration relating to corporate reorganization or other transactions on Form F-4; or (4) a registration on any registration form that does not permit secondary sales or that does not include substantially the same information covering the sales of registrable securities (as defined in the amended and restated investor's rights agreement). The underwriters of any underwritten offering will have the right, in their sole discretion, to limit, for marketing reasons, the number of shares registered by these holders, in which case the number of shares to be registered will be reduced, first, to shareholders other than the holders of registrable securities, and second, pro rata among these holders, according to the total amount of securities required to be included by each holder in the registration, subject to additional circumstances specified in the amended and restated investor's rights agreement. After this offering, the holders of registrable securities cannot be reduced to less than 25% of the aggregate number of securities proposed to be registered.

Transfer of Shares

Our fully paid ordinary shares are issued in registered form and may be freely transferred under our Post-IPO Articles, unless the transfer is restricted or prohibited by another instrument, applicable law or the rules of Nasdaq. The ownership or voting of our ordinary shares by non-residents of Israel is not restricted in any way by our Post-IPO Articles or the laws of the State of Israel, except for ownership by nationals of some countries that are, have been, or will be, in a state of war with Israel.

Election of Directors

Under our Post-IPO Articles, our board of directors must consist of not less than three but no more than directors. Pursuant to our Post-IPO Articles, each of our directors will 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 (i) in the event of a contested election the method of calculation of the votes and the manner in which the resolutions will be presented to our shareholders at the general meeting shall be determined by our board of directors in its discretion, and (ii) in the event that our board of directors does not or is unable to make a determination on such matter, then the directors will be elected by a plurality of the voting power represented at the general meeting in person or by proxy and voting on the election of directors. In addition, our directors are divided into three classes, one class being elected each year at the annual general meeting of our shareholders, and serve on our board of directors until the third annual general meeting following such election or re-election or until they are removed by a vote of 65% of the total voting power of our shareholders at a general meeting of our shareholders or upon the occurrence of certain events in accordance with the Companies Law and our Post-IPO Articles. In addition, our Post-IPO Articles provide that vacancies on our board of directors may be filled by a vote of a simple majority of the directors then in office. A director so appointed will hold office until the next annual general meeting of our shareholders for the election of the class of directors in respect of which the vacancy was created, or in the case of a vacancy due to the number of directors being less than the maximum number of directors stated in our Post-IPO Articles, until the next annual general meeting of our shareholders for the election of the class of directors to which such director was assigned by our board of directors. See "Management—Board of Directors."

Special Approval Requirements

Under our Post-IPO Articles, certain actions require the affirmative consent of at least two-thirds of our directors then in office and entitled to vote: any resolution (1) to enter into a merger, consolidation, acquisition, amalgamation, business combination, issue equity securities or debt securities convertible into equity or other similar transaction that would reasonably be expected to result in (a) an increase to the beneficial ownership of an existing shareholder beneficially owning twenty-five percent of our issued and outstanding share capital immediately prior to the closing of such transaction or (b) a new shareholder beneficially owning twenty-five percent or more of our issued and outstanding share capital immediately following the completion of such transaction, (2) to directly or indirectly sell, assign, convey, transfer, lease or otherwise dispose of, in one or a series of transactions, all or substantially all of our assets, (3) to effect any material change to our principal business, (4) to transfer our headquarters out of Israel, or (5) to effectively not nominate Dan Adika, Rafael Sweary or Haleli Barath for re-election to the board of directors by our shareholders.

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 Post-IPO Articles 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.

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.

Exchange Controls

There are currently no Israeli currency control restrictions on remittances of dividends on our ordinary shares, proceeds from the sale of the ordinary shares or interest or other payments to non-residents of Israel, except for shareholders who are subjects of countries that are, have been, or will be, in a state of war with Israel.

Shareholder Meetings

Under Israeli law, we are required to hold an annual general meeting of our shareholders once every calendar year and no later than 15 months after the date of the previous annual general meeting. All meetings other than the annual general meeting of shareholders are referred to in our Post-IPO Articles as special general meetings. Our board of directors may call special general meetings of our shareholders whenever it sees fit, at such time and place, within or outside of Israel, as it may determine. In addition, the Companies Law provides that our board of directors is required to convene a special general meeting of our shareholders upon the written request of (i) any two or more of our directors, (ii) one-quarter or more of the serving members of our board of directors or (iii) one or more shareholders holding, in the aggregate, either (a) 5% or more of our outstanding issued shares and 1% or more of our outstanding voting power or (b) 5% or more of our outstanding voting power.

Under Israeli 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. Our Post-IPO Articles contain procedural guidelines and disclosure items with respect to the submission of shareholder proposals for general meetings.

Subject to the provisions of the Companies Law and the regulations promulgated thereunder, shareholders entitled to participate and vote at general meetings of shareholders are the shareholders of record on a date to be decided by the board of directors, which, as a company listed on an exchange outside Israel, may be between four and 40 days prior to the date of the meeting. Furthermore, the Companies Law requires that resolutions regarding the following matters must be passed at a general meeting of shareholders:

- amendments to our articles of association;
- appointment, terms of service or and termination of service of our auditors;
- appointment of directors, including external directors (if applicable);
- approval of certain related party transactions;
- increases or reductions of our authorized share capital;
- a merger; and

- the exercise of our board of directors' powers by a general meeting, if our board of directors is unable to exercise its powers and the exercise of any of its powers is required for our proper management.

The Companies Law requires that a notice of any annual general meeting or special general meeting be provided to shareholders at least 21 days prior to the meeting and, if the agenda of the meeting includes (among other things) the appointment or removal of directors, the approval of transactions with office holders or interested or related parties, or an approval of a merger, notice must be provided at least 35 days prior to the meeting. Under the Companies Law and our Post-IPO Articles, shareholders are not permitted to take action by way of written consent in lieu of a meeting.

Voting rights

Quorum

Pursuant to our Post-IPO Articles, holders of our ordinary shares have one vote for each ordinary share held on all matters submitted to a vote before the shareholders at a general meeting of shareholders. The quorum required for our general meetings of shareholders consists of at least two shareholders present in person or by proxy in accordance with the Companies Law who hold or represent at least 33⅓% of the total outstanding voting power of our shares, except that if (i) any such general meeting was initiated by and convened pursuant to a resolution adopted by the board of directors and (ii) at the time of such general meeting we qualify as to use the forms and rules of a "foreign private issuer," the requisite quorum will consist of two or more shareholders present in person or by proxy who hold or represent at least 25% of the total outstanding voting power of our shares. The requisite quorum shall be present within half an hour of the time fixed for the commencement of the general meeting. A general meeting adjourned for lack of a quorum shall be adjourned either to the same day in the next week, at the same time and place, to such day and at such time and place as indicated in the notice to such meeting, or to such day and at such time and place as the chairperson of the meeting shall determine. At the reconvened meeting, any number of shareholders present in person or by proxy shall constitute a quorum, unless a meeting was called pursuant to a request by our shareholders, in which case the quorum required is one or more shareholders, present in person or by proxy and holding the number of shares required to call the meeting as described above.

Vote Requirements

Our Post-IPO Articles provide that all resolutions of our shareholders require a simple majority vote, unless otherwise required by the Companies Law or by our Post-IPO Articles. Under the Companies Law, certain actions require the approval of a special majority, including: (i) 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) certain compensation-related matters described above under "Management—Compensation Committee—Compensation Policy under the Companies Law." Under our Post-IPO Articles, the alteration of the rights, privileges, preferences or obligations of any class of our shares (to the extent there are classes other than ordinary shares) requires the approval of a simple majority of the class so affected (or such other percentage of the relevant class that may be set forth in the governing documents relevant to such class), in addition to a majority of all classes of shares voting together as a single class at a shareholder meeting.

Under our Post-IPO Articles, the approval of the holders of at least 65% of the total voting power of our shareholders is generally required to remove any of our directors from office, to amend the provision requiring the approval of at least 65% of the total voting power of our shareholders to remove any of our directors from office, or certain other provisions regarding our staggered board, shareholder proposals, special approval requirements, the size of our board and plurality voting in contested elections. Another exception to the simple majority vote requirement is a resolution for the voluntary winding up, or an approval of a scheme of

arrangement or reorganization, of the company pursuant to Section 350 of the Companies Law, which requires the approval of holders holding at least 75% of the voting rights represented at the meeting and voting on the resolution.

Access to corporate records

Under the Companies Law, all shareholders generally have the right to review minutes of our general meetings, our shareholder register (including with respect to material shareholders), our articles of association, our financial statements, other documents as provided in the Companies Law, and any document we are required by law to file publicly with the Israeli Registrar of Companies or the Israel Securities Authority. Any shareholder who specifies the purpose of its request may request to review any document in our possession that relates to any action or transaction with a related party which requires shareholder approval under the Companies Law. We may deny a request to review a document if we determine that the request was not made in good faith, that the document contains a trade secret or a patent or that the document's disclosure may otherwise impair our interests.

Acquisitions under Israeli Law

Full Tender Offer

A person wishing to acquire shares of a public Israeli company who would, as a result, hold over 90% of the target company's voting rights or the target company's issued and outstanding share capital (or of a class thereof), is required by the Companies Law to make a tender offer to all of the company's shareholders for the purchase of all of the issued and outstanding shares of the company (or the applicable class). If (a) the shareholders who do not accept the offer hold less than 5% of the issued and outstanding share capital of the company (or the applicable class) and the shareholders who accept the offer constitute a majority of the offerees that do not have a personal interest in the acceptance of the tender offer or (b) the shareholders who did not accept the tender offer hold less than 2% of the issued and outstanding share capital of the company (or of the applicable class), all of the shares that the acquirer offered to purchase will be transferred to the acquirer by operation of law. A shareholder who had its shares so transferred may petition an Israeli court within six months from the date of acceptance of the full tender offer, regardless of whether such shareholder agreed to the offer, to determine whether the tender offer was for less than fair value and whether the fair value should be paid as determined by the court. However, an offeror may provide in the offer that a shareholder who accepted the offer will not be entitled to petition the court for appraisal rights as described in the preceding sentence, as long as the offeror and the company disclosed the information required by law in connection with the full tender offer. If the full tender offer was not accepted in accordance with any of the above alternatives, the acquirer may not acquire shares of the company that will increase its holdings to more than 90% of the company's voting rights or the company's issued and outstanding share capital (or of the applicable class) from shareholders who accepted the tender offer. Shares purchased in contradiction to the full tender offer rules under the Companies Law will have no rights and will become dormant shares.

Special Tender Offer

The Companies Law provides that an acquisition of shares of an Israeli public company must be made by means of a special tender offer if as a result of the acquisition the purchaser would become a holder of 25% or more of the voting rights in the company. This requirement does not apply if there is already another holder of 25% or more of the voting rights in the company. Similarly, the Companies Law provides that an acquisition of shares of an Israeli public company must be made by means of a special tender offer if as a result of the acquisition the purchaser would become a holder of more than 45% of the voting rights in the company, if there is no other shareholder of the company who holds more than 45% of the voting rights in the company. These requirements do not apply if (i) the acquisition occurs in the context of a private placement by the company that received shareholders' approval as a private placement whose purpose is to give the purchaser 25% or more of the voting rights in the company, if there is no person who holds 25% or more of the voting rights in the company or as a private placement whose purpose is to give the purchaser 45% of the voting rights in the

company, if there is no person who holds 45% of the voting rights in the company, (ii) the acquisition was from a shareholder holding 25% or more of the voting rights in the company and resulted in the purchaser becoming a holder of 25% or more of the voting rights in the company, or (iii) the acquisition was from a shareholder holding more than 45% of the voting rights in the company and resulted in the purchaser becoming a holder of more than 45% of the voting rights in the company. A special tender offer must be extended to all shareholders of a company. A special tender offer may be consummated only if (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 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 the offer may accept the offer within four days of the last day set for the acceptance of the offer and they will be considered to have accepted the offer from the first day it was made.

In the event that a special tender offer is accepted, then the purchaser or any person or entity controlling it or under common control with the purchaser or such controlling person or entity at the time of the offer may not make a subsequent tender offer for the purchase of shares of the target company and may not enter into a merger with the target company for a period of one year from the date of the offer, unless the purchaser or such person or entity undertook to effect such an offer or merger in the initial special tender offer. Shares purchased in contradiction to the special tender offer rules under the Companies Law will have no rights and will become dormant shares.

Merger

The Companies Law permits merger transactions if approved by each party's board of directors and, unless certain conditions described under the Companies Law are met, a simple majority of the outstanding shares of each party to the merger that are represented and voting on the merger. The board of directors of a merging company is required pursuant to the Companies Law to discuss and determine whether in its opinion there exists a reasonable concern that as a result of a proposed merger, the surviving company will not be able to satisfy its obligations towards its creditors, such determination taking into account the financial status of the merging companies. If the board of directors determines that such a concern exists, it may not approve a proposed merger. Following the approval of the board of directors of each of the merging companies, the boards of directors must jointly prepare a merger proposal for submission to the Israeli Registrar of Companies.

For purposes of the shareholder vote of a merging company whose shares are held by the other merging company, or by a person or entity holding 25% or more of the voting rights at the general meeting of shareholders of the other merging company, or by a person or entity holding the right to appoint 25% or more of the directors of the other merging company, unless a court rules otherwise, the merger will not be deemed approved if a majority of the shares voted on the matter at the general meeting of shareholders (excluding abstentions) that are held by shareholders other than the other party to the merger, or by any person or entity who

holds 25% or more of the voting rights of the other party or the right to appoint 25% or more of the directors of the other party, or any one on their behalf including their relatives or corporations controlled by any of them, vote against the merger. In addition, if the non-surviving entity of the merger has more than one class of shares, the merger must be approved by each class of shareholders. If the transaction would have been approved but for the separate approval of each class or the exclusion of the votes of certain shareholders as provided above, a court may still approve the merger upon the request of holders of at least 25% of the voting rights of a company, if the court holds that the merger is fair and reasonable, taking into account the valuation of the merging companies and the consideration offered to the shareholders. If a merger is with a company's controlling shareholder or if the controlling shareholder has a personal interest in the merger, then the merger is instead subject to the same special majority approval that governs all extraordinary transactions with controlling shareholders.

Under the Companies Law, each merging company must deliver to its secured creditors the merger proposal and inform its unsecured creditors of the merger proposal and its content. Upon the request of a creditor of either party to the proposed merger, the court may delay or prevent the merger if it concludes that there exists a reasonable concern that, as a result of the merger, the surviving company will be unable to satisfy the obligations of the merging company, and may further give instructions to secure the rights of creditors.

In addition, a merger may not be completed unless at least 50 days have passed from the date that a proposal for approval of the merger is filed with the Israeli Registrar of Companies and 30 days from the date that shareholder approval of both merging companies is obtained.

Anti-Takeover Measures

The Companies Law allows us to create and issue shares having rights different from those attached to our ordinary shares, including shares providing certain preferred rights with respect to voting, distributions or other matters and shares having preemptive rights. As of the closing of this offering, no preferred shares will be authorized under our Post-IPO Articles. 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 Post-IPO Articles, which requires the prior approval of the holders of a majority of the voting power attached to our issued and outstanding shares at a general meeting of shareholders. The convening of the meeting, the shareholders entitled to participate and the vote required to be obtained at such a meeting will be subject to the requirements set forth in the Companies Law and our Post-IPO Articles, as described above in "—Shareholder Meetings." In addition, as disclosed under "—Election of Directors," we will have a classified board structure upon the closing of this offering, 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.

Borrowing Powers

Pursuant to the Companies Law and our Post-IPO Articles, our board of directors may exercise all powers and take all actions that are not required under law or under our Post-IPO Articles to be exercised or taken by our shareholders, including the power to borrow money for company purposes.

Changes in Capital

Our Post-IPO Articles enable us to increase or reduce our share capital. Any such changes are subject to Israeli law and must be approved by a resolution duly passed by our shareholders at a general meeting of shareholders. In addition, transactions that have the effect of reducing capital, such as the declaration and payment of dividends in the absence of sufficient retained earnings or profits, require the approval of both our board of directors and an Israeli court.

Exclusive Forum

Our Post-IPO Articles 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. We note that investors cannot waive compliance with U.S. federal securities laws and the rules and regulations thereunder. Our Post-IPO Articles also provide that unless we consent in writing to the selection of an alternative forum, the competent courts in Tel Aviv, Israel shall be the exclusive forum for any derivative action or proceeding brought on behalf of the Company, any action asserting a breach of a fiduciary duty owed by any of our directors, officers or other employees to the Company or our shareholders or any action asserting a claim arising pursuant to any provision of the Companies Law or the Israeli Securities Law.

Transfer Agent and Registrar

The transfer agent and registrar for our ordinary shares is American Stock Transfer & Trust Company, LLC. Its address is 6201 15th Avenue, Brooklyn, New York, 11219, and its telephone number is (800) 937-5449.

Listing

We have applied to have our ordinary shares listed on the Nasdaq Global Select Market under the symbol “WKME.”

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no market for our ordinary shares. Future sales of substantial amounts of our ordinary shares in the public market could adversely affect market prices prevailing from time to time. Furthermore, because only a limited number of ordinary shares will be available for sale shortly after this offering due to existing contractual and legal restrictions on resale as described below, there may be sales of substantial amounts of our ordinary shares in the public market after such restrictions lapse. This may adversely affect the prevailing market price of our ordinary shares and our ability to raise equity capital in the future.

Following this offering and after giving effect to the Preferred Share Conversion, we will have an aggregate of 82,652,098 ordinary shares outstanding. Our ordinary shares will be available for sale in the public market after the expiration or waiver of the lock-up agreements and market stand-off provisions described below, subject to limitations imposed by U.S. securities laws on resale by our "affiliates" as that term is defined in Rule 144 under the Securities Act.

We expect that all of our ordinary shares being sold in this offering will be freely tradable without restriction or further registration under the Securities Act, unless purchased by "affiliates" as that term is defined under Rule 144 of the Securities Act described below. In addition, following this offering and the expiration or waiver of the lock-up agreements and market stand-off provisions described below, ordinary shares issuable pursuant to awards granted under certain of our equity incentive plans will eventually be freely tradable in the public market without restriction or further registration under the Securities Act unless held by "affiliates" as that term is defined in Rule 144 under the Securities Act.

As a result of the lock-up agreements and market stand-off provisions described below and subject to the provisions of Rules 144 or 701, these restricted securities will be available for sale in the public market as summarized below. (See "—Lock-Up Agreements and Market Stand-Off Provisions" for definitions of the capitalized terms used below and not otherwise defined.)

Earliest Date Available for Sale in the Public Market	Number of Ordinary Shares
The 91st day after the date of this prospectus (assuming that as of such date we have publicly released at least one full quarter of earnings, and *provided* that if the 91st day after the date of this prospectus falls during or within 15 trading days prior to a Blackout Period, such date will be deemed instead to be the date that is 15 trading days prior to the first day of such Blackout Period).	Our Employee Shareholders may sell a number of ordinary shares that equals up to 25% of their Prospectus Holdings. We expect that 25% of the Prospectus Holdings held by our Employee Shareholders will be approximately 1,994,972 ordinary shares.
The second trading day immediately following the day that the closing price of our ordinary shares is at least 25% greater than the initial public offering price per share set forth on the cover page of this prospectus for at least 10 trading days out of any 15 consecutive trading day period ending on or after the 91st day after the date of this prospectus (*provided* that if the 91st day after the date of this prospectus falls during or within 15 trading days prior to a Blackout Period, such date will be deemed instead to be the date that is 15 trading days prior to the first day of such Blackout Period).	Alternate Release Parties may sell a number of ordinary shares that equals up to 25% of their Prospectus Holdings. We expect that 25% of the Prospectus Holdings held by such Alternate Release Parties will be approximately 18,171,981 ordinary shares.

The 181st day after the date of this prospectus (*provided* that if the 180th day after the date of this prospectus occurs during or within five trading days prior to a Blackout Period, the lock-up period will expire on the sixth trading day immediately preceding the commencement of such Blackout Period).

All remaining shares held by our shareholders not previously eligible for sale, subject to volume limitations applicable to "affiliates" under Rule 144 as described below.

Eligibility of Restricted Shares for Sale in the Public Market

The remaining ordinary shares that are not being sold in this offering, but which will be outstanding at the time this offering is complete, will be "restricted securities" as that phrase is defined in Rule 144. These ordinary shares will be eligible for sale into the public market, commencing after the expiration of the restrictions under the lock-up agreements and market stand-off provisions described below, only if the sale is registered or pursuant to an exemption from registration such as the provisions of Rule 144 under the Securities Act, subject in certain cases to volume limitations, as discussed below under "—Rule 144."

Lock-Up Agreements and Market Stand-Off Provisions

We and all of our directors, executive officers, and certain other record holders representing substantially all of our outstanding ordinary shares prior to this offering and options to purchase ordinary shares are subject to lock-up agreements with the underwriters or market stand-off agreements with us for the benefit of the underwriters. Pursuant to these lock-up agreements, we and they have agreed that, without the prior written consent of Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC on behalf of the underwriters, we and they will not, in accordance with the terms of such agreements (including the partial release provisions for Employee Shareholders and Alternate Release Parties described below), during the period ending on the 180th day after the date of this prospectus (which date is subject to acceleration as described below) (such period, the "restricted period"):

(1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any ordinary shares or any securities convertible into or exercisable or exchangeable for ordinary shares (such securities, "Derivative Securities");

(2) file any registration statement with the Securities and Exchange Commission relating to the offering of any ordinary shares or Derivative Securities (or, in the case of our shareholders, make any demand for or exercise any right with respect to, the registration of any Ordinary Shares or Derivative Securities); or

(3) enter into any hedging, swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the ordinary shares.

Notwithstanding the foregoing,

(A) Beginning on the 91st day after the date of this prospectus, assuming that as of such date we have publicly released at least one full quarter of earnings, our current and former employees, consultants, and contractors (but excluding shareholders, directors, officers or any other person who would be required to make a filing under Section 16 of the Exchange Act if we were not a "foreign private

issuer") (the "Employee Shareholders"), may sell a number of ordinary shares equal to 25% of the aggregate number of ordinary shares held, and ordinary shares received upon the conversion, exercise or exchange of Derivative Securities held, in each case, as of the date of this prospectus (the "Prospectus Holdings") (which conversion, exercise or exchange, in the case of such Derivative Securities, is completed during the restricted period pursuant to an exception to the lock-up agreement); and

(B) Beginning on the second trading day immediately following the day that the closing price of our ordinary shares is at least 25% greater than the initial public offering price per share set forth on the cover page of this prospectus for at least 10 trading days out of any 15 consecutive trading day period ending on or after the 91st day after the date of this prospectus, any "Alternate Release Party" (meaning any director, officer or other person who would be required to make a filing under Section 16 of the Exchange Act if we were not a "foreign private issuer" and any of our other shareholders that is not an Employee Shareholder), may sell a number of ordinary shares equal to 25% of their Prospectus Holdings;

provided that if the 91st calendar day after the date of this prospectus falls during or within 15 trading days prior to the commencement of a regularly scheduled trading blackout period under our insider trading policy (a "Blackout Period"), then the references in clause (1) and clause (2) above to the 91st calendar day after the date of this prospectus will be deemed to refer instead to the date that is 15 trading days prior to the first day of such Blackout Period.

In addition, if the 180th day after the date of this prospectus occurs during or within five trading days prior to a Blackout Period, the lock-up period will expire on the sixth trading day immediately preceding the commencement of such Blackout Period.

The lock-up agreements described above are subject to a number of exceptions, including sales of shares on the open market to cover taxes or estimated taxes due as a result of vesting or settlement of options during the restricted period. See the section titled "Underwriting" for information about these exceptions and a further description of these agreements. Holders of outstanding options to purchase our ordinary shares and holders of ordinary shares issued pursuant to option exercises are subject to market stand-off provisions in agreements with us that impose similar restrictions. Upon the expiration of the restricted period, substantially all of the securities subject to such transfer restrictions will become eligible for sale, subject to the limitations discussed below.

Rule 144

In general, under Rule 144 under the Securities Act, a person (or persons whose shares are aggregated) who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale, and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months (including any period of consecutive ownership of preceding non-affiliated holders) would be entitled to sell those shares, subject only to the availability of current public information about us. A non-affiliated person who has beneficially owned restricted securities within the meaning of Rule 144 for at least one year would be entitled to sell those shares without regard to the provisions of Rule 144.

A person (or persons whose shares are aggregated) who is deemed to be an affiliate of ours and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months would be entitled to sell within any three-month period a number of shares that does not exceed the greater of one percent of our ordinary shares then outstanding or the average weekly trading volume of our ordinary shares on the Nasdaq during the four calendar weeks preceding such sale. Such sales are also subject to certain manner of sale provisions, notice requirements and the availability of current public information about us.

Equity Awards

Following the closing of this offering, we intend to file a registration statement on Form S-8 under the Securities Act to register ordinary shares reserved for issuance under our incentive plans. The registration statement on Form S-8 will become effective automatically upon filing.

Ordinary shares issued upon exercise of a share option and registered under the Form S-8 registration statement will, subject to vesting provisions and Rule 144 volume limitations applicable to our affiliates, be available for sale in the open market immediately after the lock-up agreements and market stand-off provisions expire. See “Management—Share Option Plans.”

Registration Rights

Upon the closing of this offering, we expect that the holders of approximately 74.2% of our outstanding ordinary shares (based on the number of ordinary shares outstanding as of March 31, 2021, after giving effect to the Preferred Share Conversion, but excluding 6,677,295 additional shares issuable upon the exercise of options outstanding as of March 31, 2021) will be entitled under our amended and restated investor’s rights agreement to certain rights with respect to the registration of their ordinary shares under the Securities Act. Registration of such shares would result in such shares becoming freely tradable without restriction under the Securities Act, except for shares purchased by our affiliates, immediately upon the effectiveness of such registration. See the sections titled “Certain Relationships and Related Party Transactions—Investor’s Rights Agreement” and “Description of Share Capital and Articles of Association—Registration Rights.”

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 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 corporate tax rate in 2021 and thereafter is 23% of their taxable income. However, the effective tax rate payable by a company that derives income from an, a Preferred Enterprise or a Preferred Technological Enterprise (as discussed below) may be considerably less. Capital gains (which are not ‘Inflationary Surplus’, as described below) derived by an Israeli company are generally subject to the prevailing corporate tax rate.

Law for the Encouragement of Capital Investments, 5719-1959

The Law for the Encouragement of Capital Investments, 5719-1959, generally referred to as the Investment Law, provides certain incentives for capital investments in production facilities (or other eligible assets).

The Investment Law was significantly amended effective as of April 1, 2005 (the “2005 Amendment”), as of January 1, 2011 (the “2011 Amendment”) and as of January 1, 2017 (the “2017 Amendment”). Pursuant to the 2005 Amendment, tax benefits granted in accordance with the provisions of the Investment Law prior to its revision by the 2005 Amendment remain in force but any benefits granted subsequently are subject to the provisions of the amended Investment Law. Similarly, 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. However, companies entitled to benefits under the Investment Law as in effect prior to January 1, 2011 were entitled to choose to continue to enjoy such benefits, provided that certain conditions are met, or elect instead, irrevocably, to forego such benefits and have the benefits of the 2011 Amendment apply. The 2017 Amendment introduces new benefits for Technological Enterprises, alongside the existing tax benefits.

Tax benefits under the 2011 Amendment

The 2011 Amendment canceled 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 is entitled to a reduced corporate tax rate of 15% with respect to its income derived from its Preferred Enterprise in 2011 and 2012, unless the Preferred Enterprise is located in a specified development zone, in which case the rate will be 10%. Under the 2011 Amendment, together with amendments to the Investment Law from 2014 and 2017, such corporate tax rate was reduced from 15% and 10%, respectively, to 12.5% and 7%, respectively, in 2013, 16% and 9% respectively, in 2014, 2015 and 2016, and 16% and 7.5%, respectively, in 2017 and thereafter. Income derived by a Preferred Company from a "Special Preferred Enterprise" (as such term is defined in the Investment Law) would be entitled, during a benefits period of 10 years, to further reduced tax rates of 8%, or 5% if the Special Preferred Enterprise is located in a certain development zone.

Dividends distributed from income which is attributed to a "Preferred Enterprise" should generally be subject to withholding tax at source at the following rates: (i) Israeli resident corporations-0%, (although, if such dividends are subsequently distributed to individuals or a non-Israeli company the below rates detailed in sub sections (ii) and (iii) shall apply), (ii) Israeli resident individuals-20% and (iii) non-Israeli residents (individuals and corporations)- subject to the receipt in advance of a valid certificate from the Israel Tax Authority ("ITA") allowing for a reduced tax rate, 20% or such lower rate as may be provided under the provisions of any applicable double tax treaty.

The 2011 Amendment also provided transitional provisions to address companies already enjoying existing tax benefits under the Investment Law. These transitional provisions provide, among other things, that unless an irrevocable request is made to apply the provisions of the Investment Law as amended in 2011 with respect to income to be derived as of January 1, 2011, a "Benefited Enterprise" (as such term is defined under the Investment Law) can elect to continue to benefit from the benefits provided to it before the 2011 Amendment came into effect, provided that certain conditions are met.

We currently do not intend to implement the 2011 Amendment.

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 provided new tax benefits for two types of "Technological 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 should qualify as a Preferred Technological Enterprise ("PTE") and thereby enjoy a reduced corporate tax rate of 12% on income that qualifies as "Preferred Technological Income", as defined in the Investment Law. The tax rate is further reduced to 7.5% for a PTE located in development zone "A". In addition, a PTE will enjoy a reduced corporate tax rate of 12% on capital gain derived from the sale of certain "Benefited Intangible Assets" (as defined in the Investment Law) to a related foreign company if the Benefited Intangible Assets were acquired from a foreign company on or after January 1, 2017 for at least NIS 200 million, and the sale received prior approval from the National Authority for Technological Innovation previously known as the Israeli Office of the Chief Scientist), to which we refer as IIA.

The 2017 Amendment further provides that a technology company satisfying certain conditions (group turnover of at least NIS 10 billion) should qualify as a "Special Preferred Technological Enterprise" and will thereby enjoy a reduced corporate tax rate of 6% on "Preferred Technological Income" regardless of the company's geographic location within Israel. In addition, a Special Preferred Technological Enterprise should enjoy a reduced corporate tax rate of 6% on capital gain derived from the sale of certain "Benefited Intangible Assets" to a related foreign company if the Benefited 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 Technological Enterprise that acquires Benefited Intangible Assets from

a foreign company for more than NIS 500 million should be eligible for these benefits for at least ten years, subject to certain approvals as specified in the Investment Law.

Dividends distributed out of Preferred Technological Income to Israeli shareholders by a PTE or a Special Preferred Technology Enterprise, paid out of Preferred Technological Income, should generally subject to withholding tax at source at the rate of 20% (in the case of non-Israeli shareholders, a lower rate may be provided in an applicable tax treaty) but in either case, subject to the receipt in advance of a valid certificate from the ITA allowing for a reduced tax rate. However, if such dividends are paid to an Israeli company, no tax is generally required to be withheld (although, if such dividends are subsequently distributed to individuals or a non-Israeli company, withholding tax at a rate of 20% or such lower rate as may be provided in an applicable tax treaty, should 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 should be 4% (or such lower rate as may be provided in an applicable tax treaty, in either case, subject to the receipt in advance of a valid certificate from the ITA allowing for such reduced tax rate).

We are currently are not entitled to the benefits under the 2017 Amendment. We are examining the potential impact of the 2017 Amendment and the degree to which we may qualify as a PTE, the amount of Preferred Technological Income that we may have and other benefits that we may receive from the 2017 Amendment 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, determined by the field of research;
- The research and development must be for the promotion of the company; and
- The research and development is carried out by or on behalf of the company seeking such tax deduction.

The amount of such deductible expenses is reduced by the sum of any funds received through government grants for the finance of such scientific research and development projects. No deduction under these research and development deduction rules is allowed if such deduction is related to an expense invested in an asset depreciable under the general depreciation rules of the Ordinance. Expenditures that are unqualified under the conditions above are deductible in equal amounts over three years.

From time to time we may apply to the Israel Innovation Authority for approval to allow a tax deduction for all or most of research and development expenses during the year incurred. There can be no assurance that such application will be accepted.

Taxation of our shareholders

Capital gains taxes applicable to non-Israeli resident shareholders. Capital gain tax is imposed on the disposition of capital assets by an Israeli resident for tax purposes, and on the disposition of such assets by a non-Israeli resident for tax purposes if those assets are (i) located in Israel; (ii) are shares or a right to a share in an Israeli resident corporation, or (iii) represent, directly or indirectly, rights to assets the majority of which are located in Israel, unless a specific exemption is available or unless a tax treaty between Israel and the shareholder's country of residence provides otherwise. The Ordinance distinguishes between "Real Capital Gain" and the "Inflationary Surplus." Real Capital Gain is the excess of the total capital gain over Inflationary Surplus.

Inflationary Surplus is a portion of the total capital gain which is equivalent to the increase in the relevant asset's cost base that is attributable to the increase in the Israeli consumer price index or, in certain circumstances, a foreign currency exchange rate, between the date of purchase and the date of disposition. Inflationary Surplus attributed to the period after December 31, 1993 is not currently subject to tax in Israel.

Real Capital Gain accrued by individuals on the sale of our shares should be taxed at the rate of 25%. However, if the individual shareholder is a "Controlling Shareholder" (as defined below) at the time of sale or at any time during the preceding 12-month period, such capital gain should be taxed at the rate of 30%. Furthermore, where an individual claimed real interest expenses and linkage differentials on securities, the capital gain on the sale of the securities should be taxed at a rate of 30%. Real Capital Gain derived by corporations should generally be subject to the corporate tax rate (23% in 2021 and thereafter).

A non-Israeli resident who derives capital gains from the sale of shares in an Israeli resident company that were purchased upon or after the company was listed for trading on a stock exchange outside of Israel, should be exempt from Israeli capital gains tax so long as the shares were not held through a permanent establishment that the non-resident maintains in Israel. However, non-Israeli entities (including corporations) should not be entitled to the foregoing exemption if Israeli residents: (i) have a controlling interest more than 25% in such non-Israeli entity 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, subject to the eligibility of such person to the treaty benefits. For example, under Convention Between the Government of the United States of America and the Government of the State of Israel with respect to Taxes on Income, as amended (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 (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 , being an individual, was present in Israel for 183 days or more during the relevant taxable year.

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, by presenting a valid withholding certificate issued by the ITA prior to the applicable payment. In addition, in transactions involving a sale of all of the shares of an Israeli resident company, in the form of a merger or otherwise, the ITA 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 ITA to confirm their status as a non-Israeli resident for tax purposes, and, in the absence of such declarations or exemptions, may require the purchaser of the shares to withhold taxes.

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 ITA allowing for a reduced tax rate). With respect to a person who is a "substantial shareholder" at the time of receiving the dividend or on any time during the preceding twelve months, the applicable tax rate is 30%. 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, 10% or more 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), or 20% if the dividend is distributed from income attributed to a Preferred Enterprise or PTE or such lower rate as may be provided in an applicable tax treaty, subject to the receipt in advance of a valid certificate from the ITA allowing for a reduced tax rate. For example, under the U.S. Israel Tax Treaty, and subject to the eligibility to the benefits under this 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, 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 a 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) are met. If the dividend is attributable partly to income derived from a 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. The aforementioned rates under the U.S. Israel Tax Treaty would not apply if the dividend income is derived through a permanent establishment of the Treaty U.S. Resident in Israel.

A non-Israeli resident who receives dividends from which full tax was withheld is generally exempt from the obligation to file tax returns in Israel with respect to such income, provided that (i) such income was not generated from business conducted in Israel by the taxpayer, (ii) the taxpayer has no other taxable sources of income in Israel with respect to which a tax return is required to be filed, and (iii) the taxpayer is not obligated to pay surtax (as further explained below).

Surtax. Subject to the provisions of an applicable tax treaty, individuals who are subject to 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 taxable income (including, but not limited to, dividends, interest and capital gain) exceeding NIS 647,640 for 2021, which amount is linked to the annual change in the Israeli consumer price index.

Estate and Gift Tax. Israeli law presently does not impose estate or gift taxes.

U.S. Federal Income Tax Considerations

The following is a description of certain material United States federal income tax considerations of the acquisition, ownership and disposition of our ordinary shares. This description addresses only the United States federal income tax consequences to U.S. Holders (as defined below) that are initial purchasers of our ordinary shares pursuant to the offering and that will hold such ordinary shares as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (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 (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;
- "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 United States federal income tax purposes;
- persons subject to special tax accounting as a result of any item of gross income with respect to the ordinary shares being taken into account in an applicable financial statement;
- partnerships or other pass-through entities and persons holding the ordinary shares through partnerships or other pass-through entities; 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 United States 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 United States 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 United States 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 United States 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 an entity or arrangement treated as a partnership for United States 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 United States 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 United States federal, state, local and foreign tax consequences of acquiring, owning and disposing of our ordinary shares.

Distributions

Subject to the discussion under "—Passive Foreign Investment Company Considerations" below, 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 United States 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 United States 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 United States federal income tax principles and, therefore, you should expect that the entire amount of any distribution generally will be taxable as dividend income to you. Non-corporate U.S. Holders 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 below 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. You should consult your tax advisor regarding the availability of the lower rate for dividends paid with respect to our shares.

The amount of any distribution paid in foreign currency will be equal to the U.S. dollar value of such currency, translated at the spot rate of exchange on the date such distribution is received, regardless of whether the payment is in fact converted into U.S. dollars at that time.

Dividends paid to you with respect to our ordinary shares generally will be treated as foreign source 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 United States federal income tax liability or, at your election, be deducted from your U.S. federal taxable income. Dividends that we distribute generally should constitute "passive category income" for purposes of the foreign tax credit. However, if we are a "United States-owned foreign corporation," solely for foreign tax credit purposes, a portion of the dividends allocable to our U.S. source earnings and profits may be recharacterized as U.S. source. A "United States-owned foreign corporation" is any foreign corporation in which United States persons own, directly or indirectly, 50% or more (by vote or by value) of the stock. In general, United States-owned foreign corporations with less than 10% of earnings and profits attributable to sources within the United States are excepted from these rules. In the event we are treated as a "United States-owned foreign corporation," if 10% or more of our earnings and profits are attributable to sources within the United States, a portion of the dividends paid on our ordinary shares allocable to our U.S. source earnings and profits will be treated as U.S. source, and, as such, a U.S. Holder may not offset any foreign tax withheld as a credit against U.S. federal income tax imposed on that portion of dividends. A foreign tax credit for foreign taxes imposed on distributions may be denied if you do not satisfy certain minimum holding period requirements. The rules relating to the determination of the foreign tax credit are complex, and you should consult your tax advisor regarding the availability of a U.S. foreign tax credit in your particular circumstances and the possibility of claiming a deduction (in lieu of the U.S. foreign tax credit) for any foreign taxes paid or withheld.

Sale, Exchange or Other Disposition of Ordinary Shares

Subject to the discussion under "—Passive Foreign Investment Company Considerations" below, 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 United States 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.

If the consideration received upon the sale or other disposition of our ordinary shares is paid in foreign currency, the amount realized will be the U.S. dollar value of the payment received, translated at the spot rate of exchange on the date of the sale or other disposition. If the ordinary shares are treated as traded on an established securities market and you are either a cash basis taxpayer or an accrual basis taxpayer who has made a special election (which must be applied consistently from year to year and cannot be changed without the consent of the IRS), the U.S. dollar value of the amount realized in foreign currency will be determined by translating the amount received at the spot rate of exchange on the settlement date of the sale. If our ordinary shares are not treated as traded on an established securities market, or you are an accrual basis taxpayer that does not elect to determine the amount realized using the spot rate of exchange on the settlement date, you will recognize foreign currency gain or loss to the extent of any difference between the U.S. dollar amount realized on the date of sale or disposition (as determined above) and the U.S. dollar value of the currency received translated at the spot rate of exchange on the settlement date, and such gain or loss generally will constitute U.S. source ordinary income or loss.

The adjusted tax basis in an ordinary share generally will be equal to the cost of such ordinary share. If a you used foreign currency to purchase the ordinary shares, the cost of the ordinary shares will be the U.S. dollar value of the foreign currency purchase price on the date of purchase, translated at the spot rate of exchange on that date. If our ordinary shares are treated as traded on an established securities market and you are either a cash basis taxpayer or an accrual basis taxpayer who has made the special election described above, the U.S. dollar value of the cost of such ordinary shares will be determined by translating the amount paid at the spot rate of exchange on the settlement date of the purchase.

Passive Foreign Investment Company Considerations

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 (determined on the basis of a quarterly average) produce or are held for the production of passive income (the "asset test"). Passive income for this purpose generally includes dividends, interest, royalties, rents, gains from commodities and securities transactions and the excess of gains over losses from the disposition of assets which produce passive income. For these purposes, cash and other assets readily convertible into cash are considered passive assets, and the company's goodwill and other unbooked intangibles are generally taken into account. 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.

Based on the currently expected market capitalization, and anticipated composition of our income, assets and operations, we do not expect to be classified as a PFIC in respect of our current taxable year. However, our status as a PFIC requires a factual determination that depends on, among other things, our income, assets and operations in each year, and can only be made after the close of each taxable year. Fluctuations in the market price of our ordinary shares may cause our classification as a PFIC for the current or future taxable years to change because the value of our assets for purposes of the asset test, including the value of our goodwill and unbooked intangibles, may be determined by reference to the market price of our shares from time to time (which may be volatile). In estimating the value of our goodwill and other unbooked intangibles, we have taken into account our anticipated market capitalization immediately following the close of this offering. Among other matters, if our market capitalization is less than anticipated or if it subsequently declines, it may make our classification as a PFIC more likely for the current or future taxable years. The composition of our income and assets may also be affected by how, and how quickly, we use our liquid assets and the cash raised in this offering. Therefore, there can be no assurance that we will not be treated as a PFIC for our current taxable year or 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 tax advisor as to the possibility and consequences of making a deemed sale election if we are (or were to become) and then cease to be a PFIC, and such election becomes available.

If we are considered a PFIC at any time that you hold ordinary shares, unless 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 directly or indirectly own equity that are also 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 Nasdaq Global Select Market. 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 hold that are treated as an equity interest in a PFIC for United States federal income tax purposes. As a result, it is possible that any mark-to-market election 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 and you recognize gain on a disposition of such ordinary shares or receive distributions with respect to such ordinary shares, 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.

Backup Withholding Tax and Information Reporting Requirements

Dividend payments 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 an 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.

UNDERWRITING

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC, Goldman Sachs & Co. LLC and Citigroup Global Markets Inc. are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of shares indicated below:

Name	Number of Shares
Morgan Stanley & Co. LLC	
Goldman Sachs & Co. LLC	
Citigroup Global Markets Inc.	
Wells Fargo Securities, LLC	
Barclays Capital Inc.	
BMO Capital Markets Corp.	
JMP Securities LLC	
KeyBanc Capital Markets Inc.	
Needham & Company, LLC	
Total:	9,250,000

The underwriters and the representatives are collectively referred to as the “underwriters” and the “representatives,” respectively. The underwriters are offering the ordinary shares subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the ordinary shares offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the ordinary shares offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters’ over-allotment option described below.

The underwriters initially propose to offer part of the ordinary shares directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters’ right to reject any order in whole or in part. After the initial offering of the ordinary shares, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to 1,387,500 additional ordinary shares at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the ordinary shares offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional ordinary shares as the number listed next to the underwriter’s name in the preceding table bears to the total number of ordinary shares listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters’ option to purchase up to an additional 1,387,500 ordinary shares.

	Per Share	Total	
		No Exercise	Full Exercise
Public offering price	$	$	$
Underwriting discounts and commissions to be paid by us	$	$	$
Proceeds, before expenses, to us	$	$	$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately $4.5 million. We have agreed to reimburse the underwriters for expense relating to clearance of this offering with the Financial Industry Regulatory Authority up to $35,000.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of ordinary shares offered by them.

We have applied to have our ordinary shares on the Nasdaq Global Select Market under the trading symbol “WKME ..”

We and all of our directors, executive officers, and certain other record holders representing substantially all of our outstanding ordinary shares prior to this offering and options to purchase ordinary shares are subject to lock-up agreements with the underwriters or market stand-off agreements with us for the benefit of the underwriters. Pursuant to these lock-up agreements, we and they have agreed that, without the prior written consent of Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC on behalf of the underwriters, we and they will not, in accordance with the terms of such agreements (including the partial release provisions for Employee Shareholders and Alternate Release Parties described below), during the period ending on the 180th day after the date of this prospectus (which date is subject to acceleration as described below) (such period, the “restricted period”):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any ordinary shares or any securities convertible into or exercisable or exchangeable for ordinary shares (such securities, “Derivative Securities”);
- file any registration statement with the Securities and Exchange Commission relating to the offering of any ordinary shares or Derivative Securities (or, in the case of our shareholders, make any demand for or exercise any right with respect to, the registration of any Ordinary Shares or Derivative Securities); or
- enter into any hedging, swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the ordinary shares.

Notwithstanding the foregoing,

(A) Beginning on the 91st day after the date of this prospectus, assuming that as of such date we have publicly released at least one full quarter of earnings, our current and former employees, consultants, and contractors (but excluding shareholders, directors, officers or any other person who would be required to make a filing under Section 16 of the Exchange Act if we were not a “foreign private issuer”) (the “Employee Shareholders”), may sell a number of ordinary shares equal to 25% of the aggregate number of ordinary shares held, and ordinary shares received upon the conversion, exercise or exchange of Derivative Securities held, in each case, as of the date of this prospectus (the “Prospectus Holdings”) (which conversion, exercise or exchange, in the case of such Derivative Securities, is completed during the restricted period pursuant to an exception to the lock-up agreement); and

(B) Beginning on the second trading day immediately following the day that the closing price of our ordinary shares is at least 25% greater than the initial public offering price per share set forth on the cover page of this prospectus for at least 10 trading days out of any 15 consecutive trading day period ending on or after the 91st day after the date of this prospectus, any "Alternate Release Party" (meaning any director, officer or other person who would be required to make a filing under Section 16 of the Exchange Act if we were not a "foreign private issuer" and any of our other shareholders that is not an Employee Shareholder), may sell a number of ordinary shares equal to 25% of their Prospectus Holdings;

provided that if the 91st calendar day after the date of this prospectus falls during or within 15 trading days prior to the commencement of a regularly scheduled trading blackout period under our insider trading policy (a "Blackout Period"), then the references in clause (1) and clause (2) above to the 91st calendar day after the date of this prospectus will be deemed to refer instead to the date that is 15 trading days prior to the first day of such Blackout Period.

The restrictions described in the immediately preceding paragraph to do not apply to:

- the sale of shares to the underwriters;
- transactions by any person other than us relating to ordinary shares or other securities acquired in this offering or in open market transactions after the completion of this offering; *provided* that no filing under Section 16(a) of the Exchange Act is required or voluntarily made during the restricted period in connection with subsequent sales of the ordinary shares or other securities acquired in this offering or such open market transactions;
- transfers of ordinary shares or Derivative Securities (i) as a bona fide gift or charitable contribution, (ii) to one or more immediate family members or to certain trusts, (iii) to certain trustor or beneficiary of such trusts, (iv) to any corporation, partnership, limited liability company, trust, investment fund or other business entity controlling, controlled by, managing or managed by, or under common control or management with, the holder or its affiliates, (v) as part of a distribution, transfer or disposition by the holder to current or former shareholders, partners (general or limited), members or other equity holders, or to the estate of any such current or former shareholder, partner, member or other equity holder, (vi) by will, other testamentary document or intestate succession, or (vii) to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under any of the foregoing clauses (i) through (vi); *provided* that (a) each transferee shall sign and deliver a lock-up agreement, and (b) no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial ownership of ordinary shares, shall be required or shall be voluntarily made during the restricted period (other than, in connection with any transfer or other disposition pursuant to clause (iv), any filing required to be made under Section 16(a) of the Exchange Act that clearly indicates in the footnotes thereto that such transfer or other disposition is pursuant to the circumstances described in clause (iv));
- transfers or other dispositions of ordinary shares or Derivative Securities that occur by operation of law, such as pursuant to a qualified domestic order, divorce settlement, divorce decree, separation agreement or other court or regulatory agency order, provided that (a) each transferee shall sign and deliver a lock-up agreement substantially in the form of this agreement (except where a court of competent jurisdiction requires such transfer or other disposition to be made without such a restriction), and (b) no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial ownership of ordinary shares, shall be required or shall be voluntarily made during the restricted period (unless such filing is required and clearly indicates in the footnotes thereto that such transfer or other disposition is pursuant to the circumstances described herein);
- transfers or other dispositions of ordinary shares or Derivative Securities in connection with the death or disability of the holder, or the termination of the holder's employment or other service with us, *provided* that no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial

ownership of ordinary shares, shall be required or shall be voluntarily made during the restricted period (unless such filing is required and clearly indicates in the footnotes thereto that such transfer or other disposition is pursuant to the circumstances described herein);

- the exercise or settlement, as the case may be, of any option, restricted share unit or other equity award that was granted under an equity incentive plan, share purchase plan or other equity award plan described in this prospectus, or which option, restricted share unit or other equity award is otherwise disclosed in this prospectus, *provided* that the ordinary shares received upon such exercise or settlement shall continue to be subject to a lock-up letter, and *provided* further that no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial ownership of ordinary shares, shall be required or shall be voluntarily made during the restricted period (unless such filing is required and clearly indicates in the footnotes thereto that the filing relates to the applicable circumstances described herein, that no shares were sold by the reporting person and that the ordinary shares received upon such exercise or settlement are subject to a lock-up agreement with the underwriters of this offering);
- the transfer or other disposition of ordinary shares to us, or the withholding of ordinary shares by us, in connection with a vesting event or the exercise or settlement of, any option, restricted share unit or other equity award that was granted under an equity incentive plan, share purchase plan or other equity award plan described in this prospectus, or which option, restricted share unit or other equity award is otherwise disclosed in this prospectus (including, in each case, on a “cashless” or “net exercise” basis and/or to cover tax withholding obligations or the payment of taxes, including estimated taxes, due in connection therewith), *provided* that any shares received by the holder upon such vesting, exercise or settlement, as the case may be, shall continue to be subject to a lock-up agreement, and *provided* further no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial ownership of ordinary shares, shall be required or shall be voluntarily made during the restricted period (unless such filing is required and clearly indicates in the footnotes thereto that the filing relates to the applicable circumstances described herein, and that no shares were sold by the reporting person);
- the transfer or other disposition of ordinary shares or Derivative Securities pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction or series of related transactions that, in each case, is approved by our board of directors and involves a ”change of control” (defined as any “person” (as defined in Section 13(d)(3) of the Exchange Act), or group of persons, other than us, becoming the beneficial owner (as defined in Rules 13d-3 and 13d-5 of the Exchange Act) of 50% of the total voting power of our voting shares)) (including, without limitation, entering into any agreement pursuant to which the holder may agree to transfer, sell, tender or otherwise dispose of ordinary shares or other securities in connection with any such transaction, or vote any securities in favor of any such transaction), *provided* that in the event that such tender offer, merger, consolidation or other similar transaction or series of related transactions is not completed, the holder’s shares shall remain subject to the lock-up agreement;
- the establishment of, or any amendment or modification to, a trading plan on behalf of such holders pursuant to Rule 10b5-1 under the Exchange Act for the transfer of ordinary shares, provided that (i) such plan does not provide for the transfer of ordinary shares during the restricted period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by or on our behalf or on behalf of the holder regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of ordinary shares may be made under such plan during the restricted period; or
- the conversion of our convertible preferred shares into ordinary shares prior to or in connection with the consummation of this offering, provided that any ordinary shares received upon such conversion shall be subject to the restrictions contained in the lock-up agreement.

In addition, if the 180th day after the date of this prospectus occurs during or within five trading days prior to a Blackout Period, the lock-up period will expire on the sixth trading day immediately preceding the commencement of such Blackout Period.

Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, in their sole discretion, may release the ordinary shares and other securities subject to the lock-up agreements described above in whole or in part at any time.

In order to facilitate the offering of the ordinary shares, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the ordinary shares. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the ordinary shares in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, ordinary shares in the open market to stabilize the price of the ordinary shares. These activities may raise or maintain the market price of the ordinary shares above independent market levels or prevent or retard a decline in the market price of the ordinary shares. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of ordinary shares to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Pricing of the Offering

Prior to this offering, there has been no public market for our ordinary shares. The initial public offering price was determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price were our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

Selling Restrictions

European Economic Area

In relation to each EEA Member State (each a "**Relevant Member State**"), no ordinary shares (the "Shares") have been offered or will be offered pursuant to the Offering to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Regulation, except that the Shares may be offered to the public in that Relevant Member State at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation) subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Shares shall require the Company and/or Selling Shareholders or any Bank to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an 'offer to the public' in relation to the Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Shares under, the Offering contemplated hereby will be deemed to have
represented, warranted and agreed to and with each of the Underwriters and their affiliates and the Company that:

(a) it is a qualified investor within the meaning of the Prospectus Regulation; and

(b) in the case of any Shares acquired by it as a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, (i) the Shares acquired by it in the Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Regulation, or have been acquired in other circumstances falling within the points (a) to (d) of Article 1(4) of the Prospectus Regulation and the prior consent of the Joint Global Coordinators has been given to the offer or resale; or (ii) where the Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the Prospectus Regulation as having been made to such persons.

The Company, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Joint Global Coordinators of such fact in writing may, with the prior consent of the Joint Global Coordinators, be permitted to acquire Shares in the Offering.

United Kingdom

This Prospectus and any other material in relation to the ordinary shares (the "Shares") described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with persons who are (i) persons having professional experience in matters relating to investments who fall within the definition of investment

professionals in Article 19(5) of the FPO; or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the FPO; (iii) outside the UK; or (iv) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any Shares may otherwise lawfully be communicated or caused to be communicated, (all such persons together being referred to as "Relevant Persons"). The Shares are only available in the UK to, and any invitation, offer or agreement to purchase or otherwise acquire the Shares will be engaged in only with, the Relevant Persons. This Prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person in the UK. Any person in the UK that is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

No Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which has been approved by the Financial Conduct Authority, except that the Shares may be offered to the public in the United Kingdom at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Global Coordinators for any such offer; or

(c) in any other circumstances falling within Section 86 of the FSMA.

provided that no such offer of the Shares shall require the Company and/or any Underwriters or any of their affiliates to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Each person in the UK who acquires any Shares in the Offer or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company, the Underwriters and their affiliates that it meets the criteria outlined in this section.

Canada

The ordinary shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Switzerland

This prospectus is not intended to constitute an offer or solicitation to purchase or invest in our ordinary shares. Our ordinary shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act, or the FinSA, and no application has or will be made to admit our ordinary shares stock to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this prospectus nor any other offering or marketing material relating to our ordinary shares constitutes a prospectus pursuant to the FinSA, and neither this prospectus nor any other offering or marketing material relating to our ordinary shares may be publicly distributed or otherwise made publicly available in Switzerland.

Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority, or the DFSA. This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The ordinary shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001, or the Corporations Act, and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons, or the Exempt Investors, who are “sophisticated investors” (within the meaning of section 708(8) of the Corporations Act), “professional investors” (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take into account the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate for their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Hong Kong

The ordinary shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (i) to “professional investors” as defined in the Securities and Futures Ordinance

(Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to our ordinary shares has been or may be issued or has been or may be in the possession of any person for the purposes of issuance, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to our ordinary shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Japan

No registration pursuant to Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended), or the FIEL, has been made or will be made with respect to the solicitation of the application for the acquisition of the ordinary shares.

Accordingly, the ordinary shares have not been, directly or indirectly, offered or sold and will not be, directly or indirectly, offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements, and otherwise in compliance with, the FIEL and the other applicable laws and regulations of Japan.

For Qualified Institutional Investors, or QII

Please note that the solicitation for newly issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the ordinary shares constitutes either a "QII only private placement" or a "QII only secondary distribution" (each as described in Paragraph 1, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the ordinary shares. The ordinary shares may only be transferred to QIIs.

For Non-QII Investors

Please note that the solicitation for newly issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the ordinary shares constitutes either a "small number private placement" or a "small number private secondary distribution" (each as is described in Paragraph 4, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the ordinary shares. The ordinary shares may only be transferred en bloc without subdivision to a single investor.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the ordinary shares may not be circulated or distributed, nor may the ordinary shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the ordinary shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) the sole purpose of which is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the ordinary shares pursuant to an offer made under Section 275 of the SFA except: (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; (ii) where no consideration is or will be given for the transfer; (iii) where the transfer is by operation of law; (iv) as specified in Section 276(7) of the SFA; or (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Solely for the purposes of its obligations pursuant to Section 309B of the SFA, we have determined, and hereby notify all relevant persons (as defined in the CMP Regulations 2018), that the shares are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Israel

This document does not constitute a prospectus under the Israeli Securities Law, 5728-1968 (the "Israeli Securities Law"), and has not been filed with or approved by the Israel Securities Authority. In Israel, this prospectus is being distributed only to, and is directed only at, and any offer of the securities hereunder is directed only at, (i) a limited number of persons in accordance with the Israeli Securities Law and (ii) investors listed in the first addendum to the Israeli Securities Law (the "Addendum"), consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds, entities with equity in excess of NIS 50 million and "qualified individuals," each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors (in each case, purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). Qualified investors are required to submit written confirmation that they fall within the scope of the Addendum, are aware of the meaning of same and agree to it.

EXPENSES OF THE OFFERING

We estimate that our expenses in connection with this offering, other than underwriting discounts and commissions, will be as follows:

Expenses	Amount
SEC registration fee	$ 37,138
FINRA filing fee	51,560
Nasdaq listing fee	295,000
Transfer agent's fee	4,000
Printing and engraving expenses	450,000
Legal fees and expenses	2,100,000
Accounting fees and expenses	750,000
Miscellaneous costs	812,302
Total	$4,500,000

All amounts in the table are estimates except the SEC registration fee, the stock exchange listing fee and the FINRA filing fee. We will pay all of the expenses of this offering.

LEGAL MATTERS

The validity of our ordinary shares and certain other matters of Israeli law will be passed upon for us by Meitar | Law Offices. Certain legal matters of U.S. federal law will be passed upon for us by Latham & Watkins LLP. Certain legal matters of Israeli law will be passed upon for the underwriters by Gornitzky & Co. Certain legal matters of U.S. federal law will be passed upon for the underwriters by Wilson Sonsini Goodrich & Rosati, P.C.

EXPERTS

The consolidated financial statements of WalkMe Ltd. at December 31, 2019 and 2020, and for each of the two years in the period ended December 31, 2020, appearing in this prospectus and registration statement have been audited by Kost Forer Gabbay & Kasierer (a member of Ernst & Young 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 6492101, Israel.

ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated under the laws of the State of Israel. Service of process upon us and upon our directors and officers and the Israeli experts named in this prospectus, substantially all of whom reside outside the United States, may be difficult to obtain within the United States. Furthermore, because substantially all of our assets and substantially all of our directors and officers are located outside the United States, any judgment obtained in the United States against us or any of our directors and officers may not be collectible within the United States.

We have irrevocably appointed WalkMe, Inc. as our agent to receive service of process in any action against us in any U.S. federal or state court arising out of this offering or any purchase or sale of securities in connection with this offering. The address of our agent is 71 Stevenson Street, San Francisco, CA 94105.

We have been informed by our legal counsel in Israel, Meitar | Law Offices, that it may be difficult to initiate an action with respect to U.S. securities law in Israel. Israeli courts may refuse to hear a claim based on an alleged violation of U.S. securities laws reasoning that Israel is not the most appropriate forum to hear 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 by expert witnesses which can be a time-consuming and costly process. Certain matters of procedure may also be governed by Israeli law.

Subject to certain time limitations, legal procedures and certain exceptions, Israeli courts may enforce a U.S. judgment in a civil matter which, is non-appealable, including judgments based upon the civil liability provisions of the Securities Act and the Exchange Act and including a monetary or compensatory judgment in a non-civil matter, provided that:

- the judgment was rendered by a court which was, according to the laws of the state of the court, competent to render the judgment;
- the obligation imposed by the judgment is enforceable according to the rules relating to the enforceability of judgments in Israel and the substance of the judgment is not contrary to public policy; and
- the judgment is executory in the state in which it was given.

Even if these conditions are met, an Israeli court may not declare a foreign civil judgment enforceable if:

- the judgment was given in a state whose laws do not provide for the enforcement of judgments of Israeli courts (subject to exceptional cases);
- the enforcement of the judgment is likely to prejudice the sovereignty or security of the State of Israel;
- the judgment was obtained by fraud;
- the opportunity given to the defendant to bring its arguments and evidence before the court was not reasonable in the opinion of the Israeli court;
- the judgment was rendered by a court not competent to render it according to the laws of private international law as they apply in Israel;
- the judgment is contradictory to another judgment that was given in the same matter between the same parties and that is still valid; or
- at the time the action was brought in the foreign court, a lawsuit in the same matter and between the same parties was pending before a court or tribunal in Israel.

If a foreign judgment is enforced by an Israeli court, it generally will be payable in Israeli currency, which can then be converted into non-Israeli currency and transferred out of Israel. The usual practice in an action

before an Israeli court to recover an amount in a non-Israeli currency is for the Israeli court to issue a judgment for the equivalent amount in Israeli currency at the rate of exchange in force on the date of the judgment, but the judgment debtor may make payment in foreign currency. Pending collection, the amount of the judgment of an Israeli court stated in Israeli currency ordinarily will be linked to the Israeli consumer price index plus interest at the annual statutory rate set by Israeli regulations prevailing at the time. Judgment creditors must bear the risk of unfavorable exchange rates.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement (including amendments and exhibits to the registration statement) on Form F-1 under the Securities Act. This prospectus, which is part of the registration statement, does not contain all of the information set forth in the registration statement. The rules and regulations of the SEC allow us to omit certain information from this prospectus that is included in the registration statement and the exhibits and schedules to the registration statement. For further information, we refer you to the registration statement and the exhibits and schedules filed as part of the registration statement.

Statements made in this prospectus concerning the contents of any contract, agreement or other document are not complete descriptions of all terms of these documents. If a document has been filed as an exhibit to the registration statement, we refer you to the copy of the document that has been filed for a complete description of its terms. Each statement in this prospectus relating to a document filed as an exhibit is qualified in all respects by the filed exhibit. You should read this prospectus and the documents that we have filed as exhibits to the registration statement of which this prospectus is a part completely.

Upon the closing of this offering, we will become subject to the informational requirements of the Exchange Act. Accordingly, we will be required to file reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K. The SEC maintains an internet website that contains reports and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

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 will not be 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.

WALKME LTD.

CONSOLIDATED FINANCIAL STATEMENTS

IN U.S. DOLLARS IN THOUSANDS

INDEX

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Report of Independent Registered Public Accounting Firm
To the Stockholders and the Board of Directors of

WalkMe LTD.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of WalkMe Ltd. (the "Company") as of December 31, 2020 and 2019, and the related consolidated statements of operations, statements of comprehensive loss, convertible preferred shares and stockholders' deficit and cash flows for each of the two years in the period ended December 31, 2020 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, 2020 and 2019, and the results of its comprehensive loss and its cash flows for each of the two years in the period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our 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 the financial statements are free of material misstatements, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal controls over financial reporting. As part of our audit we are required to obtain an understanding of internal controls over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls over financial reporting. Accordingly, we express no such opinion.

Our audit 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 audit 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.

Tel-Aviv, Israel
March 19, 2021

/s/ KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

We have served as the Company's auditor since 2012.

WALKME LTD. AND ITS SUBSIDIARIES

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

	As of March 31, 2021	Pro Forma Shareholders' Equity as of March 31, 2021	December 31, 2020	December 31, 2019
	(unaudited)			
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$ 68,480		$ 62,328	$ 74,184
Short term deposits	43,251		44,159	—
Trade receivables, net of allowances as of March 31, 2021, December 31, 2020 and 2019, $2,151(unaudited), $2,386 and $2,205, respectively	44,588		30,859	32,505
Prepaid expenses and other current assets	18,015		14,595	11,901
Short term restricted deposits	1,184		184	2,038
Total current assets	175,518		152,125	120,628
LONG-TERM ASSETS:				
Other long-term assets	24,788		19,565	14,944
Long term restricted deposits	2,471		2,488	1,891
Property and equipment, net	8,886		8,629	10,752
Intangible assets, net	—		—	44
Goodwill	1,481		1,481	1,481
Total long-term assets	37,626		32,163	29,112
TOTAL ASSETS	$ 213,144		$184,288	$149,740

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

WALKME LTD. AND ITS SUBSIDIARIES

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

	As of March 31, 2021	Pro Forma Shareholders' Equity as of March 31, 2021	December 31, 2020	December 31, 2019
	(unaudited)			
LIABILITIES, REDEEMABLE NON-CONTROLLING INTEREST, CONVERTIBLE PREFERRED SHARES AND SHAREHOLDERS' DEFICIT				
CURRENT LIABILITIES:				
Trade payables	$ 5,752		$ 5,513	$ 871
Employees and payroll accruals	23,985		19,695	14,676
Accrued expenses and other current liabilities	12,656		9,848	3,774
Deferred revenues	78,388		57,467	52,256
Total current liabilities	120,781		92,523	71,577
LONG-TERM LIABILITIES:				
Deferred revenues	1,520		1,478	1,435
Deferred tax liabilities, net	3,185		3,101	2,224
Other long-term liabilities	2,281		2,308	437
Total long-term liabilities	6,986		6,887	4,096
TOTAL LIABILITIES	127,767		99,410	75,673
COMMITMENTS AND CONTINGENT LIABILITIES (note 5)				
REDEEMABLE NON-CONTROLLING INTEREST	19,046		8,647	2,041
CONVERTIBLE PREFERRED SHARES				
Of no par value - Authorized: 59,216,788 (unaudited), 59,216,788 and 59,055,288 shares at March 31, 2021, December 31, 2020 and 2019 respectively; Issued and outstanding: 59,180,522 (unaudited), 58,724,580 and 56,969,441 shares at March 31, 2021, December 31, 2020 and 2019, respectively; no shares issued and outstanding as of March 31, 2021 pro forma (unaudited)	310,490		300,490	261,995
SHAREHOLDERS' DEFICIT:				
Ordinary shares of no par value - Authorized: 89,631,512 (unaudited), 89,631,512 and 89,793,012 shares at March 31, 2021, December 31, 2020 and 2019, respectively; Issued and outstanding: 14,221,576 (unaudited), 13,773,000 and 12,481,053 shares at March 31, 2021, December 31, 2020 and 2019, respectively; 73,402,098 shares issued and outstanding as of March 31, 2021 pro forma (unaudited)	—		—	—
Deferred shares of no par value - Authorized: 4,103,500 shares at March 31, 2021 (unaudited), December 31, 2020 and 2019; None issued and outstanding	—		—	—
Additional paid-in capital	15,098	325,588	21,524	7,636
Accumulated other comprehensive income	(185)	(185)	131	26
Accumulated deficit	(259,072)	(259,072)	(245,914)	(197,631)
Total shareholders' deficit	(244,159)	66,331	(224,259)	(189,969)
TOTAL LIABILITIES, REDEEMABLE NON-CONTROLLING INTEREST, CONVERTIBLE PREFERRED SHARES AND SHAREHOLDERS' DEFICIT	$ 213,144		$ 184,288	$ 149,740

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

WALKME LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
U.S. dollars in thousands (except share and per share data)

	Three months ended March 31,		Year ended December 31,	
	2021	2020	2020	2019
	(unaudited)			
Revenues				
Subscription	$ 38,474	$ 29,652	$ 130,303	$ 94,769
Professional services	4,180	4,569	18,003	10,360
Total revenue	42,654	34,221	148,306	105,129
Cost of revenues				
Subscription	5,689	4,187	19,141	11,947
Professional services	5,080	5,073	20,017	18,729
Total cost of revenue	10,769	9,260	39,158	30,676
Gross profit	31,885	24,961	109,148	74,453
Research and development	10,422	7,613	31,560	26,639
Sales and marketing	25,135	23,291	87,208	75,004
General and administrative	9,373	5,306	33,541	22,095
Total operating expenses	44,930	36,210	152,309	123,738
Operating loss	(13,045)	(11,249)	(43,161)	(49,285)
Financial income (expense), net	45	(559)	(156)	474
Loss before income taxes	(13,000)	(11,808)	(43,317)	(48,811)
Income tax expenses	(404)	(469)	(1,708)	(1,307)
Net loss	(13,404)	(12,277)	(45,025)	(50,118)
Net loss attributable to non-controlling interest	(246)	(457)	(1,311)	(696)
Adjustment attributable to non-controlling interest	10,816	481	5,487	475
Deemed dividend to ordinary shareholders	—	4,569	4,569	—
Net loss attributable to WalkMe Ltd.	(23,974)	(16,870)	(53,770)	(49,897)
Net loss per share attributable to WalkMe Ltd. basic and diluted	$ (1.71)	$ (1.32)	$ (4.07)	$ (4.15)
Weighted-average shares used in computing net loss per share attributable to ordinary shareholders, basic and diluted	13,995,089	12,791,827	13,217,183	12,011,502
Pro forma net loss per share attributable to ordinary shareholders, basic and diluted (unaudited)	$ (0.33)		$ (0.75)	
Weighted-average shares used in computing pro forma net loss per share attributable to ordinary shareholders, basic and diluted (unaudited)	72,727,164		71,349,900	

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

WALKME LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
U.S. dollars in thousands (except share and per share data)

	Three months ended March 31,		Year ended December 31,	
	2021	2020	2020	2019
	(unaudited)			
Net loss	$(13,404)	$(12,277)	$(45,025)	$(50,118)
Other comprehensive loss:				
Foreign currency translation adjustments	(350)	(26)	205	51
Unrealized gain (loss) on derivative instruments, net	(137)	300	—	59
Other comprehensive income	(487)	274	205	110
Comprehensive loss	(13,891)	(12,003)	(44,820)	(50,008)
Less comprehensive loss attributable to redeemable non-controlling interest:				
Net loss attributable to redeemable non-controlling interest	(246)	(457)	(1,311)	(696)
Foreign currency translation attributable to redeemable non-controlling interest	(171)	(12)	100	25
Comprehensive loss attributable to redeemable non-controlling interest	(417)	(469)	(1,211)	(671)
Comprehensive loss attributable to WalkMe Ltd.	$(13,474)	$(11,534)	$(43,609)	$(49,337)

WALKME LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED SHARES AND SHAREHOLDERS' DEFICIT
U.S. dollars in thousands (except share and per share data)

	Convertible preferred shares		Ordinary shares		Additional paid-in capital	Accumulated other comprehensive income (loss)	Accumulated deficit	Total shareholder's deficit
	Number	Amount	Number	Amount				
Balance as of December 31, 2018	51,881,022	$179,895	11,645,310	$ —	$ 4,519	$ (59)	$ (155,720)	$ (151,260)
Effect of adopting ASU 2014-09, *Revenue from Contracts with Customers (Topic 606), net*	—	—	—	—	—	—	7,511	7,511
Issuance of series E-2 preferred shares, net	1,089,549	11,667	—	—	—	—	—	—
Issuance of series E-3 preferred shares, net	1,947,126	25,558	—	—	—	—	—	—
Issuance of series F preferred shares, net	2,051,744	44,875	—	—	—	—	—	—
Exercise of options	—	—	835,743	—	512	—	—	512
Share based compensation	—	—	—	—	3,080	—	—	3,080
Other comprehensive income	—	—	—	—	—	85	—	85
Net loss attributable to WalkMe Ltd. including adjustment to redeemable non-controlling interest	—	—	—	—	(475)	—	(49,422)	(49,897)
Balance as of December 31, 2019	56,969,441	261,995	12,481,053	—	7,636	26	(197,631)	(189,969)
Issuance of Series F preferred shares, net	1,755,139	38,495	—	—	—	—	—	—
Exercise of options	—	—	1,291,947	—	789	—	—	789
Share based compensation	—	—	—	—	14,017	—	—	14,017
Deemed dividend to ordinary shareholders	—	—	—	—	4,569	—	(4,569)	—
Other comprehensive income	—	—	—	—	—	105	—	105
Net loss attributable to WalkMe Ltd. including adjustment to redeemable non-controlling interest	—	—	—	—	(5,487)	—	(43,714)	(49,201)
Balance as of December 31, 2020	58,724,580	300,490	13,773,000	—	21,524	131	(245,914)	(224,259)
Issuance of series F preferred shares, net	455,942	10,000	—	—	—	—	—	—
Exercise of options	—	—	448,576	—	858	—	—	858
Share based compensation	—	—	—	—	3,532	—	—	3,532
Other comprehensive income	—	—	—	—	—	(316)	—	(316)
Net loss attributable to WalkMe Ltd. including adjustment to redeemable non-controlling interest	—	—	—	—	(10,816)	—	(13,158)	(23,974)
Balance as of March 31, 2021 (unaudited)	59,180,522	310,490	14,221,576	$ —	$ 15,098	$ (185)	$ (259,072)	$ (244,159)

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

WALKME LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED SHARES AND SHAREHOLDERS' DEFICIT
U.S. dollars in thousands (except share and per share data)

	Three months ended March 31, 2020 (unaudited)							
	Convertible preferred shares		Ordinary shares		Additional paid-in capital	Accumulated other comprehensive income (loss)	Accumulated deficit	Total shareholder's deficit
	Number	Amount	Number	Amount				
Balance as of December 31, 2019	56,969,441	$261,995	12,481,053	—	$ 7,636	$ 26	$ (197,631)	$ (189,969)
Issuance of series F preferred shares, net	159,338	3,495	—	—	—	—	—	—
Exercise of options	—	—	535,221	—	183	—	—	183
Share based compensation	—	—	—	—	781	—	—	781
Deemed dividend to ordinary shareholders					4,569	—	(4,569)	—
Other comprehensive income	—	—	—	—	—	286	—	286
Net loss attributable to WalkMe Ltd. including adjustment to redeemable non-controlling interest	—	—	—	—	(481)	—	(11,820)	(12,301)
Balance as of March 31, 2020 (unaudited)	57,128,779	$265,490	13,016,274	$ —	$ 12,688	$ 312	$ (214,020)	$ (201,020)

WALKME LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOW
U.S. dollars in thousands (except share and per share data)

	Three months ended March 31,		Year ended December 31,	
	2021	2020	2020	2019
	(unaudited)			
Cash flows from operating activities:				
Net loss	$(13,404)	$(12,277)	$(45,025)	$(50,118)
Adjustments to reconcile net loss to net cash used in operating activities:				
Share-based compensation	3,532	781	14,017	3,080
Depreciation and amortization	1,014	1,262	4,710	3,509
Increase (decrease) in accrued interest on short term and long-term deposits	(92)	21	(189)	(886)
Decrease (increase) in trade receivables, net	(13,796)	5,117	1,657	(14,274)
Increase in prepaid expenses, other current assets and other long-term assets	(6,959)	(2,473)	(6,981)	(13,918)
Increase in trade payables	124	821	4,450	336
Increase (decrease) in employees and payroll accruals	4,290	(2,555)	5,003	4,417
Increase (decrease) in accrued expenses and other current liabilities	1,273	1,443	6,070	(2,000)
Increase in deferred revenues	21,079	227	5,220	20,139
Deferred taxes, net	84	149	544	734
Increase (decrease) in other long-term liabilities	(27)	56	1,871	437
Net cash used in operating activities	(2,882)	(7,428)	(8,653)	(48,544)
Cash flows from investing activities:				
Purchase of property and equipment	(488)	(406)	(822)	(2,463)
Investment in short term deposits	—	—	(44,000)	(14,535)
Proceeds from short term deposits	1,002	—	—	23,814
Investment in restricted deposits	(1,002)	—	—	(1,818)
Proceeds from restricted deposits	—	—	623	539
Capitalization of software development costs	(711)	(317)	(1,530)	(2,015)
Net cash provided by (used in) investing activities	(1,199)	(723)	(45,729)	3,522
Cash flows from financing activities:				
Proceeds from exercise of options	722	183	789	512
Investment from redeemable non-controlling interest	—	—	2,330	2,237
Payments of deferred offering costs	(51)	—		
Issuance of preferred shares, net	10,000	3,495	38,495	82,100
Net cash provided by financing activities	10,671	3,678	41,614	84,849
Effect of foreign currency exchange rate changes on cash, cash equivalents, and restricted cash	(455)	(26)	248	51
Increase (decrease) in cash, cash equivalents and restricted cash	6,135	(4,499)	(12,520)	39,878
Cash, cash equivalents and restricted cash at beginning of period	62,895	75,415	75,415	35,537
Cash, cash equivalents and restricted cash at end of period	$ 69,030	$ 70,916	$ 62,895	$ 75,415
Supplemental disclosures of cash flow information:				
Cash paid for income taxes	—	—	—	1,260
Supplemental disclosures of noncash investing and financing activities:				
Purchase of property and equipment, accrued but not paid	75	—	191	—
Deferred offering costs incurred during the period, accrued but not paid	1,492	—	—	—
Recievables from exercise of options	136	—	—	—

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

NOTE 1:- GENERAL

WalkMe Ltd. (The “Company”) was incorporated under the laws of Israel and commenced its operations on October 26, 2011. The Company provides cloud-based Digital Adoption Platform that enables organizations to better realize the value of their software investments. The Digital Adoption Platform drives the success of digital transformation initiatives by empowering our customers with critical business insights to increase software adoption and improve user experiences for their employees and customers.

WalkMe Ltd has subsidiaries in the US, Australia, United Kingdom, Singapore and Japan. Together, WalkMe Ltd., and its subsidiaries, are referred to as the “Company”.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”).

a. Basis of presentation and principles of consolidation:

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (U.S. GAAP) as set forth in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The consolidated financial statements include accounts of the Company’s wholly-owned subsidiaries as well as the Japanese subsidiary in which the Company controls a majority stake. All intercompany accounts and transactions are eliminated.

b. Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Significant items subject to such estimates and assumptions include, but are not limited to, income taxes, share based compensation, commission capitalization, the capitalization and estimates of the useful life of capitalized software development costs, as well as in estimates used in applying the revenue recognition policy. The Company’s management believes that the estimates, judgment and assumptions used are reasonable based upon information available at the time they are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities at the dates of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The novel coronavirus (“COVID-19”) pandemic has created, and may continue to create, significant uncertainty in macroeconomic conditions, and the extent of its impact on the Company’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on the Company’s customers and its sales cycles. The Company considered the impact of COVID-19 on the estimates and assumptions and determined that there were no material adverse impacts on the consolidated financial statements for the period ended March 31, 2021. As events continue to evolve and additional information becomes available, the Company’s estimates and assumptions may change materially in future periods.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

c. Unaudited Interim Consolidated Financial Information

The accompanying interim consolidated balance sheet as of March 31, 2021, the interim consolidated statements of operations, comprehensive loss, convertible preferred shares and shareholders' deficit, and cash flows for the three months ended March 31, 2021 and 2020, and the related notes to such interim consolidated financial statements are unaudited. These unaudited interim consolidated financial statements have been prepared in accordance with GAAP and are presented in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") and do not include all disclosures normally required in annual consolidated financial statements prepared in accordance with GAAP. In management's opinion, the unaudited interim consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and reflect all adjustments, which include only normal recurring adjustments necessary for the fair presentation of the Company's financial position as of March 31, 2021 and the Company's consolidated results of operations and cash flows for the three months ended March 31, 2021 and 2020. The results for the three months ended March 31, 2021 are not necessarily indicative of the results to be expected for the full year ending December 31, 2021 or any other future interim or annual period.

d. Unaudited pro forma shareholders' equity

The Company has presented unaudited pro forma shareholders' equity as of March 31, 2021 in order to show the assumed effect on the balance sheet of the automatic conversion of the outstanding convertible preferred shares upon the consummation of a qualified initial public offering ("IPO"). Upon the consummation of an IPO, all of the outstanding convertible preferred shares will automatically convert into 59,180,522 shares of ordinary shares. The unaudited pro forma shareholders' equity does not give effect to any proceeds from the assumed IPO.

e. Foreign currency:

The functional currency of the Company and its subsidiaries is the U.S. dollar, with the exception of its Japanese subsidiary, for which the Japanese Yen is the functional currency. Accordingly, monetary accounts maintained in currencies other than the U.S. dollar are re-measured into U.S. dollars in accordance with Accounting Standard Codification ("ASC") No. 830 "Foreign Currency Matters." All transaction gains and losses of the re-measured monetary balance sheet items are reflected in the consolidated statements of operations as financial income or expenses, as appropriate.

The financial statements of the Japanese subsidiary are translated to U.S. dollars using the balance sheet date exchange rates for assets and liabilities, historical rates of exchange for equity, and average exchange rates in the period for revenues and expenses. The effects of foreign currency translation adjustments are included in shareholders' deficit as a component of accumulated other comprehensive income in the accompanying consolidated balance sheets.

f. Cash and cash equivalents:

Cash equivalents are short-term, highly liquid investments that are readily convertible to cash with original maturities of three months or less, at the date acquired. As of March 31, 2021 and December 31, 2020, the Company's cash and cash equivalents consisted of $53,980 (unaudited) and $38,824 of cash held in the Company's checking accounts and $14,500 (unaudited) and $23,505 of bank deposits with maturities of three months or less respectively.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

g. Short-term bank deposits:

Short-term bank deposits are deposits with maturities of more than three months and less than one year. As of March 31, 2021 and December 31, 2020, the Company's bank deposits are denominated mainly in U.S. dollars and bears yearly interest at weighted average rates of 0.88% (unaudited) and 0.87% respectively. Short-term bank deposits are presented at their cost, including accrued interest.

h. Restricted deposits:

These deposits are used as security for credit cards, rental of premises and hedging transactions credit line. The Company classifies as long term, deposits that are in favor of rent agreements, according to the lease agreements' term.

i. Fair value of financial instruments:

The accounting guidance for fair value provides a framework for measuring fair value, clarifies the definition of fair value, and expands disclosures regarding fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The accounting guidance establishes a three-tiered hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value as follows:

Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Cash equivalents, short term deposits, short term restricted deposit, trade receivable, trade payable, employee and payroll accruals and accrued expenses are stated at their carrying value, which approximates fair value due to the short time to the expected receipt or payment date.

j. Concentration of credit Risk:

Financial instruments that potentially subject the Company to credit risk primarily consist of cash and cash equivalents, short term deposits, restricted deposits and trade receivables. For cash and cash equivalents, the Company is exposed to credit risk in the event of default by the financial institutions to the extent of the amounts recorded on the accompanying consolidated balance sheets exceed federally insured limits. The Company places its cash and cash equivalents and short term deposits with financial institutions with high-quality credit ratings and has not experienced any losses in such accounts. For trade receivable, the Company is exposed to credit risk in the event of nonpayment by customers to the extent of the amounts recorded on the accompanying consolidated balance sheets.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

As of March 31, 2021 (unaudited), December 31, 2020 and 2019 and for the periods ended on these dates, there were no customers represented balance greater than 10% and no customers represented greater amount than 10% of total revenue.

k. Derivative Financial Instruments

The Company enters into foreign currency forward and option contracts with financial institutions to protect against foreign exchange risks for the exposure to changes in the exchange rate of the New Israeli Shekel ("NIS") against the U.S. dollar that are associated with forecasted future cash flows and certain current existing assets and liabilities for up to twelve months. The Company's primary objective in entering into these contracts is to reduce the volatility of earnings and cash flows associated with changes in foreign currency exchange rates. The Company's derivative instruments expose the Company to credit risk to the extent that the counterparties may be unable to meet the terms of the contract. The Company seeks to mitigate such risk by limiting its counterparties to major financial institutions. In addition, the potential risk of loss resulting from this type of credit risk is monitored on an ongoing basis. The Company does not use derivative instruments for trading or speculative purposes.

The Company accounts for its derivative instruments as either assets or liabilities and carries them at fair value. The accounting for changes in the fair value of a derivative depends on the intended use of the derivative and the resulting designation. Derivative instruments that hedge the exposure to variability in expected future cash flows that are designated as cash flow hedges, are recorded as either prepaid expenses and other current assets or accrued expenses and other current liabilities in the consolidated balance sheets. The Company records changes in the fair value of these derivatives in accumulated other comprehensive income (loss) in the consolidated balance sheets, until the forecasted transaction occurs. Upon occurrence, the Company reclassifies the related gain or loss on the derivative to the same financial statement line item in the consolidated statements of operations to which the derivative relates.

As of March 31, 2021, the gross notional amounts of the Company's outstanding foreign currency contracts designated as hedging instruments were $18,816 (unaudited). There were no financial instruments measured at fair value as of December 31, 2020 and 2019.

l. Trade receivables:

Trade receivables includes billed and unbilled receivables. Trade receivable are recorded at invoiced amounts and do not bear interest. The Company generally does not require collateral and provides for expected losses. The expectation of collectability is based on a review of credit profiles of customers, contractual terms and conditions, current economic trends, and historical payment experience. The Company regularly reviews the adequacy of the allowance for doubtful accounts by considering the age of each outstanding invoice and the collection history of each customer to determine the appropriate amount of allowance for doubtful accounts. Trade receivables deemed uncollectible are charged against the allowance for doubtful accounts when identified.

Unbilled trade receivables represent revenue recognized on contracts for which billings have not yet been presented to customers because the amounts were earned but not contractually billable as of the balance sheet date. As of March 31, 2021, December 31, 2020 and 2019, unbilled trade receivables of approximately $6,379 (unaudited), $6,265 and $2,297, respectively, was included in trade receivables on the Company's consolidated balance sheets.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

m. Property and equipment:

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, at the following annual rates:

	%
Software, computers and peripheral equipment	33
Office furniture and equipment	10-33
Capitalized development costs	33
Leasehold improvement	By the Shorter of remaining lease term or estimated useful life

The long-lived assets of the Company are reviewed for impairment in accordance with ASC No. 360, "Property, Plant and Equipment" ("ASC No. 360"), whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. During the three month ended March 31, 2021 (unaudited) and the years ended December 31, 2020, and 2019 no impairment losses have been identified.

n. Business combinations:

The Company accounted for business combinations in accordance with ASC 805, "Business Combinations". ASC 805 requires recognition of assets acquired, liabilities assumed, and any non-controlling interest at the acquisition date, measured at their fair values as of that date. Any excess of the fair value of net assets acquired over purchase price is allocated to goodwill and any subsequent changes in estimated contingencies are to be recorded in earnings. Acquisition related costs are expensed to the statement of operations in the period incurred.

o. Goodwill and intangible assets:

Goodwill represents the excess of the purchase price in a business combination over the fair value of net assets acquired.

Goodwill is not amortized, but rather the carrying amounts of these assets are assessed for impairment at least annually or whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. Goodwill is tested for impairment annually. In the year ended December 31, 2019, the Company elected to early adopt ASU 2017-04, "Simplifying the Test for Goodwill Impairment" for its annual goodwill impairment test. ASU 2017-04 removes Step 2 of the goodwill impairment test requiring a hypothetical purchase price allocation. Goodwill impairment, if any, is determined by comparing the reporting unit fair value to its carrying value. An impairment loss is recognized in an amount equal to the excess of the reporting unit's carrying value over its fair value, up to the amount of goodwill allocated to the reporting unit. There is no goodwill impairment for the three months ended March 31, 2021 (unaudited) and for the years ended December 31, 2020 and 2019.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Intangible assets are amortized on a straight-line basis over the estimated useful life of the respective asset. Each period the Company evaluates the estimated remaining useful lives of its intangible assets and whether events or changes in circumstances warrant a revision to the remaining period of amortization.

p. Severance pay:

All of 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, continued on their behalf to their insurance funds. Payments 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 liability for severance pay due to these employees and the deposits under Section 14 are not recorded as an asset in the Company's consolidated balance sheets.

Severance expense for the three months period ended March 31, 2021 and 2020 amounted to $781 (unaudited) and $607 (unaudited) respectively. Severance expense for the years ended December 31, 2020 and 2019 amounted to $2,495 and $2,309 respectively.

q. Contingencies:

The Company accounts for its contingent liabilities in accordance with ASC 450, Contingencies ("ASC 450"). A provision is recorded when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. With respect to legal matters, provisions are reviewed and adjusted to reflect the impact of negotiations, estimated settlements, legal rulings, advice of legal counsel and other information and events pertaining to a particular matter.

r. Revenue recognition:

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606) ("ASC 606"). This new standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. In addition, ASU 2014-09 provides guidance on accounting for certain revenue-related costs including, but not limited to, when to capitalize costs associated with obtaining and fulfilling a contract. The standard also requires certain new disclosures.

Also, the Company has considered the impact of the guidance in ASC 340-40, "Other Assets and Deferred Costs" under the new standard. Under the Company's previous accounting policy, sales commissions were expensed as incurred. The new standard requires the capitalization of all incremental costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained, provided the Company expects to recover the costs.

On January 1, 2019, The Company adopted the standard using the modified retrospective method of adoption to those contracts which were not completed by then. This means that the cumulative impact of the adoption was recognized in accumulated deficit as of January 1, 2019 and that comparatives were not restated.

The impact of adopting ASC 606 on the Company's revenue was not material. The primary impact of adopting ASC 606 relates to the deferral of incremental costs of obtaining contracts.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The cumulative effect of the changes made to the Company January 1, 2019 consolidated balance sheet for the adoption of Topic 606 were as follows:

	Balance at December 31, 2018	Adjustments due to Topic 606	Balance at January 1, 2019
Prepaid expenses and other current assets	$ 3,176	$ 2,489	$ 5,665
Other long-term assets	629	6,562	7,191
Deferred tax liability	—	(1,540)	(1,540)
Accumulated deficit	$ (155,720)	$ 7,511	$(148,209)

In accordance with the new revenue standard requirements, the disclosure of the impact of adoption on our consolidated statement of operations and balance sheet for the year ended December 31, 2019 was as follows:

Consolidated Balance Sheet

	Balance as reported at December 31, 2019	Adjustments due to Topic 606	Amounts under Topic 605
Prepaid expenses and other current assets	$ 11,901	$ (6,422)	$ 5,479
Other long term assets	14,944	(14,347)	597
Deferred tax liabilities, net	(2,224)	2,224	—
Accumulated deficit	$ (197,631)	$ (18,545)	$(216,176)

Consolidated statement of operations

	As reported at December 31, 2019	Adjustments due to Topic 606	Amounts under Topic 605
Sales and marketing	$ 75,004	$ 11,719	$ 86,723
Income tax expenses	1,307	(738)	569
Net loss	$ (50,118)	$ (10,981)	$(61,099)

The Company recognizes revenue in accordance with ASC Topic 606, Revenue from contracts with customers (“ASC 606”) and determines revenue recognition through the following steps:

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

The Company revenues are comprised from Software-as-a-Service (“SaaS”) subscriptions and professional services. The Company solution, which allow the customer to access its hosted platform over the contract period without taking possession of the platform, provided on a subscription basis, and recognized ratably over the contract period. Professional services revenues are recognized as services are performed.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The Company recognizes revenue when its customer obtains control of promised services in an amount that reflects the consideration that the company expects to receive in exchange for those services.

Subscription services and professional services arrangements are generally non-cancelable and do not allow refunds to customers.

The transaction price is determined based on the consideration to which the Company will be entitled in exchange for transferring goods or services to the customer, excluding taxes assessed by a governmental authority, that are collected by the Company from a customer.

For arrangements with multiple performance obligations, which represent promises within an arrangement that are capable of being distinct, the Company allocates revenue to all distinct performance obligations based on their relative stand-alone selling price ("SSP"). The Company uses judgment in determining the SSP. If the SSP is not observable through standalone transactions, the Company estimates the SSP considering available information such as market segment, number of users, geographic factors, and internally approved pricing guidelines related to the performance obligation. The Company typically establish SSP range for its products and services, which is reassessed on a periodic basis or when facts and circumstances change.

The Company applied the practical expedient in Topic 606 and did not evaluate contracts of one year or less for the existence of a significant financing component.

s. Cost to obtain a contract:

As part of its adoption of ASC 606 the Company capitalizes sales commissions and associated payroll taxes paid to sales personnel that are incremental to the acquisition of customer contracts. The provisions of ASC 606 codified and clarified the accounting guidance for contract acquisition costs. The new guidance resulted in the capitalization of additional contract acquisition costs, which are subsequently amortized over the period of benefit by taking into consideration the length of terms in its customer contracts, life of the technology and other factors. Sales commissions for the renewal of a contract are not considered commensurate with the sales commissions paid for the acquisition of the initial contract given a substantive difference in commission rates in proportion to their respective contract values.

We have applied the practical expedient in ASC 606 to expense costs as incurred for costs to obtain a contract with a customer when the amortization period would have been one year or less.

Under the legacy accounting guidance, the Company expensed sales commissions as incurred. The Company periodically reviews these deferred contract acquisition costs to determine whether events or changes in circumstances have occurred that could impact the period of benefit. There were no impairment losses recorded during the three month ended March 31, 2021(unaudited) and for the years ended December 31, 2020 and 2019.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The following table represents a rollforward of deferred contract acquisition costs:

	March 31,		December 31,	
	2021	2020	2020	2019
	(unaudited)			
Beginning balance	$29,729	$20,769	$20,769	$ 9,051
Additions to deferred contract acquisition costs	8,844	3,825	17,160	15,732
Amortization of deferred contract acquisition costs	(2,863)	(1,685)	(8,200)	(4,014)
Ending balance	35,710	22,909	29,729	20,769
Deferred contract acquisition costs (to be recognized in next 12 months)	12,890	7,379	10,712	6,422
Deferred contract acquisition costs, non-current	$22,820	$15,530	$19,017	$ 14,347

t. Deferred revenues and remaining performance obligations:

Deferred revenue primarily consists of billings or payments received in advance of revenue recognition and is recognized as the revenue recognition criteria are met. Deferred revenue that is anticipated to be recognized during the succeeding 12-months period is recorded as current deferred revenue and the remaining portion is recorded as noncurrent deferred revenue. for disaggregation of revenue please refer to note 8.

As of March 31, 2021 and December 31, 2020, the total remaining non-cancellable performance obligations under the Company's contracts with customers was approximately $237,200 (unaudited) and $205,100, respectively. Of these amounts, the Company expects to recognize revenue of approximately $142,400 (unaudited) and $130,100, or 60% and 63%, through March 31, 2022 and December 31, 2021, respectively with the remainder to be recognized thereafter.

u. Software development costs:

The Company capitalizes qualifying internal use software development costs related to its cloud platform. The costs consist of personnel costs (including related benefits and share-based compensation) that are incurred during the application development stage. Capitalization of costs begins when two criteria are met: (1) the preliminary project stage is completed, and (2) 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, including the completion of all significant testing. Costs related to preliminary project activities and post implementation operating activities are expensed as incurred. Capitalized costs are included in property and equipment, net. These costs are amortized over the estimated useful life of the software, which is three years, on a straight-line basis, which represents the manner in which the expected benefit will be derived. The amortization of costs related to the platform applications is included in cost of revenue in the consolidated statements of operations.

For the three month ended March 31, 2021 and 2020, the Company capitalized a total amount of $711 (unaudited) and $317 (unaudited), respectively. For the years ended December 31, 2020 and 2019 the Company capitalized a total amount of $1,530 and $2,015 respectively.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

v. Research and development:

Research and development costs include personnel-related costs associated with the Company's engineering, data science, product and design teams as well as consulting and professional fees, for third-party development resources, third-party licenses for software development tools and allocated overhead costs. Research and development are generally expensed as incurred.

w. Advertising expenses:

Advertising is expensed as incurred. Advertising expense amounted to $4,510 (unaudited) and $3,254 (unaudited) for the three month ended March 31, 2021 and 2020 respectively. Advertising expense amounted to $15,639 and $13,148 for the years ended December 31, 2019 and 2020, respectively.

x. Basic and diluted net loss per share:

Basic and diluted net loss per share is computed based on the weighted-average number of shares of ordinary shares outstanding during each year. Diluted loss per share is computed based on the weighted average number of ordinary shares outstanding during the period, plus dilutive potential shares considered outstanding during the period, in accordance with ASC 260-10. Basic and diluted net loss per share of ordinary shares was the same for each period presented as the inclusion of all potential ordinary shares outstanding was anti-dilutive.

y. Share-based compensation:

The Company accounts for share-based compensation in accordance with ASC 718, "Compensation – Stock Compensation" ("ASC 718"). ASC 718 requires companies to estimate the fair value of equity-based payment awards on the date of grant using an option-pricing model. The Company recognizes forfeitures of awards as they occur. The Company recognizes compensation expenses for the value of its awards granted based on the straight-line method over the requisite service period of each of the awards.

The Company selected the Black-Scholes option-pricing model as the most appropriate fair value method for its option awards. The option-pricing model requires a number of assumptions, of which the most significant are the share price, volatility and the expected option term.

The fair value of ordinary share underlying the options has historically been determined by management and the board of directors. Because there has been no public market for the Company's ordinary shares, the board of directors has determined fair value of an ordinary share at the time of grant of the option by considering a number of objective and subjective factors including financing investment rounds, operating and financial performance, the lack of liquidity of share capital and general and industry specific economic outlook, amongst other factors.

The fair value of the underlying ordinary shares will be determined by the board of directors until such time as the Company's ordinary shares are listed on an established stock exchange.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

z. Income taxes:

The Company accounts for income taxes in accordance with ASC 740, "Income Taxes" ("ASC 740"). This standard prescribes the use of the liability method, whereby deferred tax asset and liability accounts balances are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company provides 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.

The Company accounts for uncertain tax positions in accordance with the provisions of ASC 740-10, "Income Taxes". Accounting guidance addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements, under which a Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position.

The tax benefits recognized in the consolidated financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement.

aa. Recently adopted accounting pronouncements:

As an "emerging growth company", the Jumpstart Our Business Startups Act ("JOBS Act") allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. The Company has elected to use this extended transition period under the JOBS Act. The adoption dates discussed below reflect this election.

In June 2018, the FASB issued ASU No. 2018-07 Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting, which is intended to reduce the cost and complexity and to improve financial reporting for nonemployee share based payment. The standard expands the scope of Topic 718, (which currently only includes share-based payments to employees) to include share-based payments issued to nonemployees for goods or services. Consequently, the accounting for share-based payments to nonemployees and employees will be substantially aligned. The standard is effective for public entities for fiscal years beginning after December 15, 2019 and nonpublic entities for fiscal years beginning after December 15, 2020. Early adoption is permitted but no earlier than a company's adoption date of Topic 606. The Company adopted the guidance as of January 1, 2019 and the adoption did not have a material impact on the Company's consolidated financial statements.

In August 2017, the FASB issued ASU 2017-12, "Derivatives and Hedging - Targeted Improvements to Accounting for Hedging Activities", which is intended to simplify and amend the application of hedge accounting to more clearly portray the economics of an entity's risk management strategies in its financial statements. The ASU will make more financial and non-financial hedging strategies eligible for hedge accounting, reduce complexity in fair value hedges of interest rate risk and ease certain documentation and assessment requirements of hedge effectiveness. It also changes how companies assess effectiveness and amends the presentation and disclosure requirements. ASU 2017-12 is effective for fiscal years beginning after December 15, 2020. The Company adopted the guidance as of January 1, 2021, and the adoption did not have a material impact on its consolidated financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

ab. Accounting pronouncements not yet adopted:

In August 2018, the FASB issued ASU No. 2018-15, Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract, which aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The new standard requires capitalized costs to be amortized on a straight-line basis generally over the term of the arrangement, and the financial statement presentation for these capitalized costs would be the same as that of the fees related to the hosting arrangements. The guidance will be effective for the Company beginning January 1, 2021, and interim periods in fiscal years beginning January 1, 2022. Early adoption is permitted. The Company is currently evaluating the effect that ASU 2018-15 will have on its consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU No. 2016-02, Leases, which would require lessees to put all leases on their balance sheets, whether operating or financing, while continuing to recognize the expenses on their income statements in a manner similar to current practice. The guidance states that a lessee would recognize a lease liability for the obligation to make lease payments and a right-to-use asset for the right to use the underlying asset for the lease term. In June 2020, the FASB issued ASU No. 2020-05, Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities, which defers the effective date of ASU 2016-02 for non-public entities to fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The guidance will be effective for the Company beginning January 1, 2022, and interim periods in fiscal years beginning January 1, 2023. The Company is currently evaluating the effect that ASU 2016-02 will have on its consolidated financial statements and related disclosures.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which replaces the existing incurred loss impairment model with an expected credit loss model and requires a financial asset measured at amortized cost to be presented at the net amount expected to be collected. The guidance will be effective for the Company beginning January 1, 2023, and interim periods therein. Early adoption is permitted. The Company is currently evaluating the effect that ASU 2016-13 will have on its consolidated financial statements and related disclosures.

NOTE 3:- REDEEMABLE NON-CONTROLLING INTEREST

In January 2019, the Company entered into an agreement with Japan Cloud Computing, L.P. and M30 LLC (collectively, the "Investors") to engage in the investment, organization, management, and operation of the Japanese subsidiary that is focused on the distribution of the Company's products in Japan. During the years 2020 and 2019, the Company contributed approximately $4,750 in cash in exchange for 51% of the outstanding common stock of the Japanese subsidiary. As of December 31, 2020 and 2019, the Company controls a majority stake in the Japanese subsidiary and as a result, the Company consolidated the Japanese subsidiary and all intercompany accounts have been eliminated.

The agreement with the minority investors of the Japanese subsidiary contains redemption features whereby the interest held by the minority investors are redeemable either (i) at the option of the minority investors or (ii) at the option of the Company, both beginning on the eighth anniversary of the initial capital contribution. Should

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

NOTE 3:- REDEEMABLE NON-CONTROLLING INTEREST—(Continued)

the call or put option be exercised, the redemption value would be determined based on a prescribed formula derived from the discrete revenues of the Japanese subsidiary and the Company's revenues and may be settled, at the Company's discretion, with Company shares, if the Company is public at that time, or cash.

The balance of the redeemable non-controlling interest is reported at the greater of the initial carrying amount adjusted for the redeemable non-controlling interest's share of earnings or losses and other comprehensive income or loss, or its estimated redemption value. The resulting changes in the estimated redemption amount (increases or decreases) are recorded with corresponding adjustments against retained earnings or, in the absence of retained earnings, additional paid-in-capital. These interests are presented on the consolidated balance sheets outside of equity under the caption "Redeemable non-controlling interest".

The following table summarizes the activity in the redeemable non-controlling interests for the period indicated below:

	March 31,		December 31,	
	2021	2020	2020	2019
	(unaudited)			
Balance, beginning of period	$ 8,647	$2,041	$ 2,041	$ —
Investment by redeemable non-controlling interest	—	—	2,330	2,237
Net loss attributable to redeemable non-controlling interest	(246)	(457)	(1,311)	(696)
Adjustment to redeemable non-controlling interest	10,816	481	5,487	475
Foreign currency translation	(171)	(12)	100	25
Balance, end of period	$19,046	$2,053	$ 8,647	$2,041

NOTE 4:-PROPERTY AND EQUIPMENT

	March 31,	December 31,	
	2021	2020	2019
	(unaudited)		
Cost:			
Software, computers and peripheral equipment	$ 4,923	$ 4,369	$ 3,674
Office furniture and equipment	890	890	830
Capitalized Development costs	10,594	9,883	8,353
Leasehold improvements	3,920	3,914	3,867
	20,327	19,056	16,724
Accumulated depreciation	11,441	10,427	5,972
Depreciated cost	$ 8,886	$ 8,629	$10,752

Depreciation expenses were $1,014 (unaudited), $1,219 (unaudited), $4,666 and $3,208 for the three months ended March 31, 2021 and 2020 and for the years ended December 31, 2020 and 2019 ,respectively.

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

NOTE 4:-PROPERTY AND EQUIPMENT—(Continued)

During 2020, the Company recorded a reduction of $211 to the cost and accumulated depreciation of fully depreciated equipment and leasehold improvements no longer in use, following an assessment made by the Company.

NOTE 5:-COMMITMENTS AND CONTINGENT LIABILITIES

a. Lease commitments:

The Company and its subsidiaries rent their facilities under various operating lease agreements, which expire on various dates, the latest of which is in 2025. The minimum rental payments under operating leases as of December 31, 2020, are as follows:

Year ended December 31,	Rental of Premises
2021	$ 5,612
2022	5,298
2023	4,800
2024	3,118
2025	102
	$ 18,930

The minimum rental payments under operating leases as of March 31, 2021 (unaudited), are as follows:

Year ended December 31,	Rental of Premises
Reminder 2021	$ 4,203
2022	5,282
2023	4,802
2024	3,122
2025	102
	$ 17,511

Total rent expenses for the three month ended March 31, 2021 and 2020, and for the years ended December 31, 2020 and 2019 were $1,229 (unaudited), $1,884 (unaudited), $10,684 and $5,899, respectively. The increase in the year ended December 31, 2020 is primarily due to a one-time expense from termination of one of our lease agreements in the U.S.

b. Sublease:

The U.S. subsidiary has entered into sub-lease agreements, including the same conditions as in the original lease agreements. Total sublease income for the three month ended March 31, 2021 and 2020, and for the years ended December 31, 2020 and 2019 were $162 (unaudited), $158 (unaudited), $651 and $542, respectively.

As of March 31, 2021 and December 31, 2020, the expected rental income of the U.S. subsidiary is $653 (unaudited) and $815 through March 2022.

NOTE 5:-COMMITMENTS AND CONTINGENT LIABILITIES—(Continued)

c. Non-cancelable material commitments:

The Company enters into non-cancelable purchase commitments with various parties for mainly hosting services, as well as software products and services in the normal course of business. As of March 31, 2021 and December 31, 2020, the Company had outstanding non-cancelable purchase commitments in the amount of $21,876 (unaudited) and $23,409.

d. Pledges and bank guarantees:

As of December March 31, 2021 and December 31, 2020 The Company and its subsidiaries pledged bank deposits in the amount of $3,655 (unaudited) and $2,672, respectively, with respect of their office rent agreements, hedging activity and bank credit cards.

As of December March 31, 2021 and December 31, 2020 the Company and its US subsidiary obtained bank guarantees in the amount of $2,173 (unaudited) and $2,189, respectively, in connection with their office lease agreements.

e. IIA and Smart money grants:

The Company has an obligation to pay royalties for research and development grant received from the Israel Innovation Authority (the “IIA”). The royalty payments are subject to sales from products developed with supporting funds provided by the IIA. The Company is not obligated to pay royalties or repay the grants if it does not have any sales from products developed with IIA supporting.

The royalty rate is 3.5% and is payable until the full return of the U.S dollar-linked value of the grant, plus interest at the rate of 12-month LIBOR.

As of March 31, 2021 and December 31, 2020 the Company has a contingent obligation to the IIA in the amount of $12 (unaudited) and $39 (excluding interest) respectively.

The Company received grants from the Ministry of Economy and Industry under the “Smart Money” program. The program’s intent is to help Israeli companies marketing efforts worldwide. In consideration for the marketing grant received, the Company has undertaken to pay royalties as a percentage of revenues from sales in the designated markets. The royalty rate is 3%.

As of March 31, 2021 and December 31, 2020, the Company has a contingent obligation to the Ministry of Economy and Industry in the amount of $197 (unaudited) and $254, respectively.

f. Litigation:

In December 2016, the Company’s US subsidiary and the Company’s distributor in Germany were sued in a German Regional Court (“RC”) by a third party for alleged infringement of the German parts of two European patents (patents – “A” & “B”). In August 2017, the Company filed two nullity actions in the Federal Patent Court in Munich (“FPC”) against the asserted patents which were allegedly infringed. In March 2018, the RC ruled in favor of the plaintiff regarding patent B. In May 2018, the Company appealed the ruling to the Higher Regional Court (“HRC”). In February 2019, the FPC revoked all claims of patent A that the plaintiff had asserted against the Company. The plaintiff filed an appeal of the FPC ruling in May 2019, which was withdrawn in August 2019, making the revocation final. Consequently, the plaintiff

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

NOTE 5:-COMMITMENTS AND CONTINGENT LIABILITIES—(Continued)

waived its claims in the RC regarding patent A in December 2019 and in January 2020 the HRC dismissed the action with respect to patent A. In October 2020, the FPC revoked all claims of patent B that the plaintiff had asserted against the Company. Plaintiff did not appeal the ruling by the FPC within the statutory deadline and the judgment of the FPC is final. In March 2021, the Company requested the infringement proceedings in the HRC be reopened and the complaint dismissed with respect to patent B. The plaintiff waived its claims in the infringement proceedings in April 2021.

NOTE 6:- CONVERTIBLE PREFERRED SHARES, SHAREHOLDERS' DEFICIT AND EQUITY INCENTIVE PLAN

a. Composition of share capital:

	March 31, 2021		December 31, 2020		December 31, 2019	
	Authorized	Issued and outstanding	Authorized	Issued and outstanding	Authorized	Issued and outstanding
	Number of shares					
	(unaudited)					
Shares no par value each:						
Ordinary shares	89,631,512	14,221,576	89,631,512	13,773,000	89,793,012	12,481,053
Convertible preferred shares:						
Preferred shares A	3,745,298	3,745,298	3,745,298	3,745,298	3,745,298	3,745,298
Preferred shares B-1	5,815,632	5,815,630	5,815,632	5,815,630	5,815,632	5,815,630
Preferred shares B-2	788,738	788,738	788,738	788,738	788,738	788,738
Preferred shares C	10,389,120	10,389,120	10,389,120	10,389,120	10,389,120	10,389,120
Preferred shares D	11,500,000	11,497,425	11,500,000	11,497,425	11,500,000	11,497,425
Preferred shares E	10,731,000	10,730,904	10,731,000	10,730,904	10,731,000	10,730,904
Preferred shares E-1	3,472,000	3,471,763	3,472,000	3,471,763	3,472,000	3,471,763
Preferred shares E-2	4,700,000	4,669,496	4,700,000	4,669,496	4,700,000	4,669,496
Preferred shares E-3	3,810,000	3,809,323	3,810,000	3,809,323	3,810,000	3,809,323
Preferred shares F	4,265,000	4,262,825	4,265,000	3,806,883	4,103,500	2,051,744
Deferred shares	4,103,500	—	4,103,500	—	4,103,500	—
Total	152,951,800	73,402,098	152,951,800	72,497,580	152,951,800	69,450,494

b. Ordinary shares:

Ordinary shares shall confer on their shareholders all rights in the Company, including the right to vote on any matter at any general meeting, with each ordinary share having voting power of one vote for one ordinary share, the right to receive notice of any General Meeting, the right to receive dividends and to participate in any distribution of surplus assets and funds in the Company.

NOTE 6:- CONVERTIBLE PREFERRED SHARES, SHAREHOLDERS' DEFICIT AND EQUITY INCENTIVE PLAN (Cont.)

c. Convertible preferred shares:

The holders of the convertible preferred shares have the following rights, preferences, and privileges:

Dividend Rights - The Company shall not declare, pay or set aside any dividends on shares of any other class or series of share capital unless the holders of the convertible preferred shares then outstanding shall simultaneously receive a dividend on each outstanding convertible preferred shares, on an as-converted basis, in each case calculated on the record date for determination of holders entitled to receive such dividend. To date, no dividends have been declared.

Conversion - At any time following the date of issuance, each preferred share is convertible, at the option of its holder, into the number of ordinary shares, calculated by dividing the applicable original issue price per share of each series by the applicable conversion price per share of such series.

The initial and the current conversion price of the series F preferred shares is $21.93, the series E-3 preferred shares is $13.13, the series E-2 preferred shares is $10.71, the series E-1 preferred shares is $7.20, the series E preferred shares is $4.66, the series D preferred shares is $2.17, the series C preferred shares is $1.06, the series B-2 preferred shares is $0.64, the Series B-1 preferred shares is $0.86 and the series A preferred shares is $0.27.

The conversion price may be adjusted from time to time based on certain events such as share splits, subdivisions, reclassification, dividends or distributions, exchanges, or in connection with anti-dilution on a broad-based weighted-average basis or with respect to some of the preferred shares, in certain circumstances related to actual pricing of the Qualified Public Offering, defined as an initial public offering yielding at least $100,000 to the Company, at a Company pre-money valuation of at least $1,750,000.

In the event that the per share price paid by the public in a Qualified Public Offering is (A) less than $9.32, the series E and the series E-1 conversion price will be adjusted to one half of the per share price paid by the public; (B) less than $13.82, the series E-2 conversion price will be adjusted to 0.775 of the per share price paid by the public; (C) less than $16.93, the series E-3 conversion price will be adjusted to 0.775 of the per share price paid by the public; (D) less than $28.51 in a Qualified Public Offering or initial public offering that is consummated prior to December 3, 2022, the series F conversion price will be adjusted to 0.76923 of the per share price paid by the public; and (E) less than $21.93 in a Qualified Public Offering or initial public offering that is consummated after December 3, 2022, the series F conversion price will be adjusted to 1.0 of the per share price paid by the public.

All outstanding preferred shares shall be automatically converted into fully paid and non-assessable ordinary shares immediately prior to and conditional upon the consummation of a Qualified Public Offering.

Voting rights - Each holder of convertible preferred shares is entitled to the number of votes equal to the number of ordinary shares into which such shares of convertible preferred shares could be converted at the record date.

Redemption - The convertible preferred shares do not contain any date-certain redemption features. The convertible preferred shares are redeemable upon certain deemed liquidation events such as a merger or sale of substantially all the assets of the Company.

Classification of convertible preferred shares - The deemed liquidation preference provisions of the convertible preferred shares are considered contingent redemption provisions that are not solely within the Company's control. Accordingly, the convertible preferred shares have been presented outside of permanent equity in the temporary equity (mezzanine) section of the consolidated balance sheets.

NOTE 6:- CONVERTIBLE PREFERRED SHARES, SHAREHOLDERS' DEFICIT AND EQUITY INCENTIVE PLAN (Cont.)

Liquidation Preference - In the event of any "exit" event such as liquidation or change of control of the Company, (A) first, the holders of the series F convertible preferred shares, and prior to any distribution to the holders of any other shares, , are entitled to be paid a per share liquidation preference , until December 3, 2022 of $28.512 for each preferred F and thereafter the original F issue price (B) second, after payment has been made in full to the holders of the series F convertible preferred shares, and prior to any distribution to the holders of series A convertible preferred shares or the ordinary shares, the holders of all the other series of convertible preferred shares (other than series F and series A), are entitled to be paid, on a pari-passu basis, a per share liquidation preference for each respective share, equal to the respective original issue price of the series (C) third, after payment per (A) and (B), the holders of series A convertible preferred shares are entitled to be paid a per share liquidation preference for each A share equal to the series A original issue price. The above payments to the holders of the convertible preferred shares is the "Liquidation Preference". After full payment of the Liquidation Preference, the remaining assets available for distribution will be distributed ratably among the holders of ordinary shares and the convertible preferred shares on as-converted basis. Notwithstanding the foregoing, in the event that the aggregate assets to be distributed on a pro rata basis (plus all previous distributions to shareholders) would exceed certain respective minimum amounts per class of convertible preferred shares, then the respective class of convertible preferred shares will be automatically converted into ordinary shares immediately prior to such distribution (i.e. and the liquidation preference mechanism for such class would terminate).

d. Deferred shares

Deferred shares shall be entitled to receive the par value thereof in an event of liquidation or winding up of the Company, and shall not be entitled to any other rights, privileges and preferences.

e. Issuance of shares:

In June 2017, the Company entered into a share purchase agreement with certain investors, according to which the Company issued 4,670 preferred E-2 shares of no par value each, for a total consideration of $50 out of $50,000, net of issuance expenses of $25.

In addition to the initially issued shares, the share purchase agreement grants the Company the right to execute funding requests up to a total amount of $50,000 for a period of 24 months. The Company executed four additional funding requests in February, September and December 2018, and in March 2019, in the total amount of $49,950, for which 4,664,826 preferred E-2 shares of no par value each were issued.

In June, 2018, the Company entered into a share purchase agreement with certain investors, which was amended on August 1, 2018, according to which the Company issued 1,397,459 preferred E-3 shares of no par value each, for a total consideration of $18,343 out of $50,000, net of issuance expenses of $ 107.

In addition to the initially issued shares, the share purchase agreement granted the Company the right to execute funding requests up to a total amount of $50,000 for a period of 24 months. The Company executed three additional funding requests in October 2018, and in June and September 2019, in the total amount of $31,657, for which 2,411,864 preferred E-3 shares of no par value each were issued.

In November 2019, the Company entered into a share purchase agreement with certain investors, according to which the Company issued 2,051,744 preferred F shares of no par value each, for a total consideration of

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

NOTE 6:- CONVERTIBLE PREFERRED SHARES, SHAREHOLDERS' DEFICIT AND EQUITY INCENTIVE PLAN (Cont.)

$45,000, net of issuance expenses of $125. In addition to the initially issued shares, the share purchase agreement granted the Company the right to execute funding requests up to a total amount of $45,000 for a period of 24 months.

In January 2020, the Company entered into a joinder agreement to the agreement dated November 2019, according to which the Company issued 159,338 preferred F shares of no par value each, for a total consideration of $3,495.

In May 2020, the Company executed an additional funding request in the total amount of $35,000, for which 1,595,801 preferred F shares of no par value each were issued. As of December 31, 2020, the Company had the right to execute additional funding requests of up to $10,000 which will be available until no later than December 31, 2021.

On March 25, 2021 the Company executed an additional funding request in the total amount of $10,000 (unaudited), for which 455,942 preferred F shares of no par value each were issued.

f. Share option plan:

Under the Company's Share Option Plan (the "Plan"), options may be granted to officers, directors, employees and non-employee consultants of the Company.

As of March 31, 2021 and December 31, 2020, an aggregate of 143,337 (unaudited) and 672,820 ordinary shares of the Company, respectively are still available for future grants. Each option granted under the Plan expires no later than 10 years from the date of grant. The options vest usually over four years of commencement of employment or services. Any options, which are forfeited or not exercised before expiration, become available for future grants.

A summary of the Company's share option activity (except options to non-employee consultants) under the Plan is as follows:

	Number of options	Weighted average exercise price	Weighted average remaining contractual term (in years)	Aggregate Intrinsic value
Balance as of December 31, 2018	7,694,375	$ 0.80	7.24	$ 8,021
Granted	1,130,750	$ 4.87		
Forfeited	(472,507)	$ 2.39		
Exercised	(835,743)	$ 0.61		
Balance as of December 31, 2019	7,516,875	$ 1.33	6.63	$ 40,909
Granted	4,628,251	$ 6.74		
Forfeited	(474,366)	$ 4.47		
Exercised	(1,291,947)	$ 0.61		
Balance as of December 31, 2020	10,378,813	$ 3.69	7.5	$ 66,024
Granted	5,122,400	$ 13.18		
Forfeited	(92,917)	$ 6.94		
Exercised	(448,576)	$ 1.91		
Balance as of March 31, 2021 (unaudited)	14,959,720	$ 6.97	8.12	$264,013

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

NOTE 6:- CONVERTIBLE PREFERRED SHARES, SHAREHOLDERS' DEFICIT AND EQUITY INCENTIVE PLAN (Cont.)

	Number of options	Weighted average exercise price	Weighted average remaining contractual term (in years)	Aggregate Intrinsic value
Exercisable options as of December 31, 2020	5,409,919	$ 1.63	5.93	$ 45,447
Exercisable options As of March 31, 2021 (unaudited)	5,531,064	$ 1.96	5.79	$125,310

As of March 31, 2021 and December 31, 2020, there was approximately $85,970 (unaudited) and $21,700 of total unrecognized compensation cost related to non-vested share-based compensation arrangements granted under the Company's share option plan, respectively. These costs are expected to be recognized over a weighted-average period of 4.3 (unaudited) and 3.1 years respectively.

The weighted-average grant date fair value of options granted during the three months ended March 31, 2021 and 2020 was $13.45 (unaudited) and $4.28 (unaudited), respectively.

The weighted-average grant date fair value of options granted during the years ended December 31, 2020 and 2019 was $5.62 and $0.97, respectively.

Under the provisions of ASC 718, the fair value of each option was estimated on the date of grant using the Black & Scholes option valuation model, using the assumptions noted in the following table:

	Three month ended, March 31,		Year ended December 31,	
	2021	2020	2020	2019
	(unaudited)			
Expected volatility	60%	60%	60%	60%-65%
Expected dividend yield	—	—	—	—
Expected term (in years)	5-6.55	6.08	6.08	5-6.08
Risk free interest	0.49%-1.05%	1.45%	0.28%-1.45%	1.51%-2.39%

Risk-free interest rates are based on the yield from U.S. Treasury zero-coupon bonds with a term equivalent to the expected term of the options. The expected volatility of the price of such shares is based on an analysis of reported data for a peer group of comparable publicly traded companies which were selected based upon industry similarities. The expected term of options granted represents the period of time that options granted are expected to be outstanding, and is determined based on the simplified method in accordance with ASC No. 718-10-S99-1 (SAB No. 110), as adequate historical experience is not available to provide a reasonable estimate.

The dividend yield is based on the Company's historical and future expectation of dividends payouts. Historically, the Company has not paid cash dividends and has no foreseeable plans to pay cash dividends in the future.

During the three month ended March 31, 2021 and 2020 and the years ended December 31, 2020 and 2019 the Company recorded compensation expenses related to employees of $3,532, $781, $14,017 and $3,008, respectively.

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

NOTE 6:- CONVERTIBLE PREFERRED SHARES, SHAREHOLDERS' DEFICIT AND EQUITY INCENTIVE PLAN (Cont.)

The following table summarizes information about the Company's outstanding and exercisable options to purchase ordinary shares granted to non-employees consultants as of March 31, 2021 (unaudited) and December 31, 2020:

Issuance date	Options for Ordinary shares	Weighted average Exercise price	Options exercisable
July 2015	20,000	$ 0.39	20,000
October 2019	30,000	$ 0.003	30,000

Total share-based compensation expenses resulting from share options granted to non-employees included in the statement of operations for the year ended December 31, 2019 were $72. No expenses were recorded for the three months ended March 31, 2021 and 2020 and for the year ended December 31, 2020.

The share-based compensation expense by line item in the accompanying consolidated statements of operations is summarized as follows:

	Three month ended March 31,		Year ended December 31,	
	2021	2020	2020	2019
	(unaudited)			
Cost of revenues	$ 177	$ 34	$ 201	$ 41
Research and development	471	240	1,596	282
Sales and marketing	793	222	1,105	427
General and administrative	2,091	285	11,115	2,330
	$ 3,532	$ 781	$14,017	$3,080

g. Third-party share transactions:

During the years ended December 31, 2020 and 2019, the Company facilitated several secondary transactions, in which certain current employees and shareholders, sold a portion of their Ordinary Shares to other shareholders. The Company recorded share-based compensation expenses for the amount realized by the employees in excess of the estimated fair value of their respective shares. In addition, the Company recorded a deemed dividend for the amount paid to other shareholders, in excess of the estimated fair value of their respective shares. The total amount resulted in $209 (unaudited), $8,536 and $1,935 of incremental share-based compensation expense for the three month ended March 31, 2020 and for the years ended December 31, 2020 and 2019, respectively, and $4,569 of deemed dividend for the three month ended March 31, 2020 and for year ended December 31, 2020.

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

NOTE 7:- TAXES ON INCOME

a. Ordinary taxable income in Israel is subject to a corporate tax rate of 23%.

The Company applies various benefits allotted to it under the revised Investment Law as per Amendment 73, which includes a number of changes to the Investment Law regimes through regulations 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 income deriving from Benefited Intangible Assets, 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. PTE is defined as an enterprise which meets the aforementioned conditions and for which total consolidated revenues of its parent company and all subsidiaries are less than NIS 10 billion.
- A 12% capital gains tax rate on the sale of a preferred intangible asset to a foreign affiliated
- enterprise, provided that the asset was initially purchased from a foreign resident at an amount of NIS 200 million or more.
- 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) 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 currently believes it is eligible for the PTE tax benefits.

The Company’s subsidiaries are separately taxed under the local tax laws of the jurisdiction of incorporation of each entity.

b. Income before taxes on income is comprised as follows:

	Year ended December 31	
	2020	2019
Domestic	$ 38,941	$ 48,392
Foreign	4,376	419
	$ 43,317	$ 48,811

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

NOTE 7:- TAXES ON INCOME (Cont.)

c. Income taxes are comprised as follows:

	Year ended December 31	
	2020	2019
Current:		
Domestic	$ 153	$ 92
Foreign	1,011	481
Total current taxes	1,164	573
Deferred:		
Domestic	—	—
Foreign	544	734
Total deferred taxes	544	734
Total income taxes	$ 1,708	$ 1,307

d. A reconciliation of the Company's theoretical income tax benefit to actual income tax expense is as follows:

	Year ended December 31	
	2020	2019
Theoretical income tax benefit	$ (9,963)	$ (11,302)
Preferred technology enterprise	4,284	5,323
Foreign rate differential	213	119
Unrecognized tax benefits	1,272	437
Changes in valuation allowance	3,827	6,410
Share-based compensation	1,327	355
Non-deductible expenses	790	235
Other	(42)	(270)
Actual tax expense	$ 1,708	$ 1,307

The Company's tax provision for interim periods is determined using an estimate of its annual effective tax rate, adjusted for discrete items, if any, that arise during the period. Each quarter, the Company updates its estimate of the annual effective tax rate, and if the estimated annual effective tax rate changes, the Company makes a cumulative adjustment in the period of change.

The Company's quarterly tax provision, and estimates of its annual effective tax rate, is subject to variation due to several factors, including variability in pre-tax income (or loss), the mix of jurisdictions to which such income relates, tax law developments, uncertain tax positions as well as non-deductible expenses, such as share-based compensation, and changes in its valuation allowance. The Company had an effective tax rate of (103)% (unaudited) and (109)% (unaudited) for the three months ended March 31, 2021 and 2020, respectively.

The provision for income taxes was $404 (unaudited) and $469 (unaudited) for the three months ended March 31, 2021 and 2020, respectively and consisted primarily of income taxes related to the U.S. and other foreign jurisdictions in which the Company conducts business.

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

NOTE 7:- TAXES ON INCOME (Cont.)

e. The following table presents the significant components of the Company's deferred taxes:

	Year ended December 31,	
	2020	2019
Deferred tax assets:		
Net operating loss carryforwards	$ 27,049	$ 23,979
Research and development expenses	3,046	2,592
Accruals and reserves	2,454	998
Other deferred assets	1,041	1,258
Gross deferred tax assets	33,590	28,827
Valuation allowance	(29,780)	(25,953)
Total deferred tax assets	3,810	2,874
Deferred tax liabilities:		
Deferred contract costs	(6,294)	(4,583)
Other deferred tax liabilities	(617)	(515)
Gross deferred tax liabilities	(6,911)	(5,098)
Net deferred taxes	$ (3,101)	$ (2,224)

A valuation allowance is provided when it is more likely than not that the deferred tax assets will not be realized. The Company has established a valuation allowance to offset certain deferred tax assets at December 31, 2020 and 2019 due to the uncertainty of realizing future tax benefits from its net operating loss carryforwards and other deferred tax assets. The net change in the total valuation allowance for the years ended December 31, 2020 and 2019 was an increase of $3,827 and $6,410, respectively.

f. Tax reform U.S:

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security ("CARES Act") was signed into law. The CARES Act is a relief package intended to assist many aspects of the U.S. economy of which certain components of the Act impacted the U.S subsidiary's 2020 income tax provision. Specifically, the CARES Act temporarily reinstated a five-year carryback period for all NOLs generated in the tax years 2018, 2019 and 2020. Therefore, the Company's NOLs from 2019 were carried back to 2017 and 2016, respectively, and a tax benefit of approximately $208 was recorded for the tax year 2020.

g. Net operating losses carry forward:

As of December 31, 2020, the Company had approximately $200,200 in net operating loss carryforwards in Israel that can be carried forward indefinitely.

h. Tax assessments

The Company has net operating losses from prior tax periods which may be subjected to examination in future periods. As of December 31, 2020, the Company's tax years until December 31, 2014 are subject to statutes of limitation in Israel.

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

NOTE 7:- TAXES ON INCOME (Cont.)

As of that date, the U.S. subsidiary's tax years until December 31, 2016 are subject to statutes of limitation in the U.S.

The U.S. subsidiary is currently undergoing an income tax audit for the 2017 tax year. The audit is in its early stage.

i. Unrecognized tax benefits

Consistent with the provisions of ASC 740, Income Taxes, the Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized.

Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

The following table shows the changes in the gross amount of unrecognized tax benefits as of December 31, 2020 and 2019:

	Unrecognized Tax Benefits
Balance - December 31, 2018	$ —
Increase related to current years' tax positions	437
Balance - December 31, 2019	437
Increases related to prior years' tax positions	209
Increase related to current years' tax positions	1,063
Balance - December 31, 2020	$ 1,709

As of December 31, 2020, the total amount of gross unrecognized tax benefits was $1,709, if recognized, would favorably impact the Company's effective tax rate. The remaining amount would be offset by the reversal of related deferred tax assets which are subject to a full valuation allowance.

The Company recognizes interest and penalties related to unrecognized tax benefits as income tax expense. As of December 31, 2020, and 2019, the Company has accumulated $7 in both interest and penalties related to uncertain tax positions.

Although the Company believes that it has adequately provided for any reasonably foreseeable outcomes related to tax audits and settlement, there is no assurance that the final tax outcome of its tax audits will not be different from that which is reflected in the Company's income tax provisions.

NOTE 8:- REPORTING SEGMENTS AND GEOGRAPHIC INFORMATION

a. Operating segments

The Company operates as one operating segment. Operating segments are defined as components of an enterprise for which separate financial information is available and evaluated regularly by the chief operating decision maker, which is the Company's chief executive officer, in deciding how to make operating decisions, allocate resources and assess performance. The Company's chief operating decision maker allocates resources and assesses performance at the consolidated level.

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

NOTE 8:- REPORTING SEGMENTS AND GEOGRAPHIC INFORMATION—(Continued)

b. Geographical information

The following table summarizes revenue by region based on the shipping address of customers:

	Three months ended March 31,		Year ended December 31,	
	2021	2020	2020	2019
	(unaudited)			
United States	$30,029	$22,602	$105,321	$ 75,072
Rest of world	12,625	11,619	42,985	30,057
	$42,654	$34,221	$148,306	$105,129

Other than the United States, no other individual country accounted for 10% or more of total revenue for the three month ended March 31, 2021 (unaudited) and 2020 (unaudited) and for the years ended December 31, 2020 or 2019.

The following table summarizes property and equipment, net by region:

	Three months ended March 31,	Year ended December 31,	
	2021	2020	2019
	(unaudited)		
Israel	$ 7,386	$7,244	$ 9,123
United States	1,381	1,283	1,514
Rest of world	119	102	115
Total property and equipment, net	$ 8,886	$8,629	$10,752

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

NOTE 9:- NET LOSS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS

The following table sets forth the computation of basic and diluted net loss per share attributable to ordinary shareholders for the periods presented:

	Three months ended March 31,		Year ended December 31,	
	2021	2020	2020	2019
	(unaudited)			
Numerator:				
Net loss	$ (13,404)	$ (12,277)	$ (45,025)	$ (50,118)
Net loss attributable to non-controlling interest	(246)	(457)	(1,311)	(696)
Adjustment attributable to non-controlling interest	10,816	481	5,487	475
Deemed dividend to ordinary shareholders	—	4,569	4,569	—
Net loss attributable to WalkMe Ltd.	$ (23,974)	$ (16,870)	$ (53,770)	$ (49,897)
Denominator:				
Weighted-average shares used in computing net loss per share attributable to ordinary shareholders, basic and diluted	13,995,089	12,791,827	13,217,183	12,011,502
Net loss per share attributable to ordinary shareholders, basic and diluted	$ (1.71)	$ (1.32)	$ (4.07)	$ (4.15)

The potential shares of ordinary shares that were excluded from the computation of diluted net loss per share attributable to ordinary shareholders for the periods presented because including them would have been anti-dilutive are as follows:

	Three months ended March 31,	Year ended December 31,	
	2021	2020	2019
	(unaudited)		
Convertible preferred shares	59,180,522	58,724,580	56,969,441
Outstanding share options	15,009,720	10,428,813	7,566,875
Total	74,190,242	69,153,393	64,536,316

Unaudited Pro Forma Net Loss Per Share Attributable to Ordinary Shareholders:

The Company has presented the unaudited pro forma basic and diluted net loss per share attributable to ordinary shareholders for the three months ended March 31, 2021, year ended December 31, 2020 and December 31, 2019 computed to give effect to the conversion of its convertible preferred shares into ordinary shares (using the if-converted method) as though the conversion had occurred as of the beginning of the period or the original date of issuance, if later.

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

NOTE 9:- NET LOSS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS (Cont.)

	Three month ended March 31,	Year ended December 31,	
	2021	2020	2019
Numerator:			
Net loss attributable to WalkMe Ltd.	$ (23,974)	$ (53,770)	$ (49,897)
Denominator:			
Weighted-average shares used in computing net loss per share attributable to ordinary shareholders, basic and diluted	13,995,089	13,217,183	12,011,502
Weighted-average of convertible preferred shares upon assumed conversion in IPO	58,732,075	58,132,717	53,712,956
Weighted-average shares used in computing pro forma net loss per share attributable to ordinary shareholders, basic and diluted	72,727,164	71,349,900	65,724,458
Pro forma net loss per share attributable to ordinary shareholders, basic and diluted	$ (0.33)	$ (0.75)	$ (0.76)

NOTE 10:-SUBSEQUENT EVENTS

The Company has evaluated subsequent events from the balance sheet date through March 19, 2021, the date at which the consolidated financial statements were available to be issued.

a. On March 4, 2021, the Company's shareholders approved the change of share capital from NIS 0.01 par value to no par-value. All references to ordinary and convertible preferred shares amounts and per share amounts have been retroactively restated to reflect the change in par value as if it had taken place as of the beginning of the earliest period presented.

NOTE 11:-SUBSEQUENT EVENTS (UNAUDITED)

For its interim consolidated financial statements as of March 31, 2021, the Company evaluated subsequent events through May 17, 2021, the date on which the interim consolidated financial statements were available to be issued. The Company identified the following subsequent events:

a. On March 25, 2021 the Company executed an additional funding request in the total amount of $10,000, for which 455,492 preferred F shares of no par value each were issued.

b. On April 7, 2021 the Company acquired certain assets of Snow White Labs Ltd. for a total consideration of $300 and 33,150 of the Company's ordinary shares.

c. On May 11, 2021 the Company's shareholders approved to convert all of the Company's authorized and unissued deferred shares into 4,103,500 authorized ordinary shares of no par value.

d. In connection with the litigation described in note 5, in April 2021 the plaintiff waived its claims in the infringement proceedings and the HRC is expected to issue a corresponding decision rejecting the action in its entirety shortly.

e. Subsequent to March 31, 2021, the Company granted share options to purchase up to 636,250 ordinary shares with a weighted-average exercise price of $26.47 per share. Based on the latest fair value per share available, the Company estimates it will recognize approximately $9.8 million of share-based compensation expense related to these share options over the requisite service period of four years.

9,250,000 Shares

, 2021

Ordinary shares

Prospectus

MORGAN STANLEY	***GOLDMAN SACHS & CO. LLC***	***CITIGROUP***
WELLS FARGO SECURITIES	***BARCLAYS***	***BMO CAPITAL MARKETS***
JMP SECURITIES	***KEYBANC CAPITAL MARKETS***	***NEEDHAM & COMPANY***

Through and including , 2021 (the 25th day after the date of this prospectus), all dealers that effect transaction in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This in addition to the dealer's obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 6. Indemnification of Directors and Officers.

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 Post-IPO Articles 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:

- a financial liability imposed on him or her in favor of another person pursuant to a judgment, including a 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 abovementioned events and amount or criteria;
- reasonable litigation expenses, including legal 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 legal 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.

An Israeli company may insure an office holder against the following liabilities incurred for acts performed as an office holder if and to the extent provided in the company's articles of association:

- a breach of the duty of loyalty to the company, to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;
- a breach of the duty of care to the company or to a third-party, including a breach arising out of the negligent conduct of the office holder;
- a financial liability imposed on the office holder in favor of a third-party;
- a financial liability imposed on the office holder in favor of a third-party harmed by a breach in an administrative proceeding; and

- expenses, including reasonable litigation expenses and legal fees, incurred by the office holder as a result of an administrative proceeding instituted against him or her, pursuant to certain provisions of the Israeli Securities Law.

An Israeli company may not indemnify or insure an office holder against any of the following:

- a breach of the duty of loyalty, except to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;
- a breach of the duty of care committed intentionally or recklessly, excluding a breach arising out of the negligent conduct of the office holder;
- an act or omission committed with intent to derive illegal personal benefit; or
- a fine, monetary sanction or forfeit levied against the office holder.

Under the Companies Law, exculpation, indemnification and insurance of office holders must be approved by the compensation committee and the board of directors (and, with respect to directors and the chief executive officer, by the shareholders). However, under 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 was approved by the shareholders by the same special majority required to approve a compensation policy, provided that the insurance policy is on market terms and the insurance policy is not likely to materially impact the company's profitability, assets or obligations.

Our Post-IPO Articles allow us to exculpate, indemnify and insure our office holders for any liability imposed on them as a consequence of an act (including any omission) which was performed by virtue of being an office holder. Our office holders are currently covered by a directors and officers' liability insurance policy.

We have entered into agreements with each of our directors and executive officers exculpating them in advance, 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) 10% of our initial public offering's valuation, (ii) 25 % of our total shareholders' equity as reflected in our most recent consolidated financial statements prior to the date on which the indemnity payment is made and (iii) 10% of our total market cap calculated based on the average closing prices of our ordinary shares over the 30 trading days prior to the actual payment, multiplied by the total number of our issued and outstanding shares as of the date of the payment (other than indemnification for an offering of securities to the public, including by 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, however, is against public policy and therefore unenforceable.

There is no pending litigation or proceeding against any of our office holders as to which indemnification is being sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification by any office holder.

Item 7. Recent Sales of Unregistered Securities.

During the past three years, we issued securities which were not registered under the Securities Act as set forth below. We believe that each of such issuances was exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act or Rule 701 and/or Regulation S under the Securities Act.

The following is a summary of transactions during the preceding three fiscal years involving sales of our securities that were not registered under the Securities Act.

(a) Issuance of Capital Stock.

1. Between June 2018 and September 2019, we issued an aggregate of 3,809,323 of our Series E-3 preferred shares to investors at a price per share of $13.12569, for aggregate consideration of approximately $50 million.

2. Between November 2019 and March 2021, we issued an aggregate of 4,262,825 of our Series F preferred shares to investors at a price per share of $21.932565, for aggregate consideration of approximately $93.5 million.

3. In April 2021, we issued an aggregate of 33,150 ordinary shares as partial consideration for our acquisition of certain assets of Snow White Labs Ltd.

(b) Equity Awards.

1. Since January 1, 2018, we have granted our directors, officers, other employees and consultants options to purchase an aggregate of 12,830,569 ordinary shares, at a weighted average exercise price of $9.60 per share under our Restated 2012 Plan. As of the date hereof, options to purchase 11,354,192 ordinary shares granted to our directors, officers, employees and consultants remain outstanding.

2. Since January 1, 2018, we have issued an aggregate of 3,415,365 ordinary shares pursuant to the exercise of share options by our directors, officers, other employees and consultants. These issuances were exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) of the Securities Act, Rule 701 and/or Regulation S.

No underwriter or underwriting discount or commission was involved in any of the transactions set forth in Item 7.

Item 8. Exhibits and Financial Statement Schedules.

(a) Exhibits.

The following documents are filed as exhibits to this registration statement.

Exhibit Number	Description of Exhibit
1.1*	Form of Underwriting Agreement
3.1	Articles of Association of the Registrant (currently in effect)
3.2	Form of Amended and Restated Articles of Association of the Registrant (to be effective upon the closing of this offering)
4.1	Specimen share certificate
4.2*	2021 Amended and Restated Investor's Rights Agreement, dated as of June 6, 2021, by and among the Registrant and the parties named in Schedule 1 thereto.
5.1	Opinion of Meitar | Law Offices, counsel to the Registrant, as to the validity of the ordinary shares
10.1#	Restated 2012 Share Option Plan, as amended
10.2#	2021 Share Incentive Plan
10.3#	2021 Employee Share Purchase Plan

Exhibit Number	Description of Exhibit
10.4#	Compensation Policy for Directors and Officers
10.5	Form of Indemnification Agreement between the Registrant and its directors and officers
21.1**	Subsidiaries of the Registrant
23.1	Consent of Kost Forer Gabbay & Kasierer (a member of Ernst & Young Global), an independent registered public accounting firm
23.2	Consent of Meitar | Law Offices (included in Exhibit 5.1)
24.1**	Power of Attorney (included on signature page)

* To be filed by amendment.
** Previously filed.
Indicates management contract or compensatory plan.

(b) Financial Statement Schedules.

All schedules have been omitted because they are not required, are not applicable or the information is otherwise set forth in the consolidated financial statements and related notes thereto.

Item 9. Undertakings.

(a) The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended (the "Securities Act") may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction, the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(c) The undersigned registrant hereby further undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Tel Aviv, Israel on this 7th day of June, 2021.

WALKME LTD.

By: /s/ Dan Adika
Name: Dan Adika
Title: Chief Executive Officer

Table of Contents

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 1 to the registration statement has been signed by the following persons on June 7, 2021 in the capacities indicated:

Name	Title
/s/ Dan Adika Dan Adika	Chief Executive Officer and Director (Principal Executive Officer)
/s/ Andrew Casey Andrew Casey	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
* Rafael Sweary	President and Director
* Haleli Barath	Director
* Michele Bettencourt	Director
* Menashe Ezra	Director
* Ron Gutler	Director
* Jeff Horing	Director
* Rory O'Driscoll	Director
* Michael Risman	Director
/s/ Roy Saar Roy Saar	Director

*By: /s/ Dan Adika
Dan Adika
Attorney-in-Fact

Table of Contents

SIGNATURE OF AUTHORIZED U.S. REPRESENTATIVE OF REGISTRANT

Pursuant to the requirements of the Securities Act of 1933, as amended, the undersigned, the duly authorized representative in the United States of WalkMe Ltd. has signed this Amendment No. 1 to the registration statement on June 7, 2021.

WALKME, INC.

By: /s/ Andrew Casey
Name: Andrew Casey
Title: Chief Financial Officer

חוק החברות, התשנ"ט – 1999

תקנון חברה

ווקמי בע"מ

ח.פ 51-468226-9

בתוקף מ 11 במאי 2021

1. **<u>שם החברה</u>:**

בעברית: ווקמי בע"מ

באנגלית: WALKME LTD.

2. **<u>מטרות החברה</u>:**

לפי ס' 32(1) לחוק- לעסוק בכל עיסוק חוקי

3. **<u>פרטים בדבר הון המניות הרשום של החברה</u>:**

א) 93,735,012 מניות רגילות,ללא ערך נקוב לכל אחת,

ב) 3,745,298 מניות בכורה א', ללא ערך נקוב לכל אחת ,

ג) 6,604,370 מניות בכורה ב', ללא ערך נקוב לכל אחת, המורכב מ 5,815,632 מניות בכורה ב'-1 ו- 788,738 מניות בכורה ב'-2;

ד) 10,389,120 מניות בכורה ג', ללא ערך נקוב לכל אחת,

ה) 11,500,000 מניות בכורה ד', ללא ערך נקוב לכל אחת,

ו) 22,713,000 מניות בכורה ה', ללא ערך נקוב לכל אחת, המורכב מ 10,731,000 מניות בכורה ה ו- 3,472,000 מניות בכורה ה'-1 ו-4,700,000 מניות בכורה ה'-2, ו- 3,810,000 מניות בכורה ה'-3,

ז) 4,265,000 מניות בכורה ו', ללא ערך נקוב לכל אחת.

4. **<u>אחריות מוגבלת</u>:**

אחריותם של כלל בעלי המניות יחדיו מוגבלת ל-1 ₪.

5. **<u>העברת מניות, הצעת מניות ואגרות חוב לציבור, מספר בעלי המניות</u>:**

א. כל העברת מניות טעונה אישור הדירקטורים.

ב. אסור לחברה להציע מניות ו/או אגרות חוב לציבור.

ג. מספר בעלי המניות לא יעלה על חמישים, מלבד עובדי החברה או מי שהיו עובדיה ובהיותם עובדיה ואף לאחר שהופסקה עבודתם הם מוסיפים להיות בעלי מניות בחברה.

יתר זכויות בעלי המניות וההסדרים לגבי ניהול החברה יהיו בהתאם להוראות **<u>נספח א'</u>** שמהווה חלק בלתי-נפרד מתקנון זה.

Amended and Restated Articles of Association

of

Walkme Ltd.

Company Number: 51-468226-9

Effective as of May 11, 2021

GENERAL

1. **DEFINITION AND INTERPRETATION**

1.1. The following terms in these Articles of Association shall have the respective meanings ascribed to them below:

Affiliate	(i) in the case of a Shareholder who is an individual—a spouse, child, brother, sister, or parent of the Shareholder and any corporate entity which is wholly-owned by him or her, (whether alone or together with his or her Affiliates), provided that if such entity ceases to be wholly owned by the transferor, then such transfer will be null and void; (ii) in the case of any incorporated Shareholder (whether a company or other entity)—any legal entity which controls, is controlled by, or is under common control with such incorporated Shareholder (where "control" means the holding, directly or indirectly, of more than 50% (fifty percent) of the voting power or the right to nominate the majority of the members of the Board of Directors); (iii) as to any Shareholder which is a partnership or which is controlled or managed by a partnership, assignments and transfers to its managing or general partner, limited partners and any other partnership(s) managed by the same managing or general partner or by an entity which controls, is controlled by, or is under common control with, such management company or managing general partner; (iv) in the case of a transfer by Gemini Israel V LP, Gemini Partners Investor V LP, an entity that acquires shares of the Company as part of a sale of shares involving a portfolio of two or more companies; (v) in the case of Mangrove, Mr. Ran Tushia. Any Affiliate shall remain subject to the terms of these Articles, as applicable, and further provided, that in each case, the transferee shall only be considered an Affiliate if such transferee agrees in writing to assume all of the rights and obligations of such shareholder under all agreements to which such Shareholder and the Company are parties with respect to the transferred securities.

Articles	These Amended and Restated Articles of Association of the Company, as amended from time to time according to the terms herein.
As Converted Basis	With respect to any Preferred Shares, the number of Ordinary Shares into which the Preferred Shares are convertible at the time of the relevant calculation.
Board	The Board of Directors of the Company.
Business Day	A day (other than a Friday, a Saturday or a Sunday) on which banks generally are open in Israel for the transaction of general banking business.
CEO	As defined in Article 69 below.
Closing Date	The date of the initial closing of the Series F Share Purchase Agreement.
Companies Law	The Israeli Companies Law, 5759—1999, as may be amended from time to time.
Companies Ordinance	The Israeli Companies Ordinance, 5743-1983, as may be amended from time to time.
Companies Regulations	Regulations promulgated under the Companies Law and/or the Companies Ordinance.
Company	Walkme Ltd., Company Number: 51-468226-9.
Director	A Director of the Company which is elected or appointed in accordance with the provisions of these Articles.
Dollar or $	United States Dollars.
Effective Date	December 3, 2019.
Eligible Shareholder	As defined in Article 14.1 hereof.

Extension to the Series E Preferred Share Purchase Agreement	Extension to the Series E Preferred Share Purchase Agreement between the Company and Additional Investors dated October 7, 2016
€	Euros.
Founders	Mr. Eyal Cohen, Brooks S.M. Projects Ltd. and Mr. Dan Adika.
Gemini	Gemini Israel V, L.P. and Gemini Partners Investors V, L.P (or any of their Permitted Transferees).
General Meeting	A general meeting of the Shareholders of the Company.
Giza	Giza Venture Fund V, L.P. and Giza Venture Fund V (TW), L.P. (or any of their Permitted Transferees).
Greenspring	Greenspring Global Partners VI-A, L.P. and Greenspring Global Partners VI-C, L.P. (or any of their Permitted Transferees).
Insight	Insight Venture Partners IX, L.P., Insight Venture Partners (Cayman) IX, L.P., Insight Venture Partners IX (Co-Investors), L.P. and Insight Venture Partners (Delaware) IX, L.P. (or any of their Permitted Transferees).
IPO	The initial public offering of the Company's equity securities, in any jurisdiction (including a Qualified Public Offering).
Law	The provisions of any law ("din") as defined in the Interpretation Law, 5741-1981.
Mangrove	Mangrove III Investments S.a.r.l
NIS	New Israeli Shekels.
Ordinary Majority	More than fifty percent (50%) of the votes of the shares who are entitled to vote and voted (excluding abstentions) in a General Meeting, in person or by means of a proxy, voting together as a single class (on an As Converted Basis).
Ordinary Shares	The Company's Ordinary Shares, of no nominal value each.

Original Series A Issue Price or Series A Original Issue Price	$0.267 per share of Preferred A Shares, subject to adjustment for any share combination, subdivision or other recapitalization of such Preferred Shares or any distribution of any bonus shares issued on such series of Preferred Shares occurring after the date of adoption of these Articles.
Original Series B-1 Issue Price or Series B-1 Original Issue Price	$0.859752 per share of Preferred B-1 Shares, subject to adjustment for any share combination, subdivision or other recapitalization of such Preferred Shares or any distribution of any bonus shares issued on such series of Preferred Shares occurring after the date of adoption of these Articles.
Original Series B-2 Issue Price or Series B-2 Original Issue Price	$0.639134704 per share of Preferred B-2 Shares, subject to adjustment for any share combination, subdivision or other recapitalization of such Preferred Shares or any distribution of any bonus shares issued on such series of Preferred Shares occurring after the date of adoption of these Articles.
Original Series C Issue Price or Series C Original Issue Price	$1.0588 per share of Preferred C Shares, subject to adjustment for any share combination, subdivision or other recapitalization of such Preferred Shares or any distribution of any bonus shares issued on such series of Preferred Shares occurring after the date of adoption of these Articles.
Original Series D Issue Price or Series D Original Issue Price	$2.1744 per share of Preferred D Shares, subject to adjustment for any share combination, subdivision or other recapitalization of such Preferred Shares or any distribution of any bonus shares issued on such series of Preferred Shares occurring after the date of adoption of these Articles.
Original Series E Issue Price or Series E Original Issue Price	$4.65944 per share of Preferred E Shares, subject to adjustment for any share combination, subdivision or other recapitalization of such Preferred Shares or any distribution of any bonus shares issued on such series of Preferred Shares occurring after the date of adoption of these Articles.

Original Series E-1 Issue Price or Series E-1 Original Issue Price	$ 7.2010 per share of Preferred E-1 Shares, subject to adjustment for any share combination, subdivision or other recapitalization of such Preferred Shares or any distribution of any bonus shares issued on such series of Preferred Shares occurring after the date of adoption of these Articles.
Original Series E-2 Issue Price or Series E-2 Original Issue Price	$ 10.70780 per share of Preferred E-2 Shares, subject to adjustment for any share combination, subdivision or other recapitalization of such Preferred Shares or any distribution of any bonus shares issued on such series of Preferred Shares occurring after the date of adoption of these Articles.
Original Series E-3 Issue Price or Series E-3 Original Issue Price	$ 13.12569 per share of Preferred E-3 Shares, subject to adjustment for any share combination, subdivision or other recapitalization of such Preferred Shares or any distribution of any bonus shares issued on such series of Preferred Shares occurring after the date of adoption of these Articles.
Original Series F Issue Price	$21.932565 per share of Preferred F Shares, subject to adjustment for any share combination, subdivision or other recapitalization of such Preferred Shares or any distribution of any bonus shares issued on such series of Preferred Shares occurring after the date of adoption of these Articles.
Permitted Transferee	Either: (i) a transferee by operation of law (including an executor of the will of a Shareholder, and the lawful heirs of the Shareholder); (ii) an Affiliate of a Shareholder; (iii) a trustee (or any alternate trustee) of a Shareholder or such Shareholder as beneficiary of the same trustee (or alternate trustee); or (iv) the Company with respect to the enforcement of the repurchase of the Founders' shares in accordance with the Repurchase Agreements.
Preferred A Shareholders	Holders of the Preferred A Shares.
Preferred B Shareholders	Holders of the Preferred B-1 Shares and Preferred B-2 Shares, acting as one class.
Preferred B-1 Shareholders	Holders of the Preferred B-1 Shares.

Preferred B-2 Shareholders	Holders of the Preferred B-2 Shares.
Preferred C Shareholders	Holders of the Preferred C Shares.
Preferred D Shareholders	Holders of the Preferred D Shares.
Preferred E Shareholders	Holders of the Preferred E, E-1, E-2 and E-3 Shares.
Preferred A Shares	Series A Preferred Shares, of no nominal value per share, of the Company.
Preferred B Shares	The Preferred B-1 Shares and the Preferred B-2 Shares, together as one class and one series.
Preferred B-1 Shares	Series B-1 Preferred Shares, of no nominal value per share, of the Company.
Preferred B-2 Shares	Series B-2 Preferred Shares, of no nominal value per share, of the Company.
Preferred C Shares	Series C Preferred Shares, of no nominal value per share, of the Company.
Preferred D Shares	Series D Preferred Shares, of no nominal value per share, of the Company.
Preferred E Shares	Series E Preferred Shares, of no nominal value share, of the Company
Preferred E-1 Shares	Series E-1 Preferred Shares, of no nominal value per share, of the Company.
Preferred E-2 Shares	Series E-2 Preferred Shares, of no nominal value per share, of the Company.
Preferred E-3 Shares	Series E-3 Preferred Shares, of no nominal value per share, of the Company.
Preferred F Shares	Series F Preferred Shares, of no nominal value per share, of the Company.
Preferred Majority	Preferred Shareholders holding more than 50% of the then issued and outstanding Preferred Shares.
Preferred Shareholders	Collectively, holders of the Preferred A Shares, Preferred B Shares, Preferred C Shares, Preferred D Shares, Preferred E Shares and Preferred F Shares.
Preferred Director(s)	The Directors appointed pursuant to Article 61.1(ii), (iii), (iv), (v) and (vi).

Preferred Shares	Collectively, Preferred A Shares, Preferred B Shares, Preferred C Shares, Preferred D Shares, Preferred E Shares and Preferred F Shares.
Person	An individual, corporation, partnership, joint venture, trust, and any other body corporate or unincorporated organization.
Qualified Public Offering	A firmly underwritten initial public offering of equity securities of the Company resulting in the Ordinary Shares of the Company being listed on a national exchange and yielding at least $100 million to the Company, at a pre-money valuation of the Company of at least $1,750 million.
Repurchase Agreement(s)	The Repurchase Agreements between the Company and each of the Founders, in effect from time to time.
ScaleVP	Scale Venture Partners IV, L.P. (or any of its Permitted Transferees).
Second Extension to the Series E Preferred Share Purchase Agreement	Second Extension to the Series E Preferred Share Purchase Agreement between the Company and Additional E-2 Investors dated June_, 2017 (as amended)
Securities	Shares, options, bonds, capital notes or securities convertible, exchangeable or exercisable into shares, and certificates conferring a right in such securities, issued by the Company.
Series D Consent	Holders of a majority of the then-outstanding Preferred D Shares.
Series E Consent	Holders of a majority of the then-outstanding Preferred E Shares.
Series F Consent	Holders of a majority of the then-outstanding Preferred F Shares.
Series A Original Issue Date	The date on which a share of the Preferred A Shares was first issued.
Series B-1 Original Issue Date	The date on which a share of the Preferred B-1 Shares was first issued.
Series B-2 Original Issue Date	The date on which a share of the Preferred B-2 Shares was first issued.

Series C Original Issue Date	The date on which a share of the Preferred C Shares was first issued.
Series D Original Issue Date	The date on which a share of the Preferred D Shares was first issued.
Series E Original Issue Date	The date on which a share of the Preferred E Shares was first issued.
Series E-1 Original Issue Date	The date on which a share of the Preferred E-1 Shares was first issued.
Series E-2 Original Issue Date	The date on which a share of the Preferred E-2 Shares was first issued.
Series E-3 Original Issue Date	The date on which a share of the Preferred E-3 Shares was first issued.
Series F Original Issue Date	The date on which a share of the Preferred F Shares was first issued.
Series F Share Purchase Agreement	The Series F Share Purchase Agreement dated November 28, 2019 among the Company and the Investors (as defined therein).
Shareholder	Anyone registered as a holder of issued and outstanding share(s) of any class or series of the Company, in the Shareholder Register of the Company.
Shareholders Register	The internal registration of the shareholders of the Company which is updated in accordance to the provisions of the Companies Law.
Third Extension to the Series E Preferred Share Purchase Agreement	Third Extension to the Series E Preferred Share Purchase Agreement between the Company and Additional E-3 Investors dated June 27, 2018
Vitruvian	Alion Iberica S.à r.l. (or any of their Permitted Transferees).

1.2. Unless the subject or the context otherwise requires, each word and expression not specifically defined herein and defined in the Companies Law as in effect on the date when these Articles first became effective shall have the same meaning herein, and to the extent that no meaning is attached to it in the Companies Law, the meaning ascribed to it in the Companies Regulations, and if no meaning is ascribed thereto in the Companies Regulations, the meaning ascribed to it in the Securities Law, 5728-1968 or the regulations promulgated thereunder.

1.3. Words and expressions importing the singular shall include the plural and vice versa, words and expressions importing the masculine gender shall include the feminine gender and words and expressions importing persons shall include corporate entities.

1.4. The captions in these Articles are for convenience only and shall not be deemed a part hereof or affect the construction of any provision hereof.

2. **PRIVATE COMPANY**

The Company is a private company, as defined in the Companies Law.

Furthermore:

2.1. The number of Shareholders for the time being of the Company (exclusive of persons who are in the employment of the Company and of persons who having been formerly in the employment of the Company were, while in such employment, and have continued after termination of such employment to be, Shareholders of the Company), shall not exceed fifty (50), but where two or more persons jointly own one or more shares in the Company, they shall, for the purposes of this Article, be treated as a single Shareholder;

2.2. Any offer to the public to subscribe for any shares or debentures of the Company is hereby prohibited; and

2.3. The right to transfer shares in the Company shall be restricted as hereinafter provided.

3. **THE PURPOSE OF THE COMPANY**

The purpose of the Company is to operate in accordance with business considerations to generate profits; provided, however, that the Company may donate reasonable amounts to worthy causes, as the Board may determine in its discretion, even if such donations are not within the framework of business considerations.

4. **THE OBJECTIVES OF THE COMPANY**

The Company shall engage in any lawful business.

5. **LIMITED LIABILITY**

The liability of the Shareholders of the Company is limited to the unpaid sum, if any, owing to the Company in consideration for the issuance of the shares held by such shareholder.

SHARE CAPITAL

6. **SHARE CAPITAL**

6.1. The authorized and registered share capital of the Company is divided into:

(a) 93,735,012 Ordinary Shares, of no nominal value each;

(b) 3,745,298 Series A Preferred Shares, of no nominal value each;

(c) 6,604,370 Series B Preferred Shares, of no nominal value each, which shall be comprised of

(i) 5,815,632 Preferred B-1 Shares; and

(ii) 788,738 Preferred B-2 Shares.

(d) 10,389,120 Series C Preferred Shares, of no nominal value each;

(e) 11,500,000 Series D Preferred Shares, of no nominal value each;

(f) 22,713,000 Series E Preferred Shares consisting of:

(i) 10,731,000 Series E Preferred Shares, of no nominal value each;

(ii) 3,472,000 Series E-1 Preferred Shares, of no nominal value each;

(iii) 4,700,000 Series E-2 Preferred Shares, of no nominal value each; and

(iv) 3, 810,000 Series E-3 Preferred Shares, of no nominal value each; and

(g) 4,265,000 Series F Preferred Shares, of no nominal value each.

6.2. The Ordinary Shares shall confer on the holders thereof the right to receive notices of General Meetings, to attend and vote at General Meetings, to participate in distribution of dividends and to participate in distribution of surplus assets and funds in the Company (subject to the provisions of Article 94), and no other rights except as may be provided for herein or under the Companies Law.

6.3. Subject to the provisions of Articles 76 and 94, all the Ordinary Shares rank *pari passu* in relation to the amounts of capital paid or credited as paid, in connection with dividends, the distribution of bonus shares and any other distribution, return of the capital and participation in a distribution of the Company's surplus assets on winding up.

6.4. The Preferred Shares shall confer on the holders thereof all rights accruing to holders of Ordinary Shares in the Company, and in addition, the Preferred Shares shall have the rights, preferences and privileges granted to the Preferred Shares in these Articles and under the Companies Law. The Preferred B-1 Shares and the Preferred B-2 Shares shall be considered one class and one series acting together, known as the Preferred B Shares, and with the exception of the Liquidation Preference and Anti-dilution Protection (as described herein) which will be based on the price per share of the Preferred B-2 Shares, the Preferred B-2 Shares shall have equal rights as the Preferred B-1 Shares and shall be deemed part of the Preferred B-1 Shares for any and all purposes. The Preferred E Shares, the Preferred E-1 Shares, the Preferred E-2 Shares and the Preferred E-3 Shares shall be considered one class and one series acting together, known as the Preferred E Shares, and with the sole exceptions of the Liquidation Preference (as described herein in Article 94) and Anti-dilution Protection (as described herein in Articles 7.3 to 7.9) which will be based on the respective Original Series E Issue Price and Series E Original Issue Date, Original Series E-1 Issue Price and Series E-1 Original Issue Date, Original Series E-2 Issue Price and Series E-2 Original Issue Date or Original Series E-3 Issue Price and Series E-3 Original Issue Date, as relevant, the Preferred E-1 Shares and the Preferred E-2 Shares and the Preferred E-3 Shares shall have equal rights as the Preferred E Shares and shall be deemed part of the Preferred E Shares for any and all purposes.

7. **CONVERSION OF PREFERRED SHARES**

7.1. Conversion by Holder. Each Preferred Share shall be convertible, at the option of the holder thereof, at any time or from time to time, into fully paid and non-assessable Ordinary Shares as set forth in Article 7.3 below.

7.2. Additional Conversion Events. All outstanding Preferred Shares shall be automatically converted into fully paid and non-assessable Ordinary Shares (i) immediately prior to and conditional upon the consummation of a Qualified Public Offering (A) provided that in the event that the per share price paid by the public in such Qualified Public Offering is less than two (2) times the Original Series E Issue Price, the Conversion Price of each Preferred E Share and of each Preferred E-1 Share shall be adjusted, immediately prior to such conversion, to one half (1/2) the per share price paid by the public in such Qualified Public Offering; and (B) further provided that in the event that the per share price paid by the public in such Qualified Public Offering is less than $13.81651, the Conversion Price of each Preferred E-2 Share shall be adjusted, immediately prior to such conversion, to 0.775 of the per share price paid by the public in such Qualified Public Offering; and (C) further provided that in the event that the per share price paid by the public in such Qualified Public Offering is less than $16.9321, the Conversion Price of each Preferred E-3 Share shall be adjusted, immediately prior to such conversion, to 0.775 of the per share price paid by the public in such Qualified Public Offering; and (D) further provided that in the event that the per share price paid by the public in such Qualified Public Offering that is consummated (x) during the period that ends three years from the Closing Date is less than $28.512335, the Conversion Price of each Preferred F Share shall be adjusted, immediately prior to such conversion, to 0.76923 of the per share price paid by the public in such Qualified Public Offering, or (y) at any time thereafter, is less than $21.932565, the Conversion Price of each Preferred F Share shall be adjusted, immediately prior to such conversion, to 1.0 of the per share price paid by the public in such Qualified Public Offering or (ii) at the election of at least the Preferred Majority, (provided that no conversion election pursuant to this clause (ii) shall be effective as to (a) the Preferred D Shares unless such conversion is approved by the Series D Consent)); or as to (b) the Preferred E Shares unless such conversion is approved by the Series E Consent); or as to (c) the Preferred F Shares unless such conversion is approved by the Series F Consent)), on the date specified in a written notice by such holders to the Company. To remove any doubt, in the context of a Realization Event the Series D Consent and the Series E Consent and the Series F Consent, respectively, shall not act as a veto or hindrance of such Realization Event and will not prevent nor hinder a Realization Event in which a conversion to Ordinary Shares is required, but shall solely entitle the holders of a majority of the Preferred D Shares or the holders of a majority of the Preferred E Shares or the holders of a majority of the Preferred F Shares (as relevant) to determine whether, in connection with such Realization Event, the holders of Preferred D Shares or the holders of Preferred E Shares or the holders of the Preferred F Shares (as relevant) will receive Distributable Proceeds as Preferred D Shares or Preferred E Shares or Preferred F Shares (as relevant); or “as if” Ordinary

Shares as contemplated by Article 94.3(a) through 94.3(f) below. The Company shall give notice of any conversion pursuant to this Article 7.2 to each holder of Preferred Shares at least ten (10) days prior to the consummation of a Qualified Public Offering, in the case of clause (i) above, or promptly upon the receipt (and in any event within five (5) days after) of the notice from at least the Preferred Majority. Without derogating from the above, in the event that the Company consummates an IPO which is not a Qualified Public Offering, and the per share price paid by the public in such IPO that is consummated (x) during the period that ends three years from the Closing Date is less than $28.512335 , the Conversion Price of each Preferred F Share shall be adjusted, immediately prior to such conversion, to 0.76923 of the per share price paid by the public in such IPO, or (y) at any time thereafter, is less than $21.932565, the Conversion Price of each Preferred F Share shall be adjusted, immediately prior to such conversion, to 1.0 of the per share price paid by the public in such IPO.

7.3. Conversion Price. The number of Ordinary Shares issuable upon the conversion of each Preferred Share shall equal the quotient obtained by dividing (x) the applicable Original Issue Price, by (y) the applicable Conversion Price (as defined below). As of the Effective Date, the conversion price per share for the (i) Preferred A Shares is equal to the Original Series A Issue Price, (ii) the applicable Conversion Price for the Preferred B-1 Shares is equal to the Original Series B-1 Issue Price, and the applicable Conversion Price for the Preferred B-2 Shares is equal to the Original Series B-2 Issue Price, (iii) the applicable Conversion Price for the Preferred C Shares is equal to the Original Series C Issue Price, (iv) the applicable Conversion Price for the Preferred D Shares is equal to the Original Series D Issue Price, (iv) the applicable Conversion Price for the Preferred E Shares shall initially be equal to the Original Series E Issue Price, (v) the applicable Conversion Price for the Preferred E-1 Shares is equal to the Original Series E-1 Issue Price, (vi) the applicable Conversion Price for the Preferred E-2 Shares is equal to the Original Series E-2 Issue Price, (vii) the applicable Conversion Price for the Preferred E-3 Shares is equal to the Original Series E-3 Issue Price, and (viii) the applicable Conversion Price for the Preferred F Shares shall initially be equal to the Original Series F Issue Price. The conversion price of each class of Preferred Shares, as in effect from time to time, is referred to as the "**Conversion Price**".

7.4. Mechanics of Conversion. Each holder who desires to convert Preferred Shares into Ordinary Shares pursuant to Article 7.1 shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company, and shall give notice to the Company at such office that such holder elects to convert the same and shall state therein the number of Preferred Shares being converted. Thereupon the Company shall promptly issue and deliver to such holder certificates for the number of Ordinary Shares to which such holder is entitled upon conversion. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the certificate representing the Preferred Shares to be converted, and the Person entitled to receive the Ordinary Shares issuable upon such conversion shall be treated for all purposes as the record holder of such Ordinary Shares on such date. In the event of any conversion of Preferred Shares pursuant to Article 7.2, then the conversion shall be deemed to have taken place automatically

regardless of whether the certificates representing such shares have been tendered to the Company, but from and after such conversion, the certificates representing such Preferred Shares shall thereupon represent solely the right to receive the Ordinary Shares into which the Preferred Shares represented by such certificates shall have been converted, and the record holder of such Preferred Shares shall be treated for all purposes as the record holder of such Ordinary Shares effective upon the date of such conversion. Upon the occurrence of such conversion of the Preferred Shares, the holders thereof shall surrender the certificates representing such shares at the office of the Company. Thereupon, there shall be issued and delivered to such holder at such office and in its name as shown on such surrendered certificate or certificates, certificates for the number of Ordinary Shares into which the Preferred Shares surrendered were converted on the date of such conversion. If the conversion is in connection with a public offering or a Realization Event (as defined in Article 94.8 herein), the conversion may, at the option of any holder tendering Preferred Shares for conversion, be conditioned upon the closing of the public offering or Realization Event, as the case may be, in which event the Person(s) entitled to receive the Ordinary Shares issuable upon such conversion of the Preferred Shares shall not be deemed to have converted such Preferred Shares until immediately prior to the closing of the public offering or Realization Event, as the case may be.

7.5. Adjustments. The Conversion Price and, accordingly, the number of Ordinary Shares issuable upon conversion of the Preferred Shares shall be subject to adjustment as set forth in Articles 7.6 through 7.9 below.

7.6. Adjustment for Subdivisions and Combinations. If the Company effects a subdivision of the outstanding Ordinary Shares without a corresponding subdivision of the Preferred Shares, the applicable Conversion Price in effect immediately before the subdivision shall be proportionately decreased and the number of Ordinary Shares issuable upon conversion of the Preferred Shares shall be proportionately increased. Conversely, if the Company combines the outstanding Ordinary Shares into a smaller number of shares without a corresponding combination of the Preferred Shares, the Conversion Price in effect immediately before the combination shall be proportionately increased and the number of Ordinary Shares issuable upon conversion of the Preferred Shares shall be proportionately decreased. Any adjustment under this Article 7.6 shall become effective at the close of business on the date the subdivision or combination becomes effective.

7.7. Adjustments for Reclassification, Exchange and Substitution. In the event the Ordinary Shares issuable upon the conversion of the Preferred Shares are changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification or otherwise (other than a subdivision or combination of shares or a reorganization, merger, consolidation or sale of assets provided for elsewhere in this Article 7 and other than a transaction to which the provisions of Article 94 hereof apply), then in any such event each holder of Preferred Shares shall have the right thereafter to receive, upon the conversion of such Preferred Shares, the kind and amount of shares and other securities and property receivable upon such recapitalization, reclassification or other change by holders of the number of Ordinary Shares into which such Preferred Shares would have been converted, all subject to further adjustment as provided herein.

7.8. Reorganizations, Mergers, Consolidations or Sales of Assets. If there is a capital reorganization of the Ordinary Shares (other than a recapitalization, subdivision, combination, reclassification or exchange of shares provided for elsewhere in this Article 7) or a merger or consolidation of the Company with another company, or the sale of the Company's properties and assets to any other person (except for a transaction to which the provisions of Article 94 hereof apply), then, as a part of such reorganization, merger, consolidation or sale, provision shall be made so that the holders of the Preferred Shares shall thereafter be entitled to receive, upon the conversion of such Preferred Shares, the number of shares or other securities or property to which a holder of the number of shares of Ordinary Shares issuable upon such conversion would have been entitled upon such capital reorganization, merger, consolidation or sale. In any such case, appropriate adjustment shall be made in the application of the provisions of this Article 7 with respect to the rights of the holders of such Preferred Shares after the reorganization, merger, consolidation or sale to the end that the provisions of this Article 7 (including adjustment of the applicable Conversion Price then in effect and the number of shares issuable upon conversion of such Preferred Shares) shall be applicable after that event and be as nearly equivalent as may be practicable.

7.9. Sale of Shares Below Share Conversion Price.

(i) If, at any time: (A) for the Preferred A Shares, following the Series A Original Issue Date and prior to the fourth (4th) anniversary thereof; and (B) for the Preferred B Shares, Preferred C Shares, Preferred D Shares, Preferred E Shares and Preferred F Shares, following the Effective Date, the Company issues or sells, or is deemed by the provisions of subsection (iii) below to have issued or sold, Additional Shares (as defined below) for an Effective Price (as defined below) which is less than the applicable Conversion Price then in effect for the applicable Preferred Shares (the "**Dilutive Event**"), then the Conversion Price then in effect for the (as relevant) Preferred A Shares, Preferred B-1 Shares, Preferred B-2 Shares, Preferred C Shares, Preferred D Shares, Preferred E Shares, Preferred E-1 Shares, Preferred E-2 Shares, Preferred E-3 Shares or Preferred F Shares shall be reduced automatically and for no additional consideration, as of the opening of business on the date of each such issue or sale, by multiplying the applicable Conversion Price in effect immediately before such issue or sale ("**OCP**") by a fraction, (x) the numerator of which is the sum of (1) the aggregate number of the Company's outstanding Ordinary Shares immediately before the Dilutive Event (on a fully-diluted basis after giving effect to the deemed exercise of all options and warrants to purchase Ordinary Shares and assuming the conversion into Ordinary Shares of all convertible securities including the Preferred Shares and including Securities excluded from the definition of "Additional Shares" as set forth in subsection (v) herein, but not including in such calculation any additional Ordinary Shares issuable solely as a result of the adjustment of the Conversion Price of the Preferred Shares resulting from the adjustment caused by such issuance) ("**CPS**"), plus (2) a fraction, the numerator of which is the total consideration received or deemed to have been received by the Company for such issuance of Additional Shares in the Dilutive Event ("**TC**") and the denominator of which is the OCP, and (y) the denominator of which is the sum of (1) the CPS, plus (2) the number of Additional Shares being issued or sold in connection with the Dilutive Event ("**AOS**"). The mathematical presentation of the foregoing text is as follows:

$$NewConversionPrice = OCP * \frac{CPS + TC/OCP}{CPS + AOS}$$

(ii) For the purpose of making any adjustment required under this Article 7.9, the consideration received by the Company for any issue or sale of securities shall (A) to the extent it consists (in whole or in part) of cash, be computed at the gross amount of cash received by the Company in consideration for such issuance or sale, (B) to the extent it consists (in whole or in part) of property other than cash, be computed at the fair value of that property as reasonably determined in good faith by the Board, with the affirmative consent of at least one of the Preferred Directors, and (C) if Additional Shares or rights or options to purchase Additional Shares are issued or sold together with other securities or other assets of the Company for a consideration which covers both, be computed as the portion of the consideration so received that may be reasonably determined in good faith by the Board to be allocable to such Additional Shares, or rights or options, with the affirmative consent of at least one of the Preferred Directors.

(iii) For the purpose of the adjustment required under this Article 7.9, if the Company issues or sells any Convertible Securities (as defined below), then in each case the Company shall be deemed (A) to have issued at the time of the issuance of such Convertible Securities the maximum number of Additional Shares issuable upon exercise, conversion or exchange thereof (without taking into account potential anti-dilution adjustments) and (B) to have received, as consideration for the issuance of such Additional Shares, an amount equal to (i) the total amount of the consideration, if any, received by the Company for the issuance of such Convertible Securities, plus (ii) the amounts of consideration, if any, payable to the Company (without taking into account potential anti-dilution adjustments) upon the conversion, exchange or exercise of such Convertible Securities.

(iv) In the event the Effective Price for any Additional Shares issuable, or if the number of shares of Ordinary Shares deliverable, upon exercise, conversion or exchange of any such Convertible Securities shall be modified or adjusted subsequent to the issuance of such securities, then the Conversion Price, shall be further adjusted (increased or reduced) to the Conversion Price that would have been in effect had such Effective Price been in effect upon the initial issuance of such Convertible Securities.

(v) "**Additional Shares**" shall mean all Securities issued or deemed (as aforesaid) to be issued by the Company after the Effective Date, whether or not authorized on the date hereof, other than (A) Securities of the Company issued upon conversion of Preferred Shares in accordance with their terms or reclassification of any shares pursuant to which an adjustment is made as set forth in Section 7.7 or as a dividend or other distribution paid ratably to all shares on an As Converted Basis, (B)

without derogating from the provisions of subsection (iii) hereof, Securities issued upon the conversion or exercise, as the case may be, of any debenture, warrant, option or other Convertible Securities outstanding on the Effective Date, provided, however, that such issuance of Convertible Securities was approved by the Company's Board in accordance with the provisions of these Articles, (C) shares issued pursuant to a share split, share dividend, or any subdivision of shares pursuant to which an adjustment is made as set forth in Section 7.6; and (D) Ordinary Shares (or options to purchase such Ordinary Shares) issued or issuable to employees, consultants, directors or office holders of the Company, pursuant to any share option or incentive plan approved by the Company's Board; (E) Securities, the issuance of which is approved by the Board with the affirmative consent of at least two (2) Preferred Directors to strategic partners, defined as a Person: (1) operating a business in the industry in which the Company operates, and (2) expected to contribute to the Company's business other than by investing capital in the Company, provided that the Securities issued to such strategic partner shall represent no more than 7.0% of the Company's issued share capital at the time of issuance (as calculated on a fully-diluted basis), in the aggregate; (F) Securities issued to brokers or consultants of the Company pursuant to a bona fide arm's length transaction approved by the Board with the affirmative consent of two of the Preferred Directors; and (G) Series F Preferred Shares issued pursuant to the Series F Preferred Share Purchase Agreement (Subsections (A) through (G) collectively, the "**Excluded Securities**").

(vi) "**Convertible Securities**" shall mean at any time, any options, warrants, convertible notes or other securities or rights which at such time are then convertible, exchangeable or exercisable, with or without the payment of additional consideration, into or for any Securities of the Company.

(vii) The "**Effective Price**" of Additional Shares shall mean the quotient obtained by dividing (x) the total consideration received, or deemed to have been received by the Company as determined pursuant to this Article 7.9 for such Additional Shares, by (y) the total number of Additional Shares, issued or sold, or deemed to have been issued or sold by the Company under this Article 7.9.

(viii) No fractional shares shall be issued upon conversion of the Preferred Shares, and the number of shares of Ordinary Shares to be issued shall be rounded to the nearest whole share.

7.10. Reserved.

7.11. Reserved.

7.12. Accountants' Certificate of Adjustment. In each case of an adjustment or readjustment of any Conversion Price or the number of Ordinary Shares or other securities issuable upon conversion of the Preferred Shares, the Company shall compute, and upon the reasonable request of any holder of Preferred Shares and at such Preferred Shareholders' expense, shall cause independent public accountants of recognized standing selected by the Company (who may be the independent public accountants then auditing the financial statements of the Company) to compute, such adjustment or readjustment in accordance with the provisions hereof and prepare a certificate showing such adjustment or

readjustment, and shall deliver such certificate to each registered holder of the Preferred Shares. The certificate shall set forth such adjustment or readjustment, showing in detail the facts upon which such adjustment or readjustment is based, including a statement of (1) the consideration received or deemed to be received by the Company for any Additional Shares issued or sold or deemed to have been issued or sold, (2) the Conversion Price at the time in effect, (3) the number of Additional Shares and (4) the type and amount, if any, of other property which at the time would be received upon conversion of the Preferred Shares, in each case calculated in accordance with the provisions of this Article 7.10.

7.13. Notices of Record Date. In the event of (A) any taking by the Company of record of the holders of any class of Securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or (B) any capital reorganization of the Company, any reclassification or recapitalization of the share capital of the Company, any merger or consolidation of the Company with or into any other company, or any transfer of all or substantially all of the assets of the Company to any other Person or any voluntary or involuntary dissolution, liquidation or winding up of the Company, the Company shall deliver to each holder of Preferred Shares, at least seven (7) days prior to the record date specified therein (or such shorter period as may be agreed to by the Preferred Majority), a notice specifying (1) the date on which any such record is to be taken for the purpose of such dividend or distribution and a description of such dividend or distribution, (2) the date on which any such reorganization, reclassification, transfer, consolidation, merger, dissolution, liquidation or winding up is expected to become effective, and (3) the date, if any, that is to be fixed, as of when the holders of record of Ordinary Shares and Preferred Shares (or other securities) shall be entitled to exchange their securities for securities or other property deliverable upon such reorganization, reclassification, transfer, consolidation, merger, dissolution, liquidation or winding up.

7.14. Reservation of Shares Issuable. The Company shall at all times reserve and keep available out of its authorized but unissued Ordinary Shares, solely for the purpose of effecting the conversion of the Preferred Shares, such number of Ordinary Shares as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Shares; and if at any time the number of authorized but unissued Ordinary Shares, as applicable, shall not be sufficient to effect the conversion of all then outstanding Preferred Shares, the Company shall take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued Ordinary Shares, to such number of shares as shall be sufficient for such purpose.

7.15. Minimum Adjustment. Any provision of this Article 7 to the contrary notwithstanding, no adjustment in the Conversion Price shall be made if the amount of such adjustment would be less than $0.001. No adjustment of the Conversion Price pursuant to Article 7.9 shall be made if it has the effect of increasing the Conversion Price above the Conversion Price in effect immediately prior to the Dilutive Event.

7.16. Adjustments Cumulative. Each of the adjustments pursuant to this Article 7 shall be applied individually and cumulatively upon the occurrence of any of the events specified therein, and shall apply from and after the date of these Articles to all authorized Preferred Shares.

7.17. Impairment. Subject to the Company's power and authority to amend these Articles, restructure its capital, merge or enter into sales of assets transactions, the Company will not, by amendment of these Articles or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of Securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder in this Article 7 by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Article 7 and in taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Preferred Shares against impairment.

8. **INCREASE OF SHARE CAPITAL**

8.1. The Company may, from time to time, by a resolution of the General Meeting adopted by an Ordinary Majority—subject, however, to the provisions of Article 49, whether or not all the shares then authorized and registered have been issued, and whether or not all the shares theretofore issued have been called up for payment, increase its share capital by the creation of new shares. Any such increase shall be in such amount and shall be divided into shares, and such shares shall confer such rights and preferences, and shall be subject to such restrictions, as such resolution of the General Meeting shall provide.

8.2. Except to the extent otherwise provided in such resolution of the General Meeting, such new shares shall be subject to all the provisions applicable to the shares of the original capital.

9. **SPECIAL RIGHTS; MODIFICATIONS OF RIGHTS**

9.1. Subject to compliance with the provisions of Article 49, the Company may, from time to time, by a resolution of the General Meeting adopted by an Ordinary Majority, provide for shares with such preferred or deferred rights or rights of redemption or other special rights and/or such restrictions, whether with respect to liquidation, dividends, voting, conversion, repayment of share capital or otherwise, as may be stipulated in such resolution.

9.2. If at any time the share capital is divided into different classes or series of shares, the rights attached to any class may be modified or abrogated by the Company, subject to compliance with the provisions of Article 49, and subject to the consent in writing of the holders of a majority of the issued shares of such class or the sanction of a resolution passed by majority at a separate General Meeting of the holders of the shares of such class.

9.3. Notwithstanding the foregoing, to the maximum extent permitted under applicable law, and unless otherwise explicitly provided by these Articles (including Article 49) and subject to compliance with Article 49: (a) any alteration or change in the rights, preferences, or privileges which are granted to all the Shareholders of the Company, as a single group, without preferences or differences among them; or (b) any alteration or change in any rights, preferences, or privileges of any class of shares which is applied in the same

manner to all the Shareholders of the Company, or to the entire group of Preferred Shareholders, including, for the avoidance of doubt, issuance of additional existing shares or the creation or issuance of any new class or series of shares or any other Securities convertible into equity Securities of the Company having a preference over, or being on parity with, an existing class of shares (including with respect to voting, dividends or rights upon liquidation), shall not be deemed to be a change of rights of the existing class of shares and, unless otherwise required by Article 49, shall be approved by the holders of the majority of the voting power represented at the meeting of all Shareholders of all classes voting together as a single class, on an As Converted Basis, and such issuance or amendment shall not be deemed, to modify or abrogate the rights attached to the previously issued shares or class. Notwithstanding the foregoing, any amendment or waiver of any provision of these Articles which improves, or derogates from, the rights, powers, preferences or privileges of any class or series of the Company's issued share capital without correspondingly improving, or derogating from, the rights, powers, preferences or privileges of all classes and series of the Company's issued share capital shall require the consent of (a) the holders of a majority of any such class and/or series the rights of which have not been correspondingly improved, if such amendment improved the rights, powers, preferences or privileges of certain (but not all) classes or series of the Company's issued share capital, or (b) the holders of a majority of any such class and/or series the rights of which were derogated, if such amendment derogates from the rights, powers, preferences or privileges of certain (but not all) classes or series of the Company's issued share capital.

10. **CONSOLIDATION, SUBDIVISION, CANCELLATION AND REDUCTION OF SHARE CAPITAL**

10.1. The Company may, from time to time, by a resolution of the General Meeting adopted by an Ordinary Majority (subject, however, to the provisions of Article 49 hereof and to the Companies Law):

(a) Consolidate and divide all or any of its issued or unissued share capital;

(b) Subdivide its shares (issued or unissued) or any of them, and the resolution whereby any share is subdivided may determine that, as among the holders of the shares resulting from such subdivision, one or more of the shares may, as compared with the others, have any such preferred or deferred rights or rights of redemption or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares.

(c) Cancel any shares which, at the date of the adoption of such resolution of the General Meeting, have not been allotted, so long as the Company is not under an obligation to allot these shares, and diminish the amount of its share capital by the amount of the shares so cancelled; or

(d) Reduce its share capital in any manner, and with and subject to any incident authorized, and consent required, by Law.

10.2. With respect to any consolidation of issued shares, and with respect to any other action which may result in fractional shares, including upon conversion of any Preferred Shares, the Board may settle any difficulty which may arise with regard thereto, as it deems appropriate, including, *inter alia*, resort to one or more of the following actions:

(a) Allot, in contemplation of or subsequent to such consolidation or other action, such shares or fractional shares sufficient to preclude or remove fractional share holdings;

(b) Redeem, subject to applicable Law, such shares or fractional shares sufficient to preclude or remove fractional share holdings;

(c) Cause the transfer of fractional shares by certain Shareholders to other Shareholders thereof so as to most expediently preclude or remove any fractional shareholdings, and cause the transferees to pay the transferors the fair value of fractional shares so transferred, and the Board is hereby authorized to act as agent for the transferors and transferees with power of substitution for purposes of implementing the provisions of this Article 10.2, without regard to any restriction or limitation that may apply to the transfer of such shares, as may be provided herein.

SHARES

11. **ISSUANCE OF SHARE CERTIFICATES; REPLACEMENT OF LOST CERTIFICATES; BEARER CERTIFICATES**

11.1. The Company shall maintain a Shareholder Register, to be administered by the corporate secretary of the Company, subject to the oversight of the Board.

11.2. Share certificates shall bear the signatures of one Director and the corporate secretary, or of two Directors, or of any other Person or Persons authorized thereto by the Board, provided, however, that in the event the Board consists of one Director, the share certificate shall bear the signature of such Director or of any other Person or Persons authorized thereto by the Board. Every certificate shall bear the Company's printed name or its seal or stamp, if existent pursuant to Article 98.

11.3. Each Shareholder shall be entitled to one certificate for all the shares of any class registered in his name, and if the Board so approves, to several certificates, each for one or more of such shares. Each certificate may specify the serial numbers of the shares represented thereby and may also specify the amount paid up thereon.

11.4. A share certificate registered in the names of two or more Persons shall be delivered to the Person first named in the Shareholder Register in respect of such co-ownership.

11.5. If a share certificate is defaced, lost or destroyed, it may be replaced, upon payment of such fee, if any, and upon the furnishing of such evidence of ownership and such indemnity, as the Board may deem appropriate.

11.6. The Company shall not issue bearer share certificates which grant the bearer rights in the shares specified therein.

12. **REGISTERED HOLDER**

Except as otherwise provided in these Articles, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and, shall be entitled to treat the holder of any share in trust as a Shareholder and to issue to him a share certificate, provided that if such holder is a trustee, that he notifies the Company prior to the acquisition of the applicable shares of the identity of the beneficiary, and, accordingly, the Company shall not, except as ordered by a court of competent jurisdiction, or as required by Law, be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other Person.

13. **ISSUANCE OF SHARES AND OTHER SECURITIES**

13.1. Subject to compliance with the provisions of Articles 14 and 49, the Board may issue shares and other Securities of the Company, up to the limit of the Company's authorized and registered share capital. If the Company's share capital includes a number of classes of shares and Securities, shares and Securities exceeding the limit of the authorized and registered share capital of such class shall not be issued.

13.2. The issuance of shares and other Securities, in accordance with Article 13.1 and subject to the provisions of Article 49, from time to time, shall be under the control of the Board, who shall have the power to allot shares and other Securities or otherwise dispose of them to such Persons, on such terms and conditions (including *inter alia* terms relating to calls as set forth in Article 16 hereof), and either at par or at a premium, or, subject to the provisions of the Companies Law, at a discount, and at such times, as the Board may deem appropriate, and the power to give to any Person the option to acquire from the Company any shares or other Securities, either at par or at a premium, or, subject as aforesaid, at a discount, during such time and for such consideration as the Board may deem appropriate.

13.3. Subject to compliance with the provisions of Article 49, the Board may determine to issue a series of bonds or other debt Securities, as part of its authority to take a loan on behalf of the Company, and within the limits of such authority. The foregoing does not negate the authority of the CEO or someone authorized by him to take a loan on behalf of the Company, to issue debentures, promissory notes and bills of exchange, within the limits prescribed by the Board and subject to compliance with the provisions of Article 49.

13.4. Subject to applicable Law and Article 49, the Company is entitled to pay a commission, including underwriting fees, to any Person, as determined by the Board. Payments, as stated in this Article 13.4, may be paid in cash or in Securities of the Company, or in a combination thereof.

13.5. The Company shall not issue a share, all or part of the consideration of which is not to be paid in cash, unless the consideration for the share was specified in a written document.

14. **PREEMPTIVE RIGHTS ON COMPANY SHARE ISSUANCE**

14.1. Until the closing of an IPO, any Preferred Shareholder and any other Shareholder holding five percent (5%) or more of the issued and outstanding share capital of the Company (calculated on an As Converted Basis) (each, an "**Eligible Shareholder**"), shall have the right to (i) purchase its pro rata share of "New Securities" (as defined below) that the Company may, from time to time, propose to sell and issue, and (ii) participate in any other financing of the Company by way of debt or any alternative manner other than by issuance of "New Securities" (as defined below) (each, a "**Financing**"). Such pro rata share, for purposes of this Article 14, shall be calculated as the ratio of (X) the number of outstanding Ordinary Shares, on an As Converted Basis, owned by such Eligible Shareholder immediately prior to the issuances of New Securities, to (Y) the total number of outstanding Ordinary Shares, on an As Converted Basis. It is clarified that for the purpose of calculating the pro rata share of a Preferred Shareholder, the Ordinary Shares held by such Preferred Shareholder shall also be taken into account, in addition to the Preferred Shares, on an As Converted Basis.

"**New Securities**" shall mean any Securities of the Company, whether or not authorized on the date hereof; provided, however, that "New Securities" shall not include (i) any Excluded Securities (as such term is defined in Article 7.9(v) above), (ii) the issuance of Securities in a Qualified Public Offering, or (iii) any Securities, in connection with the issuance or intended issuance of which, the Board has determined that the best interests of the Company require that the preemptive rights set out in this Article 14 be waived, provided that Preferred Shareholders not involved in such issuance (either directly or indirectly through an affiliate) holding a majority of the then issued and outstanding Preferred Shares (not taking into account Preferred Shares held by Preferred Shareholders involved in such issuance) shall have agreed to such resolution.

In the event that the Company proposes to undertake an issuance of New Securities or a Financing, it shall give each Eligible Shareholder written notice of its intention, describing the type of New Securities, the price, the general terms upon which the Company proposes to issue the same, and the identity of the proposed acquirer of such New Securities (if any) or the terms of the Financing (as applicable). Each Eligible Shareholder shall have fourteen (14) days after receipt of such notice to agree to purchase up to its pro rata share of such New Securities at the price and upon the terms specified in the notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased or to agree to participate in the Financing (as applicable). Failure to timely agree to purchase New Securities, or to participate in the Financing, in whole or in part, shall be deemed as a decision not to purchase such New Securities by such Eligible Shareholder, or not to participate in the Financing. If any Eligible Shareholder fails to agree to purchase its full pro rata share, or participate in the Financing in accordance with its pro rata share, within such fourteen (14) day period, the Company will give the Eligible Shareholders who did so agree (the "**Accepting Shareholders**") notice of the number of shares offered to Eligible Shareholders, or the portion of the Financing, that were not subscribed for within two (2) days from the expiry of the aforementioned fourteen (14) day period. Accepting Shareholders shall have the right to purchase a pro rata portion of any other Eligible Shareholder that has not exercised its said preemptive right by giving written notice to the Company within seven (7) days after receipt of such additional notice, and stating therein the quantity of New

Securities to be purchased, or the portion of the Financing to be financed, as applicable (and in the event that the Accepting Shareholders offer to purchase more than all of the unsubscribed the New Securities, or to finance more than all of the unsubscribed Financing portion, such portion shall be allocated among such Accepting Shareholders relatively to the number of unsubscribed New Securities or Financing portion (as applicable) each such Accepting Shareholder subscribed for); provided, that the Eligible Shareholders shall not be obligated to consummate the purchase of such New Securities or the Financing (as applicable) if the Company consummates no more than 50% of the sale of the New Securities or Financing (as applicable) pursuant to the terms described in the Company's notice.

14.2. In the event that by the end of the fourteen (14) and seven (7) day periods specified above, not all of the New Securities or Financing have been subscribed for by Eligible Shareholders, the Company shall have ninety (90) days thereafter to sell all or part of the remaining New Securities or conclude the Financing, with respect to which the rights of the Eligible Shareholders were not exercised, at a price not lower and upon terms no more favorable to the purchasers thereof than specified in the Company's notice. In the event the Company has not sold the New Securities or completed the Financing (as applicable), within such ninety (90) day period the Company shall not thereafter issue or sell any New Securities or perform the Financing, without first offering such New Securities or Financing to the Eligible Shareholders and in the manner provided above.

14.3. An Eligible Shareholder may assign its right under this Article 14 only to its Permitted Transferee.

14.4. If the offer to Eligible Shareholders under this Article 14 constitutes an offer to the public under applicable laws which is subject to prospectus requirements then such offer shall be limited to (i) the type of offerees the offering to which is exempted from such prospectus requirement, and (ii) to such limited number of Eligible Shareholders with the highest percentage holdings in the Company (aggregating holdings of Permitted Transferees for the purpose of calculating the Eligible Shareholders with the highest holdings); provided, that such Permitted Transferees shall be considered as separate entities to the extent viewed as such by applicable law; and further, provided that the transfers to such Permitted Transferees were not made for the purpose of increasing the number of entities that are Permitted Transferees of the original transferring Eligible Shareholder(s) eligible to participate in the offer to Eligible Shareholders under this Article 14), not including and in addition to the original offerees, the offering to which is exempted from such prospectus requirement.

14.5. All Preferred Shares held or acquired by affiliated entities or persons or persons or entities under common management or control shall be aggregated together for the purpose of determining the availability of any rights under this Article 14.

14.6. With respect to each Eligible Shareholder, the right to participate in an issuance of New Securities or a Financing pursuant to this Article 14 shall expire upon the consummation of an IPO.

15. **PAYMENT IN INSTALLMENTS**

If by the terms of issuance of any share, the whole or any part of the price thereof shall be payable in installments, every such installment shall, when due, be paid to the Company by the then registered holder(s) of the share or the Person(s) entitled thereto.

16. **CALLS ON SHARES**

16.1. The Board may, from time to time, make such calls as it may deem appropriate upon Shareholders in respect of any sum unpaid in respect of shares held by such Shareholders which is not, by the terms of allotment thereof or otherwise, payable at a fixed time, and each Shareholder shall pay the amount of every call so made upon him (and of each installment thereof if the same is payable in installments), to the Person(s) and at the time(s) and place(s) designated by the Board, as any such time(s) may be thereafter extended and/or such Person(s) or place(s) changed. Unless otherwise stipulated in the resolution of the Board (and in the notice referred to in Article 16.2), each payment in response to a call shall be deemed to constitute a pro rata payment on account of all shares in respect of which such call was made.

16.2. Notice of any call shall be given in writing to the applicable Shareholder(s) not less than fourteen (14) days prior to the time of payment, specifying the time and place of payment, and designating the Person to whom and the place where such payment shall be made; provided, however, that before the time for any such payment, the Board may, by notice in writing to such Shareholder(s), revoke such call in whole or in part, extend such time, or alter such designated Person and/or place. In the event of a call payable in installments, only one notice thereof need be given.

16.3. If, by the terms of allotment of any share or otherwise, any amount is made payable at any fixed time, every such amount shall be payable at such time as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained with respect to calls shall apply to each such amount.

16.4. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof and all interest payable thereon.

16.5. Any amount unpaid in respect of a call shall bear interest from the date on which it is payable until actual payment thereof, at such rate (not exceeding the then prevailing debitory rate charged by leading commercial banks in Israel), and at such time(s) as the Board may prescribe.

16.6. A Shareholder shall not be entitled to his rights as shareholder, including dividend, unless he has paid all the amounts detailed in the calls made on him together with interest and expenses, if any, unless otherwise prescribed by the Board.

16.7. Upon the allotment of shares, the Board may provide for differences among the allottees of such shares as to the amount of calls and/or the times of payment thereof.

17. **PREPAYMENT**

With the approval of the Board, any Shareholder may prepay to the Company any amount not yet payable in respect of his shares. Nothing in this Article 17 shall derogate from the right of the Board to make any call before or after receipt by the Company of any such advance.

18. **FORFEITURE AND SURRENDER**

18.1. If any Shareholder fails to pay any amount payable in respect of a call, or interest thereon as provided herein, on or before the day fixed for payment of the same, the Company, by resolution of the Board, may at any time thereafter, so long as such amount or interest remains unpaid, forfeit all or any of the shares in respect of which such call had been made. Any expense incurred by the Company in attempting to collect any such amount or interest, including, *inter alia*, reasonable attorneys' fees and costs of suit, shall be added to, and shall, for all purposes (including the accrual of interest thereon), constitute a part of the amount payable to the Company in respect of such call.

18.2. Upon the adoption of a resolution of forfeiture, the Board shall cause notice thereof to be given to the Shareholder whose shares are the subject of such forfeiture, which notice shall state that, in the event of the failure to pay the entire amount so payable within a period stipulated in the notice (which period shall not be less than fourteen (14) days and which may be extended by the Board), such shares shall be *ipso facto* forfeited, provided, however, that, prior to the expiration of such period, the Board may nullify such resolution of forfeiture, but no such nullification shall stop the Board from adopting a further resolution of forfeiture in respect of the non-payment of such amount.

18.3. Whenever shares are forfeited as herein provided, all distributions theretofore declared in respect thereof and not actually paid or distributed shall be deemed to have been forfeited at the same time.

18.4. The Company, by resolution of the Board, may accept the voluntary surrender of any share.

18.5. Any share forfeited or surrendered as provided herein shall become the property of the Company, and the same, subject to the provisions of these Articles and the Companies Law, may be sold, re-allotted or otherwise disposed of as the Board deems appropriate. Any such share shall become a dormant share, and shall not confer any rights, so long as it is held by the Company.

18.6. Any Shareholder whose shares have been forfeited or surrendered shall cease to be a Shareholder in respect of the forfeited or surrendered shares, but shall, notwithstanding, be liable to pay, and shall forthwith pay, to the Company, all calls, interest and expenses owing upon or in respect of such shares at the time of forfeiture or surrender, together with interest thereon from the time of forfeiture or surrender until actual payment, at the rate prescribed in Article 16.5 above, and the Board, in its discretion, may enforce the payment of such moneys, or any part thereof, but shall not be under any obligation to do so. In the event of such forfeiture or surrender, the Company, by resolution of the Board, may accelerate the date(s) of payment of any or all amounts then owing by the Shareholder in question (but not yet due) in respect of all shares owned by such Shareholder, solely or jointly with another, and in respect of any other matter or transaction whatsoever.

18.7. The Board may at any time, before any share so forfeited or surrendered shall have been sold, re-allotted or otherwise disposed of, nullify the forfeiture or surrender on such conditions as it deems appropriate, but no such nullification shall estop the Board from re-exercising its powers of forfeiture pursuant to this Article 18.

19. **LIEN**

19.1. Except to the extent the same may be waived or subordinated in writing, the Company shall have a first and paramount lien upon all the shares registered in the name of each Shareholder which are not fully paid up (without regard to any equitable or other claim or interest in such shares on the part of any other Person), and upon the proceeds of the sale thereof, for his debts, liabilities and engagements arising from any cause whatsoever, solely or jointly with another, to or with the Company, whether the period for the payment, fulfillment or discharge thereof shall have actually arrived or not. Such lien shall extend to all distributions from time to time declared in respect of such shares. Unless otherwise provided, the registration by the Company of a transfer of shares shall be deemed to be a waiver on the part of the Company of any lien existing on such shares immediately prior to such transfer.

19.2. The Board may cause the Company to sell any shares subject to such lien when any such debt, liability or engagement has matured, in such manner as the Board may deem appropriate, but no such sale shall be made unless such debt, liability or engagement has not been satisfied within fourteen (14) days after written notice of the Company's intention to sell shall have been served on such Shareholder, his executors or administrators.

19.3. The net proceeds of any such sale, after payment of the costs thereof, shall be applied in or toward satisfaction of the debts, liabilities or engagements of such Shareholder (whether or not the same have matured), or any specific part of the same (as the Board may determine), and the balance, if any, shall be paid to the Shareholder, his executors, administrators or assigns.

20. **SALE AFTER FORFEITURE OR SURRENDER OR IN ENFORCEMENT OF LIEN**

Upon any sale of shares after forfeiture or surrender or for enforcing a lien, the Board may appoint a Person to execute an instrument of transfer of the shares so sold and cause the purchaser's name to be entered in the Shareholder Register in respect of such shares, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Shareholder Register in respect of such shares, the validity of the sale shall not be impeached by any Person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

21. **REDEEMABLE SECURITIES**

Subject to compliance with Article 49, the Board may, subject to applicable Law, issue redeemable Securities, with such rights and on such conditions as the Board prescribes, and redeem the same.

TRANSFER OF SHARES

22. **TRANSFER OF SHARES—GENERAL; LIMITATIONS**

22.1. Except for transfers to Permitted Transferees, no sale, assignment, conveyance, pledge, grant of any security interest or gift, or any other disposition or transfer (collectively, a "**Transfer**") of shares shall be effective unless such Transfer is effected in compliance with the provisions of Articles 22, 23, 24 and 25. Any proposed Transfer shall be subject to a prior approval of the Board, which consent shall not be withheld if the Transfer is effected in accordance with the provisions of these Articles. Notwithstanding the immediately preceding sentence: (i) the Board may refuse to approve any proposed Transfer to a competitor of the Company or to any other Person for reasonable reasons that will be detailed in its resolution; and (ii) further, notwithstanding anything stated in these Articles or otherwise, the Board may refuse to approve (which approval may be refused for any reason or no reason, at the Board's sole discretion) any proposed Transfer of Shares by a shareholder that holds less than 3.0% of the fully diluted share capital of the Company (taking into account all the shares and options of such transferor on an as-converted and as-exercised basis together with its Permitted Transferees) prior to the proposed Transfer. Notwithstanding, subarticle (ii) herein shall not apply to (x) any shareholder that holds, as of December 3, 2019, or held as of March 29, 2018, at least 3.0% of the fully diluted share capital of the Company as calculated in this Article 22.1 and including in that calculation, for that purpose only, any shares to be purchased under the Series F Purchase Agreement. No Transfer shall be valid in the event that such a Transfer is in violation of these Articles, and the Company shall refuse to register the Transfer of Shares in such event. The Company may refuse to register a Transfer of Shares if the Transferee does not agree, in writing, prior to such Transfer, to assume and be bound by all obligations of the Transferor under any instrument and agreement between the Transferor and the Company.

Notwithstanding the above, any Transfer of Shares by a Shareholder to any of such Shareholder's Permitted Transferees shall not be subject to the provisions of Article 23, provided that any such Permitted Transferee undertakes in writing towards the Company and the Shareholders to assume and be bound by all obligations of the Transferor under any instrument and agreement involving the transferor and the Company. In the event that any of the Founders transfers shares to his or its Permitted Transferee(s), the respective Permitted Transferee will be required to provide such selling Founder with an irrevocable power of attorney, in the form acceptable to the Preferred Majority, with respect to all of its voting rights and rights to nominate Directors (if any).

22.2. No Transfer of shares shall be registered unless the Company receives a deed of transfer or other proper instrument of transfer (in form and substance satisfactory to the Board or the corporate secretary of the Company) duly executed by the parties thereto, together with the share certificate(s), to the extent issued (or evidence of defacing, loss or destruction thereof), and such other evidence of title as the Board or the corporate secretary of the Company may reasonably require. Until the Transferee has been registered in the Shareholder Register in respect of the shares so transferred, the Company may

continue to regard the transferor as the owner thereof. The Board may, from time to time, prescribe a fee for the registration of a Transfer. A deed of transfer shall be substantially in the following form or in any form otherwise approved by the Board or the corporate secretary of the Company:

Deed of Transfer

I, _____, (hereinafter: the "**Transferor**") of _____, do hereby transfer, in consideration for _____, to _____ (hereinafter: the "**Transferee**"), _____share(s) of no par value each of Walkme Ltd. (hereinafter: the "**Company**") to be held by the Transferee and/or his executors, administrators and assigns, subject to the same terms and conditions under which I held the same at the time of execution hereof; and the Transferee, do hereby agree to take the said share(s) subject to the conditions aforesaid.

In witness whereof we hereby execute this Deed of Transfer, this ___day of _____, 20__.

The Transferor	The Transferee
Name: _____	Name: _____
Signature: _____	Signature: _____

22.3. In case of a death of a Shareholder, the Company shall recognize the custodian or administrator of the estate or executor of the will, and in the absence of such, the lawful heirs of the Shareholder, as the only holders of the right for the shares of the deceased Shareholder, after receipt of evidence to the entitlement thereto, as determined by the Board.

22.4. The Company may recognize the receiver or liquidator of any corporate Shareholder in liquidation or dissolution, or the receiver or trustee in bankruptcy of any Shareholder, as being entitled to the shares registered in the name of such Shareholder, after receipt of evidence to the entitlement thereto, as determined by the Board.

22.5. A Person acquiring a right in shares as a result of being a custodian, administrator of the estate, executor of a will or the heir of a Shareholder, or a receiver, liquidator or a trustee in a bankruptcy of a Shareholder or according to another provision of Law, is entitled, after providing evidence of his right to the satisfaction of the Board, to be registered as the Shareholder or, subject to the provisions of this Article 22, to transfer such shares to another Person.

23. **RIGHTS OF FIRST REFUSAL**

23.1. Subject to compliance with the provisions of Article 22 and Article 23.6 herein and the provisions of the Repurchase Agreements between the Company and each of the Founders, any Shareholder proposing to Transfer all or any of his shares in the Company (the "**Offered Shares**"), pursuant to the terms of a *bona fide* offer received from any third party, other than a Permitted Transferee (the **"Offeror"**), shall first give written notice to the Company, which notice shall include the proposed price, the proposed buyer(s) and the terms of sale of the Offered Shares (the "**Offer Notice**"). The Company shall send the Offer Notice with respect to the Offered Shares to all Eligible Shareholders (as defined in Article 14.1 hereof) (for purposes of this Article 23.1, the "**Offerees**"). Any Offeree may accept such offer (under the same terms set forth in the Offer Notice) in respect of all or any of the Offered Shares by giving the Offeror (with a copy to the Company) notice to that effect within fourteen (14) days after receiving the Offer Notice. Failure to timely accept the Offered Shares, in whole or in part, shall be deemed as a decision not to purchase any of the Offered Shares. The accepting Offerees shall be entitled to acquire the Offered Shares, on the terms aforementioned, in proportion to their respective holdings of shares on an As Converted Basis among the accepting Offerees, provided that no Offeree shall be required to acquire, under the provisions of this Article 23, more than the number of Offered Shares initially accepted by such Offeree, and upon the allocation to him of the full number of shares so accepted, he shall be disregarded in any subsequent computations and allocations hereunder. Any shares remaining after the computation of such respective entitlements shall be re-allocated among the Offerees who accepted such offer (other than those to be disregarded as aforesaid), in the same manner, until one hundred percent (100%) of the Offered Shares have been allocated as aforesaid.

23.2. Subject to Article 23.4 below, if the acceptances by Offerees, in the aggregate, are in respect of less than one hundred percent (100%) of the Offered Shares, then the Offeror, at the expiration of the aforementioned fourteen (14) day period, shall be entitled, subject to compliance with the provisions of Articles 22, 24 and 25, to Transfer the Offered Shares to the buyer(s) identified in the Offer Notice at a price not lower and on terms no more favorable to the Offeror than those stated in the Offer Notice, and provided further that if the Offered Shares are not transferred within ninety (90) days after the expiration of such fourteen (14) day period, any subsequent sale shall again be subject to the provisions of this Article 23.

23.3. Notwithstanding anything to the contrary in this Article 23 above, the right of first refusal mechanism shall apply to an offer by a Preferred Shareholder, in a manner that initially the Preferred Shareholders will have a pro rata (on As Converted Basis) right of first refusal to purchase all share capital of the Company offered for sale by a Preferred Shareholder, and shall be entitled to purchase the pro rata portion of any other Preferred Shareholder that does not exercise such right. Thereafter, the other Eligible Shareholders shall be entitled to purchase the pro rata portion of any share capital of the Company offered for sale by a Preferred Shareholder with respect of which the other Preferred Shareholders did not exercise such right.

23.4. In the event that the proposed price in the Offer Notice is for an aggregate in excess of $7,000,000 and the acceptances by Offerees are in respect of at least 80% of the Offered Shares, then Article 23.2 shall not apply and instead, this Article 23.4 shall apply:

(a) If the acceptances by Offerees, in the aggregate, are in respect of less than one hundred percent (100%) but at least eighty percent (80%) of the Offered Shares, then the Offeror, at the expiration of the aforementioned fourteen (14) day period, shall be required to Transfer the Offered Shares accepted by the Offerees under Article 23.1 to Accepting Offerees and shall be entitled, subject to compliance with the provisions of Articles 22, 24 and 25, to Transfer the Offered Shares not accepted by the Offerees under Section 23.1 (the "**Remaining Offered Shares**") above to the buyer(s) identified in the Offer Notice at a price not lower and on terms no more favorable to the Offeror than those stated in the Offer Notice, and provided further that if the Remaining Offered Shares are not transferred within ninety (90) days after the expiration of such fourteen (14) day period, any subsequent sale shall again be subject to the provisions of this Article 23; or

(b) if the acceptances by Offerees are in respect of less than 100%, then Offeror shall be entitled to revoke the Offer Notice within 7 days of the end of the aforementioned 14-day period (it being understood that all shares in the Company held by such Offeror shall remain subject to Articles 22, 24 and 25).

(c) The right to purchase the Offered Shares may be exercised by Affiliates and related parties of the Eligible Shareholders, subject to compliance with Article 23.7 below.

23.5. The right of first refusal granted under this Article 23 shall not apply to a sale of all or substantially all of the shares of the Company and shall expire upon the consummation of an IPO.

23.6. It is further clarified that the Right of First Refusal pursuant to this Article 23 is not assignable, other than upon an assignment of rights and obligations that is coupled with Transfer of Securities to which such rights and obligations relate (and to the extent such Transfer is made in accordance with the provisions of these Articles) and except for an assignment to any of its Permitted Transferees.

23.7. Anything to the contrary notwithstanding, in the event the Board, after consultation with legal counsel, determines that offering Eligible Shareholders a Right of First Refusal in accordance with the provisions of this Article 23 or otherwise) without a prospectus may reasonably be expected to lead to a breach or violation of any applicable securities laws or regulations, then: (i) Offered Shares will be offered only to Eligible Shareholders who are holders of Preferred Shares; (ii) the Right of First Refusal may be accepted by Eligible Shareholders acting through a special purpose vehicle (to the extent permissible under law) and (iii) the Right of First Refusal will not be offered to any Shareholder unless such Shareholder provides the Company with appropriate certificates or representations that it is an accredited investor or a qualified Israeli investor (as such terms are defined in the applicable securities laws)).

24. **BRING ALONG**

24.1. Subject to the provisions of Article 49 and Section 24.8, until the consummation of an IPO, if (i) a *bona fide* detailed offer from any Person who is not an Affiliate of a Preferred Shareholder (the "**Third Party**") is made to purchase at least 50% (fifty percent) of the issued and outstanding share capital of the Company (a "**Proposed Transaction**"), and (ii) (a) at least the Preferred Majority and (b) the holders of at least 50% of the issued and outstanding share capital of the Company, voting together as a single class (together, the "**Proposing Shareholders**"), indicate their acceptance of such Proposed Transaction, then all remaining Shareholders (the "**Remaining Shareholders**") will be required, if so demanded in writing by the Proposing Shareholders (the "**Bring Along Notice**"), to sell the same portion of their shares to such Third Party upon the terms and conditions of the Proposed Transaction, which terms and conditions shall be identical for all Shareholders in their capacities as Shareholders, subject to Section 24.8 (for example: if the Proposing Shareholders are selling only 60% of their shares to the Third Party then all Remaining Shareholders will be required, if so demanded in writing by the Proposing Shareholders, to sell 60% of their shares to such Third Party, upon the terms and conditions of the Proposed Transaction, subject to Section 24.8). For the avoidance of doubt it is hereby clarified, that the provisions of this Article 24 set forth an independent and distinct arrangement, separate and unrelated to the procedures set forth in Section 341 of the Companies Law, which the Company's shareholders intend to apply in the circumstances described therein, and that any conditions or requirements that are set forth in Section 341 shall not apply to the arrangements set forth in this Article 24. Without limitation of the foregoing, in the event of a Proposed Transaction, the provisions of Section 341 may also be implemented, without derogating from this Article 24, and in such event the shareholding requirement for purposes of Section 341(a) of the Companies Law, shall be the consent of the Proposing Shareholders, and to the extent that the forced sale provisions of Section 341 are implemented, the procedure set forth in Section 341 regarding the forced sale by shareholders which do not participate in the Proposed Transaction, shall apply.

24.2. Upon receipt of the Bring Along Notice and subject to the aforesaid, each Remaining Shareholder shall be compelled to sell all or a portion of its shares, as the case may be, in connection with such Proposed Transaction, notwithstanding any other no sale limitation, first refusal rights or other rights or restrictions set forth in these Articles, and the proceeds of such Proposed Transaction shall be distributed among all Shareholders in accordance with the provisions set forth in Article 94 below.

24.3. At the closing of the Proposed Transaction (which place, date and time shall be designated by the Proposing Shareholders and provided to each of the Remaining Shareholders at least fifteen (15) days in advance), each such Remaining Shareholder shall deliver to the Company certificates evidencing all or portion of its shares (to the extent issued), as the case may be, duly endorsed or accompanied by written instruments of transfer in form satisfactory to the Third Party, duly executed by such Remaining Shareholder, free and clear of any liens, charges, claims, rights or encumbrances whatsoever, or shall approve and vote in favor of such sale in the Purchase Notice, as the case may be, against delivery of the purchase price therefor.

24.4. If a Remaining Shareholder is obligated to sell its shares, or approve and vote in favor of such sale in accordance with this Article 24, and such Remaining Shareholder fails to deliver the certificates representing such shares in accordance with the terms of this Article 24 or fails to approve and vote in

favor of such sale, the Company shall cancel on its share transfer records the certificate or certificates representing the shares required to be sold pursuant to this Article 24 (and shall issue new certificates in the name of the Third Party) and such shares in the possession of the Remaining Shareholder (or the legal representative of such Remaining Shareholder) shall cease to be outstanding for any purpose other than evidencing such Shareholder's right to receive the same consideration as the Proposing Shareholders for its shares (subject to the allocation of the aggregate consideration in accordance with the terms hereof), whereupon all of the rights of such Remaining Shareholder (or the legal representative of such Remaining Shareholder) in and to such shares shall terminate.

24.5. Upon the failure by a Shareholder to take the actions required by this Article 24 after requested by the Company, each of the Shareholders (i) irrevocably appoints the designee of the Proposing Shareholders as its agent and attorney-in-fact (the "**Agent**") (with full power of substitution) to execute all agreements, instruments and certificates and take all actions necessary or desirable to effectuate any sale in accordance with the provisions of this Article 24; and (ii) grants to the Agent a proxy to vote the shares held by the Shareholders in favor of any Proposed Transaction hereunder in compliance with the provisions of this Article 24.

24.6. Subject to Section 24.8, each Remaining Shareholder, whether in its capacity as a Shareholder, officer or Director of the Company, or otherwise, shall take or cause to be taken all such actions as may be necessary or reasonably desirable in order to expeditiously consummate the Proposed Transaction pursuant to this Article 24 and any related transactions, including, without limitation, executing, acknowledging and delivering consents, assignments, waivers and other documents or instruments; furnishing information and copies of documents; filing applications, reports, returns, filings and other documents or instruments with governmental authorities; voting its shares (by written consent or otherwise), with respect to such shares which such Remaining Shareholder is entitled to vote at any meeting of Shareholders of the Company (whether ordinary or extraordinary and whether or not an adjourned or postponed meeting) or consent in lieu of any such meeting or otherwise, in favor of the consummation of such Proposed Transaction and any related transactions; and otherwise cooperating with the Proposing Shareholders and the prospective Third Party. Without limiting the generality of the foregoing, each Remaining Shareholder agrees to execute and deliver such agreements as may be reasonably specified by the Proposing Shareholders to which such Proposing Shareholders will also be a party as long as such agreements reflect the substantial terms of the Bring Along Notice.

24.7. In the event of a Proposed Transaction for the purchase of all or substantially all of the assets of the Company (the "**Asset Purchase Transaction**"), instead of the share capital of the Company, and (A) the Proposing Shareholders support such a transaction (the "**Asset Purchase Supporting Shareholders**") and (B) the Board (i) approves the Asset Purchase Transaction and (ii) declares, subject to applicable law, all net proceeds from the Asset Purchase Transaction, after repayment of all debts, loans and other liabilities of the Company, as dividend, then all Shareholders other than the Asset Purchase Supporting Shareholders will be required, if so demanded in writing by the Asset Purchase Supporting Shareholders, to take or cause to be taken all such actions as may

be necessary or reasonably desirable in order to expeditiously consummate the Asset Purchase Transaction and any related transactions, including, without limitation, executing, acknowledging and delivering consents, assignments, waivers and other documents or instruments; voting its shares (by written consent or otherwise), with respect to such shares which it is entitled to vote at any meeting of Shareholders of the Company (whether ordinary or extraordinary and whether or not an adjourned or postponed meeting) or consent in lieu of any such meeting or otherwise, in favor of the consummation of such Asset Purchase Transaction and any related transactions.

24.8. Notwithstanding the foregoing, any Major Holder of Preferred Shares (defined as (x) a Preferred Shareholder that (collectively with its affiliates) holds (as of the time of the Proposed Transaction), or who (collectively with its affiliates) previously held, at least 10% of the outstanding Preferred Shares, and (y) Vitruvian provided Vitruvian has not failed to timely transfer funds to the Company pursuant to the terms of the Series F Share Purchase Agreement), will not be required to comply with this Article 24 in connection with any Proposed Transaction unless: (a) upon the consummation of the Proposed Transaction, (i) the aggregate consideration receivable under the terms of the Proposed Transaction by all holders of the Preferred Shares will be allocated among the holders of Preferred Shares pari passu on the basis of the relative liquidation preferences to which the holders of each respective series of Preferred Shares are entitled in accordance with Article 94, (ii) each holder of Preferred Shares will receive the same form of consideration (or option or election rights as to the form of consideration) for their Preferred Shares as is received by other holders in respect of their Preferred Shares, and (iii) each holder of a series of Preferred Shares will receive the same amount of consideration per share of such series of Preferred Shares as is received by other holders in respect of their shares of such same series; (b) the liability for indemnification of any Major Holder of Preferred Shares in the Proposed Transaction, including for the inaccuracy or breach of any representations and warranties or covenants made by the Company or any Shareholder in connection with such Proposed Transaction (i) shall be not greater in proportion to the consideration received than other holders of Preferred Shares; and (ii) shall be several and not joint, and (iii) shall be limited to not more than 100% of such holder's aggregate consideration actually received in the Proposed Transaction, other than in the case of fraud by such holder; and (c) no Major Holder of Preferred Shares (or any of its affiliates), who are not officers or employees or former employees or officers of the Company shall be required to amend, waive any rights with respect to, extend or terminate any commercial contractual or other commercial relationship with the Company, the acquirer or their respective affiliates (other than any agreements that apply solely to its relationship with the Company as a shareholder, officer, director, investor or employee of the Company) or to agree to any covenant to, or to cause or subject any parent or then-existing affiliate of the holder, not to compete (or similar restrictive covenants of any kind or nature) with the Company or the Third Party.

25. **RIGHT OF CO-SALE**

25.1. Subject to compliance with the provisions of Article 22, 23 and 24 hereof if, at any time prior to the consummation of an IPO, a holder of Ordinary Shares (other than a Shareholder which is also a holder of Preferred F Shares) (the "**Co-Sale Offeror**") wishes to Transfer any Ordinary Shares of the Company held by it pursuant to the terms of a *bona fide* offer received from any party, other than a Permitted Transferee thereof (the "**Buyer**"), such Co-Sale Offeror shall promptly give the Company and each holder of Preferred Shares (the "**Co-Sale Offerees**"), written notice thereof, which fully describes the proposed transfer (the "**Co-Sale Offer**"). Each Co-Sale Offeree shall have the right to require, within fourteen (14) days of receipt of the Co-Sale Offer, as a condition to such Transfer described therein, that the Buyer shall purchase from such Co-Sale Offeree (any Co-Sale Offeree who exercises such right is referred to herein as a "**Participant**") at the same price per share and on the same terms and conditions as involved in such Transfer by the Co-Sale Offeror that number of shares of the Company (or portion thereof) expressed by multiplying (i) that number of Ordinary Shares, on an As Converted Basis, proposed to be acquired by the Buyer (the "**Transaction Shares**") by (ii) a fraction, the numerator of which is the number of issued and outstanding Ordinary Shares then held by such Participant, on an As Converted Basis, and the denominator of which is the sum of (A) the aggregate number of issued and outstanding Ordinary Shares then held by all Co-Sale Offerees, on an As Converted Basis, and (B) the aggregate number of issued and outstanding Ordinary Shares then held by such Co-Sale Offeror, (as the case may be) which are offered for sale to the Buyer on an As Converted Basis (such portion with respect to each such Participant shall be referred to as the "**Participant's Co-Sale Pro Rata Portion**"). If a Participant did not respond to a Co-Sale Offer within the aforesaid time period, it shall be deemed to be refusing to participate in such transfer.

25.2. In the event that one or more of the Participants shall elect to participate in such Transfer, each such Participant shall communicate in writing such election to the Co-Sale Offeror within the aforesaid period of time, and, if the Transfer to the Buyer is consummated, such Participant shall be entitled to transfer shares to the Buyer as part thereof, and no transfer of any shares of the Company by the Co-Sale Offeror shall be completed unless simultaneously with such transfer the Buyer purchases the Participant's Co-Sale Pro Rata Portion of the Transaction Shares at the same price per share and on the same terms and conditions as set forth in the Co-Sale Offer. If none of the Co-Sale Offerees elected to participate in such transfer, or if some of them did elect to so participate, then the Co-Sale Offeror shall be entitled to Transfer all, or the appropriate pro rata portion (together with the Participating Participants' shares), as applicable, of the Transaction Shares to the Buyer at any time within ninety (90) days thereafter. Any such Transfer shall be at no more favorable terms and conditions to the Co-Sale Offeror than those specified in the Co-Sale Offer. Any of the Co-Sale Offeror's shares in the Company not sold within such ninety (90) day period shall again be subject to the requirements of this Article 25.

25.3. The rights of co-sale under this Article 25 shall not apply to a Transfer by Co-Sale Offeror to its Permitted Transferee; provided that such Permitted Transferee agrees in writing to be bound by all obligations of the Co-Sale Offeror under any instrument and agreement involving the Co-Sale Offeror and the Company, including the provisions of this Article 25.

25.4. For the avoidance of doubt, the right of the Participants hereunder does not in any way or manner limit their right under Article 23 and each of the Participants shall have the right to exercise its rights under Article 23 and/or under Article 25 in its sole discretion; it being understood that in the event Offerees under Article 23 accept the Offered Shares, such Offered Shares shall be transferred to them in accordance with Article 23 and the co-sale right under this Article 25 shall then not apply.

26. **FOUNDER NO-SALE**.

Unless unanimously approved by the Board, prior to the earlier of (a) a Qualified Public Offering or (b) a Realization Event, the Founders shall not sell, assign, transfer, pledge, hypothecate, mortgage or dispose of, by gift or otherwise, or in any way encumber any of their shares in the Company (a "**Disposition**"), *other than*: (i) to a Permitted Transferee, or (ii) in connection with a sale of all or substantially all of the shares of the Company (including by way of a merger and including as part of a sale of Securities pursuant to a transaction which is subject to the Bring Along right (as stipulated in Article 24 above), or (iii) Disposition of up to 5% of the shares held by each Founder as of November 1, 2012 in each twelve months period commencing November 1, 2016 and not more than 15% in the aggregate prior to the closing of a Qualified Public Offering. In addition, and subject to any other provisions in these Articles, in the event that Gemini sell 50% or more of their shares, then each of the Founders will have the right to sell up to aggregate additional 15% of their shares commencing as of the date of such Gemini sale). To remove any doubt, the No-Sale set forth in this Article 26 shall apply to 1,041,653 Ordinary Shares that are held by Brooks S.M. Projects Ltd.

GENERAL MEETINGS

27. **THE AUTHORITY OF THE GENERAL MEETING**

27.1. The following matters shall require the approval of the General Meeting, and, if applicable, the approvals set forth in Article 49:

(a) Amendment of the Articles.

(b) The exercise by the General Meeting of the authority of the Board, subject to the provisions of the Companies Law, if it is resolved by the General Meeting that the Board is incapable of exercising its authority, and that the exercise of such authority is essential to the orderly management of the Company.

(c) The appointment or reappointment of the Company's auditor, and the termination or non-renewal of his service.

(d) Changes in the share capital of the Company, as set forth in Articles 8 and 9 hereof.

(e) A merger of the Company, as defined in the Companies Law.

(f) A liquidation of the Company.

(g) Any other matters which the Companies Law requires to be dealt with at the General Meeting of the Company, or any matters that were given to the General Meeting in these Articles.

27.2. Without derogating from the provisions of Article 49, the General Meeting shall not transfer to another organ of the Company any of its authorities detailed in Article 27.1 above.

28. **ANNUAL MEETING**

28.1. An annual General Meeting may be held by the Company, and, at the request of any Director, or, if necessary, for the appointment of an independent auditor, shall be held, once in every calendar year at such time within a period of not more than fifteen (15) months after the last preceding annual General Meeting and at such place either within or without the State of Israel as may be determined by the Board. These General Meetings shall be referred to as "**Annual Meetings**."

28.2. In the event an Annual Meeting was not held by the Company, the Company shall send to each Shareholder of the Company registered in the Shareholder Register, prior to the date on which the Annual Meeting would have been held and not more than once in every fiscal year, the financial statements of the Company.

28.3. The agenda of an Annual Meeting shall include the following issues:

(a) A review of the financial statements of the Company, as of the end of the fiscal year preceding the year of the Annual Meeting, and the report of the Board with respect thereto;

(b) The report of the Board with respect to the fee paid to the Company's auditor;

(c) Subject to compliance with the provisions of Article 49, the appointment of an auditor or the renewal of his office.

28.4. The agenda at an Annual Meeting may include, in addition to those referred to in Article 28.3, any other issue which was detailed in the agenda for the Annual Meeting

29. **SPECIAL MEETINGS**

29.1. All General Meetings other than Annual Meetings shall be referred to as "**Special Meetings**." A Special Meeting shall discuss and decide in all matters for which the Special Meeting was convened.

29.2. The Board may, whenever it deems appropriate, convene a Special Meeting at such time and place, within or without the State of Israel, as may be determined by the Board, and shall be obliged to do so upon the demand of one of the following:

(a) Any Director; or

(b) Any one or more Shareholders, holding alone or together at least ten percent (10%) of the issued share capital of the Company and at least one percent (1%) of the voting rights in the Company or one or more Shareholders holding at least ten percent (10%) of the voting rights in the Company.

29.3. The Board, upon demand to convene a Special Meeting in accordance with Article 29.2 above, shall announce the convening of the General Meeting within twenty one (21) days from the receipt of a demand in that respect.

29.4. If the Board does not convene a Special Meeting as aforesaid, the Person requesting the meeting, and where Shareholders requesting the meeting—also any of them, who hold more than half the voting rights of such Shareholders requesting the meeting, may convene the meeting themselves, provided that it is not held more than three months after the date the request was made, and it shall be convened, insofar as possible, in the same way in which meetings are convened by the Board. Where a general meeting is convened as aforesaid, the Company shall cover the reasonable expenses incurred by the Person requesting it.

30. **CLASS MEETINGS**

30.1. Without derogating from Article 9.2 and 9.3 hereof, and only to the extent that any class meeting is required by these Articles and/or any applicable Law, the provisions of these Articles with respect to General Meetings shall apply, *mutatis mutandis*, to meetings of the holders of a class of shares of the Company (hereinafter: "**Class Meetings**"); provided, however, that the requisite quorum at any such Class Meeting shall be one or more Shareholders present, in person or by proxy, holding together not less than fifty percent (50%) of the issued shares of such class.

30.2. Without limiting the provisions of Article 9.2 and 9.3, it is hereby clarified that any resolution required to be adopted pursuant to these Articles by the consent of a Class Meeting of any class, or of all classes, of shares, or by way of written consent, shall be given by the holders of shares of such class or classes entitled to vote or give consent thereon, and no holder of shares of a such class or classes shall be banned from voting or consenting by virtue of being a holder of more than one class of shares of the Company, irrespective of any conflicting interests that may exist between such different classes of shares. A Shareholder shall not be required to refrain from participating in the discussion, voting and/or consenting on any resolution concerning an amendment to any class of shares held by such Shareholder, due to the fact that such Shareholder may benefit in one way or another from the outcome of such resolution.

31. **NOTICE OF GENERAL MEETINGS**

31.1. Unless a shorter period is permitted by Law, a notice of a General Meeting shall be sent to each Shareholder of the Company registered in the Shareholder Register and entitled to attend and vote at such meeting, at least seven (7) days prior to the date fixed for the General Meeting; provided, however, that such notice shall not be sent more than forty five (45) days from the date fixed for the General Meeting. Subject to the provisions of any Law, each such notice shall specify the place, the day and hour of the meeting, the agenda of the meeting and a concise description of the items for discussion; provided, however, that: (i) in the event that the agenda includes a proposal to amend these Articles, the notice shall include the text of the proposed amendment(s); and (ii) with respect to a notice of an Annual Meeting, a copy of the financial statements of the Company shall be delivered, together with the notice of such Annual Meeting, to any Shareholder entitled to vote at such meeting. Anything

herein to the contrary notwithstanding, with the written consent of all Shareholders entitled to vote thereon, a resolution may be proposed and passed at such meeting although a shorter notice than hereinabove prescribed has been given. A waiver by a Shareholder can also be made in writing after the fact and even after the convening of the General Meeting.

31.2. The Board's authority to determine the time and the place for the convening of the General Meeting shall include the power to change such time and/or place, prior to the convening of the General Meeting and subject to the provisions of these Articles and any Law, including with regard to the sending of a new notice to the Shareholders.

31.3. Subject to the provisions of Article 49, any accidental omission with respect to the giving of a notice of a General Meeting to any Shareholder or the non-receipt of a notice with respect to a meeting or any other notice on the part of any Shareholder shall not cause the cancellation of a resolution adopted at that meeting, or the cancellation of acts based on such notice.

32. **THE AGENDA OF GENERAL MEETINGS**

32.1. The agenda of General Meetings shall be determined by the Board and shall also include issues for which a Special Meeting is being convened in accordance with Article 29 above, or as may be required upon the request of Shareholders in accordance with the provisions of the Companies Law.

32.2. Subject to Article 32.3, the General Meeting shall only adopt resolutions on issues, which are on its agenda.

32.3. The General Meeting is entitled to accept or reject a proposed resolution, which is on the agenda of the General Meeting. Subject to applicable Law, the General Meeting may adopt a resolution, which is different from the description thereof included in the notice of the General Meeting, provided that such resolution is not materially different from the proposed resolution.

33. **ENTITLEMENT TO PARTICIPATE IN A GENERAL MEETING AND TO VOTE THEREAT**

33.1. Subject to the provisions of the Companies Law, the Shareholders who are entitled to participate in and vote at a General Meeting shall, subject to Article 16.6, be the Shareholders on the date of the General Meeting.

33.2. An objection to the right of a Shareholder to participate in and vote at a General Meeting must be raised at such meeting and any vote not disqualified thereat shall be deemed valid for any purpose. The Chairman of the meeting shall decide whether to accept or reject any objection raised at the appointed time with regard to the participation and vote of a Shareholder and his decision shall be final.

34. **QUORUM**

34.1. No business shall be transacted at a General Meeting, or at any adjournment thereof, unless a lawful quorum is present when the meeting proceeds to business.

34.2. Subject to the requirements of the Companies Law and the provisions of these Articles, any two or more Shareholders (not in default in payment of any sum referred to in Article 16 hereof), present in person or by proxy, and who hold or represent in the aggregate at least fifty percent (50%) of the voting power of the Company including at least fifty percent (50%) of the voting power underlying the then issued and outstanding Preferred Shares, shall constitute a lawful quorum at General Meetings. A Shareholder or his proxy, who also serves as a proxy for other Shareholder(s), shall be regarded as two (2) or more Shareholders, in accordance with the number of Shareholders he is representing.

34.3. If within an hour from the time appointed for the General Meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week (or the first Business Day thereafter), at the same time and place, or to such later day and at such time and place as the Chairman may determine, in person or by proxy, and voting on the question of adjournment. No business shall be transacted at any adjourned meeting except business, which might lawfully have been transacted at the meeting as originally called. At such adjourned meeting, any two (2) Shareholders (not in default as aforesaid), present in person or by proxy, shall constitute a lawful quorum.

35. **CHAIRMAN**

The Chairman of the Board (the "**Chairman**") shall preside as Chairman at every General Meeting. If there is no such Chairman, or if the Chairman is not present within fifteen (15) minutes after the time fixed for holding such meeting or is unwilling to act as Chairman, the Shareholders present in person shall choose someone of their number or any other Person to be Chairman. The position of Chairman shall not, by itself, entitle the holder thereof to vote at any General Meeting nor shall it entitle such holder to a second or casting vote (without derogating, however, from the rights of such Chairman to vote as a Shareholder or proxy of a Shareholder if, in fact, he is also a Shareholder or proxy, respectively).

36. **ADJOURNED MEETING**

A General Meeting at which a lawful quorum is present (hereinafter: the "**Original General Meeting**"), may resolve by an Ordinary Majority to adjourn the General Meeting, from time to time, to another time and/or place (hereinafter: an "**Adjourned Meeting**"). A notice of the Adjourned Meeting shall be given in accordance with the requirements of the Companies Law, in the same manner as the notice of the Original General Meeting. With the exception of the aforesaid, and subject to the provisions of the Companies Law, a Shareholder shall not be entitled to receive a notice of an Adjourned Meeting or of the issues, which are to be discussed in the Adjourned Meeting. The Adjourned Meeting shall only discuss issues that could have been discussed at the Original General Meeting, and with respect to which no resolution was adopted.

37. **ADOPTION OF RESOLUTIONS AT GENERAL MEETINGS**

37.1. All resolutions of the General Meeting shall be adopted by an Ordinary Majority, except for any matters with respect to which a greater or different majority is required by these Articles, including by Article 49, or by the Companies Law or Companies Ordinance.

37.2. Every matter submitted to a General Meeting shall be decided by a show of hands, but if a written ballot is demanded by any Shareholder, present in person or by proxy and entitled to vote at the meeting, the same shall be decided by such ballot. A written ballot may be demanded before the proposed resolution is voted upon or immediately after the declaration by the Chairman of the results of the vote by a show of hands. If a vote by written ballot is taken after such declaration, the results of the vote by a show of hands shall be of no effect, and the proposed resolution shall be decided by such written ballot. The demand for a written ballot may be withdrawn at any time before the same is conducted, in which event another Shareholder may then demand such written ballot. The demand for a written ballot shall not prevent the continuance of the meeting for the transaction of business other than the question on which the written ballot has been demanded.

37.3. A declaration by the Chairman of the meeting that a resolution has been adopted unanimously, or adopted by a particular majority, or rejected, and an entry to that effect in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against such resolution.

38. **RESOLUTIONS IN WRITING**

Subject to applicable Law, a resolution in writing signed by all Shareholders of the Company then entitled to attend and vote at General Meetings or to which all such Shareholders have given their written consent (by letter, facsimile, e-mail or otherwise, whether in person or by proxy), shall be deemed to have been unanimously adopted by a General Meeting duly convened and held. Such resolution could be stated in several counterparts of the same document, each of them signed by one Shareholder or by several Shareholders.

39. **CONDUCTING A GENERAL MEETING THROUGH MEANS OF COMMUNICATION**

The Company may conduct a General Meeting through the use of any means of communication, provided all of the participating Shareholders can hear each other simultaneously. A resolution approved by use of means of communications as aforesaid, shall be deemed to be a resolution lawfully adopted at a General Meeting.

40. **VOTING POWER**

Subject to the provisions of Article 41.1 and subject to any provision hereof conferring special rights as to voting, or restricting the right to vote, every Shareholder shall have one vote for each Ordinary Share held by it and for each Ordinary Share to which he may be entitled upon conversion of any Preferred Share held by it (as set forth in Article 42 below), in accordance with Article 42, on every resolution, without regard to whether the vote thereon is conducted in person, by proxy, by a show of hands, by written ballot or by any other means.

41. **VOTING RIGHTS**

41.1. No Shareholder shall be entitled to vote at any General Meeting (or be counted as a part of the lawful quorum thereat), unless all calls and other sums then payable by him in respect of his shares in the Company have been paid, or the issue conditions of the shares otherwise provide.

41.2. A company or other corporate entity being a Shareholder of the Company may, by resolution of its Directors or any other managing body thereof, authorize any individual to be its representative at any General Meeting. Any individual so authorized shall be entitled to exercise on behalf of such Shareholder all the power, which the latter could have exercised if it were an individual shareholder. Upon the request of the Chairman of the General Meeting, written evidence of such authorization (in form acceptable to the Chairman) shall be delivered to him.

41.3. Any Shareholder entitled to vote may vote either personally (or, if the Shareholder is a company or other corporate entity, by a representative authorized pursuant to Article 41.2) or by proxy (subject to Articles 44 and 45 below) or through a third party appointed by way of power of attorney.

41.4. If two or more Persons are registered as joint holders of any share, the vote of the senior who tenders a vote, in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), and for this purpose seniority shall be determined by the order in which the names stand in the Shareholder Register.

42. **PREFERRED SHARES VOTING RIGHTS**

Without derogating from or limiting the provisions of Articles 41 and 49, and except as otherwise required by Law, each holder of Preferred Shares shall be entitled to vote together with the holders of the Ordinary Shares as one class, on all matters submitted to a vote of the Shareholders of the Company, and shall be entitled to the number of votes equal to the number of shares of Ordinary Shares that would be issuable to such holder if all Preferred Shares held by such holder were converted into the number of shares of Ordinary Shares issuable pursuant to Article 7 hereof on the record date for the determination of the Shareholders entitled to vote on such matters or, if no such record date is established, as of the date such vote is taken or any written consent of Shareholders is first executed. To the maximum extent permitted under applicable law, and unless otherwise explicitly provided by these Articles, the Preferred B-1 Shareholders and the Preferred B-2 Shareholders shall vote together as a single class on any matter presented to the shareholders. To the maximum extent permitted under applicable law, and unless otherwise explicitly provided by these Articles, the Preferred E-1 Shareholders, the Preferred E Shareholders, the Preferred E-2 Shareholders and the Preferred E-3 Shareholders shall vote together as a single class on any matter presented to the shareholders. The holders of Preferred Shares shall vote separately on all matters that by law are subject to the requirement of a class vote.

43. **DELETED**

44. **VOTING BY MEANS OF A PROXY**

44.1. A Shareholder registered in the Shareholder Register is entitled to appoint by deed of authorization or power of attorney a proxy (who may, but is not required to be a Shareholder of the Company) to participate and vote in his stead, whether at a certain General Meeting or generally at General Meetings of the Company.

44.2. In the event that the deed of authorization or power of attorney is not limited to a certain General Meeting, then the deed of authorization, which was deposited prior to a certain General Meeting, shall also be good for other General Meetings thereafter. This Article 44 shall also apply to a Shareholder which is a company or other corporate entity, appointing a person to participate and vote in a General Meeting in its stead.

45. **A DEED OF AUTHORIZATION**

45.1. The deed of authorization of a proxy shall be in writing and shall be substantially in the form specified below, or in any usual or common form or in such other form as may be approved by the Board or the corporate secretary of the Company. It shall be duly signed by the appointer or his duly authorized attorney or, if such appointer is a company or other corporate entity, under its common seal or stamp or the hand of its duly authorized agent(s) or attorney(s). The Company may demand that it be given written confirmation to its satisfaction of the authority of those signing to bind such company or other corporate entity.

Deed of Authorization

To: Walkme Ltd. (the "**Company**")

Attn: Corporate Secretary

I _____ of _____
(Name of Shareholder) (I.D. of Shareholder)

being a registered holder of _____ (*) Ordinary Shares of no par value each, of the Company, hereby appoint

_____ I.D. no. _____ and/or
(Name of Proxy) (I.D. of Proxy) (**)

_____ I.D. no. _____
(Name of Proxy) (I.D. of Proxy)

as my proxy to participate and vote for me and in my stead and on my behalf at [mark one]:

☐ The General Meeting of the Company to be held on the _____ day of _____, 20__ and at any adjournment(s) thereof.

☐ At any General Meeting of the Company, until I shall otherwise notify you.

I direct that my vote(s) be cast on the resolutions as indicated by a ✓ in the appropriate space.

Resolutions (***)	For	Against	Abstain
	☐	☐	☐

On the receipt of this form duly signed but without any specific direction on a particular matter, my proxy will vote or abstain at his/her discretion.

Signed this _____ day of _____, 20__.

_____

(Signature of Appointer)

(*) A registered shareholder may grant a number of proxy appointment instruments, each in relation to another quantity of the Company's shares held by him, provided that he does not grant proxy appointment instruments for a quantity of shares larger than the quantity held by him.

(**) Where the proxy does not have an Israeli identity document, the passport number and the country, which issued the passport, may be stated.

(***) Fill in the resolutions set forth in the agenda of the meeting and mark your vote with respect to each

45.2. The deed of authorization of a proxy (and the power of attorney or other authority, if any, under which such instrument has been signed) shall either be delivered to the Company (at its registered office or at such place as the Board may specify) not less than one (1) hour before the time fixed for the meeting at which the person named in the deed of authorization proposes to vote, or presented to the Chairman at such meeting.

46. **EFFECT OF DEATH OF APPOINTER OR REVOCATION OF APPOINTMENT**

A vote cast pursuant to a deed of authorization or power of attorney of a proxy shall be valid notwithstanding the previous death, incapacity or bankruptcy, or if a company or other corporate entity, the liquidation, of the appointing Shareholder (or of his attorney-in-fact, if any, who signed such instrument), or the revocation of the appointment or the Transfer of the share in respect of which the vote is cast, provided no written notice of any such event shall have been received by the Company or by the Chairman of the General Meeting before such vote is cast and provided, further, that the appointing Shareholder, if present in person at said General Meeting, may revoke the appointment by means of a writing, oral notification to the Chairman, or otherwise.

47. **DISQUALIFICATION OF DEEDS OF AUTHORIZATION**

Subject to the provisions of applicable Law, the corporate secretary of the Company may, in his discretion, disqualify a deed of authorization and so notify the Shareholder who submitted the deed of authorization in the following cases:

47.1. If there is a reasonable suspicion that it is forged or falsified;

47.2. If it is not duly executed or completed;

47.3. If there is a reasonable suspicion that it is given with respect to shares for which one or more deeds of authorization have been given and not withdrawn; or

47.4. If more than one choice is marked for the same resolution.

48. **BOARD RECOMMENDATION**

The Board may, in its sole discretion, send to the Shareholders a recommendation in order to persuade them with respect to any matter, which is on the agenda of the General Meeting. Such recommendation shall be delivered at the expense of the Company.

MAJOR DECISIONS

49. **MAJOR DECISIONS**

49.1. **Major Decisions by Shareholders**

For so long as the holders of Preferred Shares hold, on an As Converted Basis, in the aggregate, at least 18% of the issued and outstanding shares of the Company, the prior written consent or the affirmative vote of at least the Preferred Majority (in each case, not to be unreasonably delayed) shall be required for the following actions of the Company:

(a) permit or cause to be proposed any alteration to its share capital (including any increase thereof) or the rights attaching to its shares or waive any right to receive payment on any of its shares issued on a partially paid up basis; create any class or series of shares (or the issuance of such shares) having rights equal or superior to the Preferred Shares;

(b) any transaction (including the amendment of these Articles) which would impair, reduce or adversely affect the rights and preferences of the Preferred Shares;

(c) issue any shares or grant any options or warrants for the issue of any shares other than Excluded Securities or loan capital or grant or agree to grant any options (other than pursuant to a share option plan adopted by the Board) or warrants for the issue of any share or loan capital or issue any securities convertible into shares, or establish any share option plan, except in accordance with these Articles;

(d) permit amendment to these Articles or any constitutional document of any subsidiary;

(e) merge the Company or any part of its business with any other person or propose to do so or consolidate, amalgamate or enter into any similar transaction;

(f) a Realization Event or IPO;

(g) permit the Company to cease to carry on its business or permit the Company or its Directors (or any one of them*) to take any* step to wind up the Company, save where it is insolvent (as defined under applicable law);

(h) effects any dissolution, liquidation or other winding up of the Company or any subsidiary or the cessation of all or substantially all of the business of the Company or any subsidiary;

(i) propose to make any repurchase of shares by the Company or its subsidiaries (other than pursuant to employee vesting arrangements, including pursuant to the Repurchase Agreements); or

(j) sell or dispose of more than twenty five percent (25%) of the assets of the Company or any subsidiary or sell or dispose of, directly or indirectly, at least twenty five percent (25%) (or more) of the assets or voting rights of any subsidiary.

49.2. **Major Decisions by the Board**

For so long as the holders of Preferred Shares hold, on an As Converted Basis, in the aggregate, at least 18% of the issued and outstanding shares of the Company, the prior written consent or the affirmative vote of at least half of the appointed Preferred Directors (in each case, not to be unreasonably delayed) shall be required for the following actions:

(a) make any change to:

(i) its accounting reference date;

(ii) its accounting policies, bases or methods (other than as recommended by the auditors of the Company);

(iii) approving the annual budget of the Company and approving or making any material deviation from the business plan and annual budget of the Company.

(b) make any loans or advances to employees other than in the ordinary course of business;

(c) repay or guarantee by the Company or its subsidiaries of any debt owed by or to the Company's Directors or Shareholders, with the exception of currently outstanding third party indebtedness;

(d) propose or pay any dividend or propose or make any other distribution on shares; subscribe or otherwise acquire, or dispose of any shares in the capital of any other company;

(e) Appoint or remove the CEO;

(f) create any mortgage, pledge or other security interest in all or substantially all of the property of the Company or a subsidiary;

(g) mortgage or charge or permit the creation of or suffer to subsist any mortgage or fixed or floating charge, lien (other than a lien arising by operation of law) or other encumbrance over the whole or substantially all of its undertaking, property or assets;

(h) replace the Company's auditors;

(i) deal in any way (including the acquisition or disposal, whether outright or by way of license), of all or substantially all of the Company's intellectual property, other than in the ordinary course of business;

(j) engage a financial adviser for a Realization Event or an IPO or approve any written agreement regarding a potential Realization Event or an IPO;

(k) [reserved]

(l) permit the Company to apply for an interim order, or permit the Company to invite the appointment of a receiver or receiver and manager receiver over all or substantially all of the Company's assets or undertaking or permit the Company to convene a meeting for or the proposal for any resolution for the winding up of the Company;

(m) other than where expressly contemplated by these Articles, enter into or vary any transaction or arrangement with, or for the benefit of any of its Directors or any other person who is a "interested party" with any of its Directors which is likely to represent a conflict of interest, other than employment contracts or engagement letters in line with best practice;

(n) make any gifts or charitable donations in excess of €2500 per year.

The same consents as set forth in Articles 49.1 and 49.2 above shall be required for any of the actions listed above taken by any subsidiary of the Company.

49.3. **Major Decisions in connection with the Series D**

The Series D Consent will be required to (i) amend or waive (whether by merger, consolidation or otherwise) any of the rights, preferences, or privileges of the Preferred D Shares in a manner that adversely affects the rights, preferences, or privileges of the Preferred D Shares disproportionately to all other classes, or (ii) increase or decrease the authorized shares of Preferred D Shares class.

To remove any doubt it is hereby agreed that for the purpose of the preceding paragraph (i) the change or granting of any rights or privileges in an existing class of shares in a manner that does not adversely impact the Preferential D Amount, Article 94.3(d) hereof, or the voting rights of the Preferred D Shares; or (ii) the creation and issuance of a new series of shares, shall not be deemed as creating a change in the rights or preferences of the Preferred D Shares nor shall such require the Series D Consent described above.

49.4. **Major Decisions in connection with the Series E**

The Series E Consent will be required to (i) amend or waive (whether by merger, consolidation or otherwise) any of the rights, preferences, or privileges of the Preferred E Shares in a manner that adversely affects the rights, preferences, or privileges of the Preferred E Shares disproportionately to all other classes including without limitation, a waiver of Preferred E Shares rights under Article 7.9, or (ii) increase or decrease the authorized shares of Preferred E Shares class.

To remove any doubt it is hereby agreed that for the purpose of the preceding paragraph (i) the change or granting of any rights or privileges in an existing class of shares in a manner that does not adversely impact the Preferential E Amount, or the voting rights of the Preferred E Shares, or result in any disproportionate change in the relative position or terms of the Preferential E Amount; or (ii) the creation and issuance of a new series of shares, shall not be deemed as creating a change in the rights or preferences of the Preferred E Shares nor shall such require the Series E Consent described above.

49.5. **Major Decisions in connection with the Series F**

The Series F Consent will be required to (i) amend or waive (whether by merger, consolidation or otherwise) (x) any of the rights, preferences, or privileges of the Preferred F Shares relating to their liquidation preference rights and their automatic conversion into ordinary shares as specified in Article 7.9 (Sale of Shares below Conversion Price) or under the first paragraph of Article 94.1 (Liquidation Preference of Preferred F Shares) or under Article 94.3(a) (Preferred Preference of Preferred F Shares) or under Article 94.16 (Preferential F Amount) or (y) that adversely affects any other rights, preferences, or privileges of the Preferred F Shares disproportionately to all other classes, or (ii) increase or decrease the authorized shares of Preferred F Shares class.

To remove any doubt it is hereby agreed that for the purpose of the preceding paragraph (i) the change or granting of any rights or privileges in an existing class of shares in a manner that does not adversely impact the Preferential F Amount, or the voting rights of the Preferred F Shares, or result in any disproportionate change in the relative position or terms of the Preferential F Amount; or (ii) the creation and issuance of a new series of shares, shall not be deemed as creating a change in the rights or preferences of the Preferred F Shares nor shall such require the Series F Consent described above even if such new shares receive seniority or parity with, or other rights superior to, the Preferred F Shares; and (iii) no Series F Consent shall be required for any changes to general Preferred rights (i.e. to avoid any doubt the specific rights of the Preferred F Shares as specified in the preceding paragraph shall not be deemed general Preferred rights) including without limitation, changes to the Preferred Majority.

BOARD OF DIRECTORS

50. **THE AUTHORITY OF THE BOARD**

50.1. The authority of the Board is as specified in the Companies Law and in the provisions of these Articles.

50.2. The Board may exercise any authority of the Company that is not, by the Companies Law or by these Articles, required to be exercised by another organ of the Company.

50.3. Without derogating from the generality of Articles 50.1 and 50.2 above and subject to the provisions of Article 49, the Board's authority shall include the following:

(a) The Board may, from time to time, in its discretion, cause the Company to borrow or secure the payment of any sum or sums of money for the purposes of the Company, and may secure or provide for the repayment of such sum or sums in such manner, at such times and upon such terms and conditions in all respects as it deems appropriate, including, without limitation, by the issuance of bonds, perpetual or redeemable debentures or other Securities, or any mortgages, charges, or other liens on the undertaking or the whole or any part of the property of the Company, both present and future, including its uncalled or called but unpaid capital.

(b) The Board may, from time to time, set aside any amount(s) out of the profits of the Company as a reserve or reserves for any purpose(s) which the Board, in its sole discretion, shall deem appropriate, and may invest any sum so set aside in any manner and from time to time deal with and vary such investments, and dispose of all or any part thereof, and employ any such reserve or any part thereof in the business of the Company without being bound to keep the same separate from other assets of the Company, and may subdivide or re-designate any reserve or cancel the same or apply the funds therein for another purpose, all as the Board may from time to time deem appropriate.

(c) Subject to the provisions of any Law, the Board may, from time to time, authorize any Person to be the representative of the Company with respect to those objectives and subject to those conditions and for that time period, as the Board deems appropriate, and may also grant any such representative the authority to delegate any or all of the authorities, powers and discretion given to him by the Board.

51. **CONVENING MEETINGS OF THE BOARD**

51.1. The Chairman of the Board, and in the event that a Chairman has not been appointed, any Director, may convene a meeting of the Board at any time; provided that a meeting of the Board will be convened at least four (4) times per year.

51.2. The Chairman of the Board shall convene a meeting of the Board at any time or in any event that such meeting is required by the provisions of the Companies Law, including:

(a) The Chairman of the Board shall convene the Board on a specified matter on the demand any Director.

(b) The Chairman of the Board shall act without delay to call a meeting of the Board within fourteen (14) days of being notified by a Director of the Company that he has learned of a matter of the Company in which a breach of the Law or impairment to proper business procedure has prima facie been discovered or of the date on which the Company's auditor reports to him that he has learned of material deficiencies in the audit of the Company's accounts.

(c) If a notice or report of the CEO obliges action by the Board, the Chairman of the Board shall, without delay and within fourteen (14) days of the notice or report, call a meeting of the Board.

52. **NOTICE OF A MEETING OF THE BOARD**

52.1. Any notice with respect to meeting of the Board may be given orally or in writing, so long as the notice is given at least three (3) Business Days (that must also be days that banks are open in New York and in London) prior to the date fixed for the meeting, unless all members of the Board or their Alternate Directors (as defined in Article 62.1) or their Representatives (as defined in Article 62.3) agree on a shorter time period. Such notice shall be delivered personally, by mail, or transmitted via facsimile or e-mail or through another means of communication, to the address, facsimile number or to the e-mail address or to an address where messages can be delivered through other means of communication, as the case may be, as the Director informed the Company in advance.

52.2. A notice with respect to a meeting of the Board shall include the place, date and time of the meeting of the Board, the issues on its agenda and any other material that the Chairman of the Board, or the Director who convened the meeting, requests to be included in the notice with respect to the meeting.

53. **THE AGENDA OF BOARD MEETINGS**

The agenda of any meeting of the Board shall be as determined by the Chairman of the Board, and if there is no Chairman, by a resolution of the Director convening the meeting, and shall include the following matters:

53.1. Matters for which the meeting is required to be convened in accordance with the Companies Law;

53.2. Any matter requested by a Director or by the CEO to be included in the meeting within a reasonable time (taking into account the nature of the matter) prior to the date of the meeting;

53.3. Any other matter determined by the Chairman of the Board, or if there is no Chairman, by the Director convening the meeting.

54. **QUORUM**

54.1. Unless otherwise unanimously decided by the Board, a quorum at a meeting of the Board shall be constituted by the presence of a majority of the Directors including at least 2 Preferred Directors, who are lawfully entitled to participate in the meeting.

54.2. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the next twenty-four (24) hours, at the same place, or to such later day and at such time and place as the Chairman may determine with the consent of the majority of the Directors present. No business shall be transacted at any adjourned meeting except business, which might lawfully have been transacted at the meeting as originally called. At such adjourned meeting, any two (2) Directors present shall constitute a lawful quorum.

55. **CONDUCTING A MEETING THROUGH MEANS OF COMMUNICATION**

The Board may conduct a meeting of the Board through the use of any means of communication, provided all of the participating Directors can hear each other simultaneously. A resolution approved by use of means of communications as aforesaid, shall be deemed to be a resolution lawfully adopted at a meeting of the Board.

56. **VOTING IN THE BOARD**

Unless otherwise provided by these Articles, and specifically by Article 49, issues presented at meetings of the Board shall be decided upon by a majority of the votes of Directors present (or participating, in the case of a vote through a permitted means of communications) and lawfully entitled to vote thereon and actually voting, excluding abstentions. Subject to the provision of Article 62.4 below, each Director shall have a single vote. The office of Chairman shall not, by itself, entitle the holder thereof to vote at any General Meeting.

57. **ADOPTION OF RESOLUTIONS WITHOUT CONVENING**

The Board may adopt resolutions without actually convening with the written consent (given by letter, facsimile, e-mail or otherwise) or oral consent (provided that such consent has been confirmed in writing by the Chairman of the Board) of all the Directors then in office and lawfully entitled (as conclusively determined by the Chairman of the Board) to participate and to vote thereon. Subject to compliance with the provisions of Article 49, matters presented in accordance with this Article 57 shall be decided upon by a majority of the votes of such Directors. Resolutions adopted pursuant to this Article 57 shall be deemed to have been duly adopted by a meeting of the Board duly convened and held. Minutes of such resolutions shall be approved and signed by the Chairman of the Board.

58. **WRITTEN RESOLUTION**

A resolution in writing signed by all Directors then in office and lawfully entitled to vote thereon or to which all such Directors have given their consent (by letter, telegram, telex, facsimile, e-mail or otherwise), or their oral consent by telephone (provided that a written summary thereof has been approved and signed by the Chairman of the Board or, in the case there is only one Director in the Board, by such Director), shall be deemed to have been unanimously adopted by a meeting of the Board duly convened and held.

59. **NUMBER OF DIRECTORS**

The Board shall consist of up to 10 Directors.

60. **DIRECTORS GENERALLY**

60.1. Subject to the provisions of the Companies Law, a Director may hold another position in the Company.

60.2. A company or other corporate entity may serve as a Director in the Company, subject to the provisions of Article 62 below.

61. **ELECTION OF DIRECTORS**

61.1. The Directors of the Company shall not be elected by the General Meeting of the Shareholders, but instead shall be appointed as follows.

(i) The Founders or their Permitted Transferees (by a majority vote based on the number of shares held by each Founder) shall have the right to appoint, remove or replace up to two (2) directors (the "**Founders' Directors**") and, the right to appoint, remove or replace one (1) observer to the Board (the "**Observer**"); in addition

(ii) For so long as Mangrove hold in the aggregate, at least 5% of the issued and outstanding shares of the Company, Mangrove shall have the right to appoint, remove or replace up to one (1) director (the "**Mangrove Director**"); in addition

(iii) For so long as Gemini hold in the aggregate, at least 5% of the issued and outstanding shares of the Company, Gemini shall have the right to appoint, remove or replace up to one (1) director (the "**Preferred B-1 Director**"); in addition

(iv) For so long as ScaleVP holds in the aggregate, at least 5% of the issued and outstanding shares of the Company, ScaleVP shall have the right to appoint, remove or replace up to one (1) director (the "**Preferred C Director**"); in addition

(v) For so long as Insight hold in the aggregate at least 5% of the then-outstanding Preferred Shares, Insight shall be entitled to appoint, dismiss and replace one (1) director (the "**Preferred E Director**");

(vi) From the Effective Date, Vitruvian shall be entitled to appoint, dismiss and replace one (1) director (the "**Preferred F Director**") for so long as Vitruvian, together with its Permitted Transferees holds in the aggregate at least 2.50% of the issued and outstanding shares of the Company and at least 60% of the Preferred F Shares which shall be purchased under the Series F Share Purchase Agreement; *provided*, *however*, that for the purpose of such calculation only that all shares of the Company to be purchased under the Series F Share Purchase Agreement shall be deemed to have been purchased as of the Effective Date, so long as Vitruvian is not in default of any payment obligations under the Series F Share Purchase Agreement); in addition

(vii) The Founders' Directors and one (1) Preferred Director, by unanimous consent, shall have the right to appoint, remove or replace two (2) additional directors; notwithstanding, in the event that the Company terminates the employment of a Founder for Cause, then the appointment of the two (2) additional directors under this subarticle (vii) shall require the unanimous consent of the Founders' Directors and at least two (2) Preferred Directors. Termination of employment for "Cause" for this purpose, shall mean (a) Founder's theft, embezzlement, self-dealing or prohibited disclosure to unauthorized persons or entities of confidential or proprietary information of the Company; or (b) any willful failure to perform any of the Founder's fundamental duties toward the Company; or (c) where the Founder deliberately or due to gross negligence causes harm to the Company's business affairs or reputation; or (d) Founder's conviction of a crime or felony involving moral turpitude;; in addition

(viii) The Founders' Directors and the Preferred Directors, by unanimous consent, shall have the right to appoint, remove or replace one (1) additional director, initially Mr. Gur Shomron

(ix) For so long as the holders of Preferred D Shares hold in the aggregate at least 5% of the then-outstanding Preferred Shares, Greenspring shall be entitled to appoint, dismiss and replace one (1) Observer to the Board.

(x) For so long as the holders of Preferred B-2 Shares hold in the aggregate (taking into account all issued shares held by such holders) at least 5% of the issued and outstanding shares of the Company, Giza shall be entitled to appoint, dismiss and replace one (1) Observer to the Board.

61.2. The appointment, removal or replacement of a Director, as set forth in Article 61, may be effected at any time, including during an initial or extended term of service of a Director, by the delivery of a written notice to the Company at its office, signed by the Shareholders entitled to effect such appointment or removal.

61.3. If any member of the Board is not designated or appointed, or if the office of any member of the Board is vacated, the other members of the Board may act in every way and manner provided for under these Articles and the Law as long as their number does not fall below the quorum required by these Articles for a Board meeting.

61.4. Subject to entering into a customary agreement regarding confidentiality and assignment of inventions with the Company, an Observer shall be entitled to attend and take part in all Board meetings in a non-voting capacity and shall receive copies of all actions, minutes, consents and other material that is provided to directors serving on the Board, unless such attendance or provision of materials would derogate from attorney-client privilege or cause any other conflict (as advised by Company legal counsel).

62. **ALTERNATE DIRECTORS AND REPRESENTATIVE OF A DIRECTOR THAT IS A COMPANY**

62.1. Subject to the provisions of the Companies Law, any Director may, by written notice to the Company, appoint an alternate for himself (in these Articles, an "**Alternate Director**"), dismiss such Alternate Director and appoint another Alternate Director in place of any Alternate Director appointed by him whose office has been vacated for any reason whatsoever, whether for a certain meeting or a certain period of time or generally. Any notice given to the Company pursuant to this Article shall be in writing, delivered to the Company and signed by the appointing or dismissing Director, and shall become effective on the date fixed therein, or upon the delivery thereof to the Company, whichever is later.

62.2. Anyone who is not qualified to be appointed as a Director may not be appointed and may not serve as an Alternate Director. Anyone serving as a Director or as an existing Alternate Director may serve as an Alternate Director.

62.3. A Director that is a company or other corporate entity shall appoint an individual, qualified to be appointed as a Director in the Company, in order to serve on its behalf, either for a certain meeting or for a certain period of time or generally and such company or other entity may also dismiss that individual and appoint another in his stead (hereinafter: "**Director's Representatives**"). Any notice given to the Company pursuant to this Article shall be in writing, delivered to the Company and signed by the appointing or dismissing body, and shall become effective on the date fixed therein, or upon the delivery thereof to the Company, whichever is later.

62.4. Subject to Article 62.3, any individual, whether or not a Director, may serve as a Director's Representative. One individual may act as a Director's Representative of several Directors, and in such event he shall have a number of votes (and shall be treated as the number of persons for purposes of establishing a quorum) equal to the number of Directors for whom he acts as a Director's Representative. If a Director's Representative is also a Director in his own right, his rights as a Director's Representative shall be in addition to his rights as a Director.

62.5. Each of an Alternate Director and a Director's Representative shall have all the authority of the Director who appointed him (except that neither an Alternate Director nor a Director's Representative may appoint an alternate for himself, unless the instrument appointing him otherwise expressly provides), provided, however, that an Alternate Director shall have no standing at any meeting of the Board or any committee thereof while the Director who appointed him is present.

62.6. The office of an Alternate Director or a Director's Representative shall be vacated under the circumstances, *mutatis mutandis*, set forth in Article 63, and such office shall *ipso facto* be vacated if the Director who appointed such Alternate Director or Director's Representative ceases to be a Director.

63. **TERMINATION OF THE TERM OF A DIRECTOR**

The term of a Director shall terminate in any of the following cases:

63.1. If he resigned from his office by way of a signed letter, filed with the corporate secretary at the Company's office;

63.2. If he is declared bankrupt;

63.3. If he is declared by an appropriate court to be incapacitated;

63.4. Upon his death and, in the event of a company or other corporate entity, upon the adoption of a resolution for its voluntary liquidation or the issuance of a liquidation order;

63.5. If he is removed from his office by way of a written notice to the Company of the termination of his appointment by the Shareholders who appointed him;

63.6. If he is convicted of a crime requiring his termination pursuant the Companies Law;

63.7. If his term of office is terminated by the Board in accordance with the provisions of the Companies Law; or

63.8. If the Shareholders who appointed such Director cease to have the right to appoint a Director hereunder.

64. **CONTINUING DIRECTORS IN THE EVENT OF VACANCIES**

In the event of one or more vacancies in the Board, the continuing Directors may continue to act in every matter, subject to compliance with the provisions of Article 50.

65. **COMPENSATION OF DIRECTORS**

65.1. Directors who do not hold other positions in the Company shall not receive any compensation from the Company, unless such compensation and its amount are approved by the General Meeting, subject to applicable Law.

65.2. The compensation of the Directors may be fixed, as an all-inclusive payment or as payment for participation in meetings or as any combination thereof.

65.3. The Company will reimburse reasonable out-of-pocket pre-approved travel expenses incurred by the Directors in connection with attending Board meetings as well as pre-approved travel expenses related to the Company for non-Board related issues.

66. **PERSONAL INTEREST OF A DIRECTOR**

Subject to compliance with the provisions of the Companies Law, the Company may enter into any contract or otherwise transact any business with any Director and may enter into any contract or otherwise transact any business with any third party in which contract or business a Director has a personal interest, directly or indirectly.

67. **COMMITTEES OF THE BOARD OF DIRECTORS**

67.1. Subject to the provisions of the Companies Law and these Articles, the Board may delegate its authorities or any part of them to committees, as it deems appropriate, and it may from time to time cancel the delegation of any such authority. Any such committee, while utilizing an authority as stated, is obligated to fulfill all of the instructions given to it from time to time by the Board. The Board may adopt a charter, or guidelines, for any such committee and amend the same from time to time.

67.2. The provisions of these Articles with respect to meetings of the Board shall apply, *mutatis mutandis*, to the meetings and discussions of each committee of the Board, provided that no other terms are set by the Board in this matter, and provided that the lawful quorum for the meetings of the committee, as stated, shall be at least a majority of the members of the committee, unless otherwise required by Law. Each Director shall be entitled to attend any committee meeting as an observer, at the time and place of the scheduled committee meeting, with reasonable advance notice to the committee members, *provided that* such Director's attendance does not create any conflict of interest, based on advice from legal counsel to the Company.

68. **CHAIRMAN OF THE BOARD**

68.1. A majority of six (6) Directors shall have the right to appoint, remove or replace the Chairman of the Board (who initially shall be Mr. Gur Shomron).

68.2. The Chairman of the Board shall preside at every meeting of the Board, but if there is no such Chairman, or if at any meeting he is not present within fifteen (15) minutes of the time fixed for the meeting, or if he is unwilling to take the chair, the majority of the Directors shall appoint one of the Directors present to preside at the meeting.

68.3. The Chairman of the Board shall preside over meetings of the Board and shall sign the minutes of the meetings.

68.4. In the event that the Board will not be able to reach a decision, the Chairman shall not have a casting vote.

68.5. The Chairman of the Board, or if there is only one Director in the Board, such Director, is entitled, at all times, at his initiative or pursuant to a resolution of the Board, to require reports from the CEO in matters pertaining to the business affairs of the Company.

OFFICERS; AUDITOR

69. **THE CEO**

The Board may, subject to the provisions of Article 49, appoint a Chief Executive Officer who shall serve as the Company's general manger (herein, the "**CEO**"), and may appoint more than one CEO. The CEO may be a Director. Such appointment(s) may be either for a fixed term or without any limitation of time, and the Board may from time to time (subject to the Companies Law and of any contract between any such Person and the Company) fix his or their salaries and emoluments, remove or dismiss him or them from office and appoint another or others in his or their place.

70. **THE AUTHORITY OF THE CEO**

70.1. The CEO is responsible for the day-to-day management of the affairs of the Company within the framework of the policies set by the Board and subject to its instructions.

70.2. The CEO shall ensure compliance by the Company, with the Information and Inspection Rights of certain Shareholders in accordance with the Shareholders' and Investors' Rights Agreement by and among the Company and the Shareholders listed therein, dated as of the Effective Date.

70.3. Subject to compliance with the provisions of Article 49, the CEO shall be under the supervision of the Board.

70.4. In the event the Board appoints more than one CEO, the Board may determine the respective positions and functions of the CEOs and allocate their authorities as the Board may deem appropriate.

70.5. The Board may assume the authority granted to the CEO, either with respect to a certain issue or for a certain period of time.

70.6. The Board may instruct the CEO how to act in a particular matter; if the CEO does not obey the instruction, the Board may exercise the power required to implement the instruction in his stead.

70.7. In the event that the CEO is unable to exercise his authority, the Board may exercise such authority in his stead, or authorize another to exercise such authority.

70.8. The CEO, with the approval of the Board, may delegate to his subordinates any of his authorities.

70.9. In the event that the Company did not appoint a CEO, the Board shall have all the authorities of the CEO as detailed in this Article 70.

71. **THE CEO'S REPORTING DUTIES**

71.1. The CEO must notify the Chairman of the Board of any exceptional matter which is material to the Company or of any material deviation of the Company from the policy prescribed by the Board. If the Company does not have a Chairman of the Board, for any reason, the CEO shall notify all the Board members as aforesaid.

71.2. The CEO shall submit reports to the Board on the matters, at the times and on the scale prescribed by the Board.

71.3. The CEO shall report to the Chairman of the Board, on his demand, on matters relating to the Company's business and the proper management thereof.

72. **CORPORATE SECRETARY**

72.1. The Board may appoint a corporate secretary for the Company, on such terms as it deems fit, and may appoint a deputy secretary and determine their duties and powers.

72.2. If a corporate secretary is not appointed for the Company, the CEO, or someone authorized by him for such purpose and in the absence of a CEO someone authorized for such purpose by the Board, shall perform the duties prescribed for the corporate secretary pursuant to the Law, these Articles and the Board's resolution.

72.3. The Company's corporate secretary shall be liable for all the documents kept at the Company's registered office and shall keep the registers kept by the Company pursuant to the Law.

73. **OTHER OFFICERS OF THE COMPANY**

The Board may appoint, in addition to the CEO, other officers, define their positions and authorities, and set their compensation and terms of employment. The Board may authorize the CEO to exercise any or all of its authorities stated in this Article.

74. **THE AUDITOR**

74.1. Subject to Article 49, the Shareholders at the Annual Meeting shall appoint an auditor for a period until the completion of the performance of one audit, or for a longer period not to extend beyond the completion of the performance of three audits. Where the auditor is appointed for such a period, the Annual Meeting shall not discuss the appointment of an auditor during the said period, unless a resolution is passed to terminate his office. Subject to the provisions of the Companies Law the General Meeting is entitled at any time to terminate the service of the auditor.

74.2. Subject to Article 49, the Board shall fix the compensation of the auditor of the Company for his auditing activities, and shall also fix the compensation of the auditor for additional services, if any, which are not auditing activities, and, in each case, shall report thereon to the Annual Meeting.

DISTRIBUTIONS

75. **PERMITTED DISTRIBUTION**

The Company may effect a distribution to its Shareholders to the extent permitted by the Companies Law and the provisions of Article 49.

76. **RIGHT TO DIVIDEND OR BONUS SHARES**

76.1. Subject to the provisions of Article 16.6 above, a Shareholder shall be entitled to receive dividends or bonus shares, upon the resolution of the Company in accordance with Article 77 below, on a pro-rata basis, treating all shares on an As Converted Basis.

76.2. Subject to the provisions of Article 16.6 above, the Shareholders entitled to receive dividends or bonus shares shall be those who are registered in the Shareholder Register on the date of the resolution approving the distribution or allotment, or on such later date, as may be determined in such resolution.

76.3. Notwithstanding the above, in the event of a Realization Event (as defined in Article 94.17 below), all assets shall be distributed (including by dividend distribution) as set forth in Article 94 below, and the provisions of Article 76 shall not apply to such distribution.

76.4. In the event the Company distributes bonus shares, each Shareholder shall receive bonus shares of the same class and series as the shares held by him on the record date of such distribution as of the record date for such distribution, on a pro-rata basis.

77. **RESOLUTION OF THE COMPANY WITH RESPECT TO A DIVIDEND OR BONUS SHARES**

Subject to compliance with the provisions of Article 49, the resolution of the Company with respect to the distribution of a dividend or bonus shares shall be adopted by the Board, provided in each case the distribution is permitted in accordance with the provisions of the Companies Law and the provisions of Article 49.

78. **SPECIFIC DIVIDEND**

A dividend may be paid, in whole or in part, by the distribution of specific assets of the Company or by distribution of paid up shares, debentures or other Securities of the Company or of any other companies, or in any combination thereof.

79. **DEDUCTIONS FROM DIVIDENDS**

The Board may deduct from any distribution or other moneys payable to any Shareholder in respect of a share any and all sums of money then payable by it to the Company on account of calls or otherwise in respect of shares of the Company and/or on account of any other debt permitted to be setoff in accordance with applicable Law.

80. **RETENTION OF DIVIDENDS**

80.1. The Board may retain any dividend, bonus shares or other moneys payable or property distributable in respect of a share on which the Company has a lien, and may apply the same in or toward satisfaction of the debts, liabilities, or engagements in respect of which the lien exists.

80.2. The Board may retain any dividend, bonus shares or other moneys payable or property distributable in respect of a share in respect of which any Person is, under Article 22.5, entitled to become a Shareholder, or which any Person is, under said Article, entitled to transfer, until such Person shall become a Shareholder in respect of such share or shall transfer the same.

81. **MECHANICS OF PAYMENT**

Any dividend or other moneys payable in cash in respect of a share, less the tax required pursuant to the Law, may be paid by check sent by registered mail to, or left at, the registered address of the Person entitled thereto or by transfer to a bank account specified by such Person (or, if two or more Persons are registered as joint holders of such share or are entitled jointly thereto as a result of the death or bankruptcy of the holder or otherwise, to any one of such Persons or to his bank account), or to such Person and at such address as the Person entitled thereto may, subject to any applicable Law, direct in writing. Every such check shall be made

payable to the order of the Person to whom it is sent, or to such Person as the Person entitled thereto as aforesaid may, subject to any applicable Law, direct, and payment of the check by the banker upon whom it is drawn shall be a good discharge to the Company. Every such check shall be sent at the risk of the Person entitled to the money represented thereby.

82. **AN UNCLAIMED DIVIDEND**

All unclaimed dividends or other moneys payable in respect of a share may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. The payment by the Board of any unclaimed dividend or such other moneys into a separate account shall not constitute the Company a trustee in respect thereof, and any dividend unclaimed after a period of seven (7) years from the date of declaration of such dividend, and any such other moneys unclaimed after a like period from the date the same were payable, shall be forfeited and shall revert to the Company; provided, however, that the Board may, at its discretion, cause the Company to pay any such dividend or such other moneys, or any part thereof, to a Person who would have been entitled thereto had the same not reverted to the Company. The Company shall not be liable to pay interest or linkage for unclaimed dividend.

83. **RECEIPT FROM A JOINT HOLDER**

If two or more Persons are registered as joint holders of any share, or are entitled jointly thereto as a result of the death or bankruptcy of the holder or otherwise, any one of them may give effectual receipts for any dividend, bonus shares or other moneys payable or property distributable in respect of such share.

84. **FUNDS**

The Board may, in its discretion, make provisions to special funds of any amount from the Company's profits, or from a revaluation of its assets, or its proportional part in the revaluation of the assets of its affiliates, and determine the purpose of these funds.

85. **MANNER OF CAPITALIZATION OF PROFITS AND THE DISTRIBUTION OF BONUS SHARES**

Upon the recommendation of the Board approved by a resolution of the General Meeting adopted by an Ordinary Majority, subject to compliance with the provisions of Article 49 and Article 76, the Company may cause any moneys, investments, or other assets forming part of the undivided profits of the Company, standing to the credit of a reserve fund, or to the credit of a reserve fund for the redemption of capital, or in the hands of the Company and available for distribution, or representing premiums received on the issuance of shares and standing to the credit of the share premium account, to be capitalized and distributed as capital among such of the Shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportion, or may cause any part of such capitalized fund to be applied on behalf of such Shareholders in paying up in full, either at par or at such premium as the resolution may provide, any unissued shares or debentures or other Securities of the Company which shall be distributed accordingly, in payment, in full or in part, of the uncalled liability on any issued shares or debentures or other Securities, and may cause such distribution or payment to be accepted by such Shareholders in full satisfaction of their interest in such capitalized sum.

86. **SETTLEMENT BY THE BOARD**

The Board may settle, as it deems fit, any difficulty arising with regard to the distribution of bonus shares, distributions referred to in Article 77 hereof or otherwise, and in particular, to set the value for the distribution of certain assets and to determine that cash payments shall be paid to the Shareholders on the basis of such value, or that fractions whose value is less than NIS 0.01 shall not be taken into account. The Board may pay cash or convey these certain assets to a trustee in favor of those people, who are entitled to a dividend or to a capitalized fund, as the Board shall deem appropriate.

87. **[RESERVED]**

88. **ACQUISITION OF SHARES**

88.1. Subject to Article 49, the Company is entitled to acquire or to finance an acquisition, directly or indirectly, of shares of the Company or Securities convertible or exercisable into shares of the Company, including incurring an obligation to take any of these actions, subject to the provisions of the Companies Law. In the event that the Company so acquired any of its shares, any such share shall become a dormant share, and shall not confer any rights, so long as it is held by the Company.

88.2. Subject to the provisions of the Companies Law, a subsidiary or another company controlled by the Company is entitled to acquire or finance an acquisition, directly or indirectly, of shares of the Company or Securities convertible or exercisable into shares of the Company, or incur an obligation with respect thereto, to the same extent that the Company may make a distribution, subject to the terms of, and in accordance with the Companies Law. In the event a subsidiary or such controlled company so acquired any of the Company's shares, any such share shall not confer any voting rights, so long as it is held by such subsidiary or controlled company.

INSURANCE, INDEMNIFICATION AND RELEASE OF OFFICE HOLDERS

89. **OFFICE HOLDER**

For purposes of Articles 90, 91 and 92 below, the term "**Office Holder**" shall have the meaning ascribed to such term in the Companies Law.

90. **INSURANCE OF OFFICE HOLDERS**

The Company may, to the maximum extent permitted by the Companies Law, enter into a contract for the insurance of the liability of an Office Holder of the Company, in respect of a liability imposed on him as a result of an act done by him in his capacity as an Office Holder of the Company, in any of the following:

90.1. a breach of his duty of care to the Company or to another Person;

90.2. a breach of his duty of loyalty to the Company, provided that the Office Holder acted in good faith and had reasonable grounds to assume that such act would not harm the Company;

90.3. a financial liability imposed on him in favor of another Person, in respect of an act performed by the Office Holder by virtue of the Office Holder being an Office Holder of the Company; or

90.4. a payment which the Office Holder is obligated to make to an injured party as set forth in Section 52(54)(a)(1(a) of the Securities Law, 5728-1968 (the "**Securities Law**"), and expenses that the Office Holder incurred in connection with a proceeding under Chapters H'3, H'4, or I'1 of the Securities Law, including reasonable legal expenses, which term includes attorney fees.

91. **INDEMNIFICATION OF OFFICE HOLDERS**

91.1. The Company may, to the maximum extent permitted by the Companies Law, indemnify an Office Holder of the Company for liability or expense he incurs as a result of an act done by him in his capacity as an Office Holder of the Company, as follows:

(a) a monetary liability imposed on him/her in favor of a third party in any judgment, including any settlement confirmed as judgment and an arbitrator's award which has been confirmed by the court, in respect of an act performed by the Office Holder by virtue of the Office Holder being an Office Holder of the Company; or

(b) reasonable litigation expenses, including legal fees paid by the Office Holder, or which the Office Holder is obligated to pay under a court order, in a proceeding brought against the Office Holder by the Company, or on its behalf, or by a third party, or in a criminal proceeding in which the Office Holder is found innocent, or in a criminal proceeding in which the Office Holder was convicted of an offense that does not require proof of criminal intent, or in connection with a financial sanction, all in respect of an act performed by the Office Holder by virtue of the Office Holder being an Office Holder of the Company; or

(c) reasonable litigation expenses, including legal fees, expended by him as a result of an investigation or proceeding instituted against him by a competent authority, which investigation or proceeding has not ended in a criminal charge or in a financial liability in lieu of a criminal proceeding, or has ended in a financial obligation in lieu of a criminal proceeding for an offence that does not require proof of criminal intent (the phrases "proceeding that has not ended in a criminal charge" and "financial obligation in lieu of a criminal proceeding" shall have the meaning as defined in Section 260(a)(1a) of the Companies Law); all in respect of an act performed by the Office Holder by virtue of the Office Holder being an Office Holder of the Company; or

(d) a payment which the Office Holder is obligated to make to an injured party as set forth in Section 52(54)(a)(1(a) of the Securities Law, and expenses that the Office Holder incurred in connection with a proceeding under Chapters H'3, H'4, or I'1 of the Securities Law, including reasonable legal expenses, which term includes attorney fees.

91.2. The Company may undertake to indemnify an Office Holder as aforesaid: (i) prospectively, provided that the undertaking according to Article 91 above is limited to categories of events which in the opinion of the Board can be foreseen, in view of the Company's then current activities, when the undertaking to indemnify is given, and to an amount set by the Board as reasonable under the circumstances, and (ii) retroactively.

91.3. Subject to the validity of such provision, in the event of any change after the Effective Date in any applicable law, statute or rule which expands the right of an Israeli company to indemnify or insure an Office Holder, these Articles, to the extent permitted by such respective law, shall automatically be deemed to enable the Company to so expand the scope of indemnification or insurance (as applicable) that the Company is able to provide.

92. **RELEASE OF OFFICE HOLDERS**

The Company may, to the maximum extent permitted by the Companies Law, release and exempt an Office Holder of the Company, in advance, from all or part of his liability, in whole or in part, for damages resulting from the breach of his duty of care to the Company.

93. **GENERAL**

The provisions of Articles 90, 91 and 92 above are not intended, and shall not be interpreted, to restrict the Company in any manner in respect of the procurement of insurance and/or in respect of indemnification and/or release from liability in connection with any Person who is not an Office Holder, including, without limitation, any employee, agent, consultant or contractor of the Company who is not an Office Holder, or in connection with any Office Holder to the extent that such insurance and/or indemnification and/or release from liability is permitted under the Law.

LIQUIDATION

94. **LIQUIDATION PREFERENCE**

94.1. Liquidation Preference. Upon the occurrence of a Realization Event or any Distributions (as such terms are defined below):

First, the holders of the Preferred F Shares then outstanding shall be entitled to be paid an amount per Preferred F Share equal to the Preferential F Amount, (as defined below), as the case may be, out of the assets available for distribution to the Shareholders, whether capital, surplus, earnings, securities or assets of any kind (the "**Liquidation Assets**"), before any payment or declaration or setting apart for payment of any amount shall be made in respect of any other equity Securities of the Company, on a pro-rata basis among all holders of the Preferred F Shares. If upon any Realization Event, the Liquidation Assets to be distributed to the holders of the Preferred F Shares shall be insufficient to permit the payment to such Shareholders of their full Preferential F Amount, then all of the Liquidation Assets shall be distributed only to the holders of the Preferred F Shares, ratably, in proportion to the full Preferential F Amount to which such holders of the Preferred F Shares would otherwise be entitled to receive.

Second, the holders of the Preferred E-3 Shares, Preferred E-2 Shares, Preferred E-1 Shares, Preferred E Shares, Preferred D Shares, Preferred C Shares, Preferred B-1 Shares and Preferred B-2 Shares then outstanding shall be entitled to be paid an amount per Preferred E-3 Share, Preferred E-2 Share, Preferred E-1 Share, Preferred E Share, Preferred D Share, Preferred C Share, Preferred B-1 Share and Preferred B-2 Share, equal to the Preferential E-3 Amount, Preferential E-2 Amount, Preferential E-1 Amount, Preferential E Amount, Preferential D Amount, Preferential C Amount, Preferential B-1 Amount and Preferential B-2 Amount respectively (as defined below), as the case may be, out of the Liquidation Assets remaining after full payment of the Preferential F Amount and before any payment or declaration or setting apart for payment of any amount shall be made in respect of any other equity Securities of the Company, but on a *pari passu* and pro-rata basis among all holders of the Preferred E-3 Shares, Preferred E-2 Shares, Preferred E-1 Shares. Preferred E Shares, Preferred D Shares, Preferred C Shares, Preferred B-1 Shares and Preferred B-2 Shares as a single group. If upon any Realization Event, the Liquidation Assets to be distributed to the holders of the Preferred E-3 Shares, Preferred E-2 Shares, Preferred E-1 Shares, Preferred E Shares, Preferred D Shares, Preferred C Shares, Preferred B-1 Shares and Preferred B-2 Shares shall be insufficient to permit the payment to such Shareholders of their full Preferential E-3 Amount, Preferential E-2 Amount, Preferential E-1 Amount, Preferential E Amount, Preferential D Amount, Preferential C Amount, Preferential B-1 Amount and Preferential B-2 Amount respectively, then all of the Liquidation Assets shall be distributed only to the holders of the Preferred E-3 Shares, Preferred E-2 Shares, Preferred E-1 Shares, Preferred E Shares, Preferred D Shares, Preferred C Shares, Preferred B-1 Shares and Preferred B-2 Shares, ratably, in proportion to the full Preferential E-3 Amount, Preferential E-2 Amount, Preferential E-1 Amount, Preferential E Amount, Preferential D Amount, Preferential C Amount, Preferential B-1 Amount and Preferential B-2 Amount, to which such holders of the Preferred E-3 Shares, Preferred E-2 Shares, Preferred E-1 Shares, Preferred E Shares, Preferred D Shares, Preferred C Shares, Preferred B-1 Shares and Preferred B-2 Shares would otherwise be entitled to receive.

Third, the holders of the Preferred A Shares then outstanding shall be entitled to be paid an amount per Preferred A Share, equal to the Preferential A Amount (as defined below) out of the Liquidation Assets remaining after full payment of the Preferential F Amount, Preferential E-3 Amount, Preferential E-2 Amount, Preferential E-1 Amount, Preferential E Amount, Preferential D Amount, Preferential C Amount, Preferential B-1 Amount and Preferential B-2 Amount, before any payment or declaration or setting apart for payment of any amount shall be made in respect of holders of Ordinary Shares, but on a *pari passu* and pro-rata basis among all Preferred A Shareholders as a single group. If upon any Realization Event, the Liquidation Assets to be distributed to the holders of the Preferred A Shares shall be insufficient to permit the payment to such Shareholders of their full Preferential A Amounts, then all of the remaining Liquidation Assets shall be distributed only to the Preferred A Shareholders, ratably, in proportion to the full Preferential A Amounts, to which such Preferred A Shareholders would otherwise be entitled to receive.

94.2. Remaining Assets. If the Liquidation Assets exceed the Aggregate Preferential Amount payable to the Preferred Shareholders pursuant to Article 94.1 (a "**Surplus**"), then after the payments required by Article 94.1 shall have been made, the Surplus shall be distributed on a *pari passu* and pro rata basis among all the Shareholders of the Company other than and **not** including the holders of Preferred F Shares, (i.e. the Surplus shall be distributed among the holders of the Preferred E-3 Shares, Preferred E-2 Shares, Preferred E-1 Shares, Preferred E Shares, Preferred D Shares, Preferred C Shares, Preferred B-1 Shares, Preferred B-2 Shares and Preferred A Shares and the holders of Ordinary Shares), in proportion to the number of Ordinary Shares held by each of them, on an As Converted Basis.

94.3. Notwithstanding anything to the contrary herein, in the event that, without giving effect to the preferences of the Preferred Shareholders set forth in Article 94.1 hereof (the "**Preferred Preference**"), the aggregate assets to be distributed (plus all previous Distributions) per Preferred Share (on an As Converted Basis) would result in:

(a) the holders of the Preferred F Shares receiving at least the Preferential F Amount for each Preferred F Share held by such holders (subject to adjustments for any recapitalizations, stock combinations, stock splits and the like), then the Preferred F Shares shall be automatically converted into Ordinary Shares immediately prior to such distribution of Liquidation Assets, and the Preferred Preference of the Preferred F Shares shall terminate forthwith and shall have no further force and effect; provided, however, that in no event in which the Preferred Preference of the Preferred F Shares is terminated, shall the holders of the Preferred F Shares receive less than the Preferential F Amount for each Preferred F Share held by such holders (subject to adjustments for any recapitalizations, stock combinations, stock splits and the like), in all cases, including any amounts received by such holder pursuant to an assignment of its Purchase Acceleration to an acquirer as set forth in the Series F Preferred Share Purchase Agreement, or

(b) the holders of the Preferred E-3 Shares receiving at least $16.9321 for each Preferred E-3 Share held by such holders (subject to adjustments for any recapitalizations, stock combinations, stock splits and the like), then the Preferred E-3 Shares shall be automatically converted into Ordinary Shares immediately prior to such distribution of Liquidation Assets, and the Preferred Preference of the Preferred E-3 Shares shall terminate forthwith and shall have no further force and effect; provided, however, that in no event in which the Preferred Preference of the Preferred E-3 Shares is terminated, shall the holders of the Preferred E-3 Shares receive less than $16.9321 for each Preferred E-3 Share held by such holders (subject to adjustments for any recapitalizations, stock combinations, stock splits and the like), or

(c) the holders of the Preferred E-2 Shares receiving $13.81651 for each Preferred E-2 Share held by such holders (subject to adjustments for any recapitalizations, stock combinations, stock splits and the like), then the Preferred E-2 Shares shall be automatically converted into Ordinary Shares immediately prior to such distribution of Liquidation Assets, and the Preferred Preference of the Preferred E-2 Shares shall terminate forthwith and shall have no further force and effect; provided, however, that in no event in which the Preferred Preference of the Preferred E-2 Shares is terminated, shall the holders of the Preferred E-2 Shares receive less than $13.81651 for each Preferred E-2 Share held by such holders (subject to adjustments for any recapitalizations, stock combinations, stock splits and the like), or

(d) the holders of the Preferred E-1 Shares receiving $9.31888 for each Preferred E-1 Share held by such holders (subject to adjustments for any recapitalizations, stock combinations, stock splits and the like), then the Preferred E-1 Shares shall be automatically converted into Ordinary Shares immediately prior to such distribution of Liquidation Assets, and the Preferred Preference of the Preferred E-1 Shares shall terminate forthwith and shall have no further force and effect; provided, however, that in no event in which the Preferred Preference of the Preferred E-1 Shares is terminated, shall the holders of the Preferred E-1 Shares receive less than $9.31888 for each Preferred E-1 Share held by such holders (subject to adjustments for any recapitalizations, stock combinations, stock splits and the like), or

(e) the holders of the Preferred E Shares receiving an amount per share at least equal to two (2) times the Preferential E Amount (as defined below) for each Preferred E Share held by such holders (subject to adjustments for any recapitalizations, stock combinations, stock splits and the like), then the Preferred E Shares shall be automatically converted into Ordinary Shares immediately prior to such distribution of Liquidation Assets, and the Preferred Preference of the Preferred E Shares shall terminate forthwith and shall have no further force and effect; provided, however, that in no event in which the Preferred Preference of the Preferred E Shares is terminated, shall the holders of the Preferred E Shares receive less than two (2) times the Preferential E Amount, or

(f) the holders of the Preferred D Shares receiving an amount per share at least equal to four (4) times the Preferential D Amount (as defined below) for each Preferred D Share held by such holders (subject to adjustments for any recapitalizations, stock combinations, stock splits and the like), then the Preferred D Shares shall be automatically converted into Ordinary Shares immediately prior to such distribution of Liquidation Assets, and the Preferred Preference of the Preferred D Shares shall terminate forthwith and shall have no further force and effect; provided, however, that in no event in which the Preferred Preference of the Preferred D Shares is terminated, shall the holders of the Preferred D Shares receive less than four (4) times the Preferential D Amount, or

(g) the holders of the Preferred C Shares, Preferred B-1 Shares, Preferred B-2 Shares, and Preferred A Shares (respectively) receiving an amount per share at least equal to five (5) times the applicable Preferential Amount (as defined below) for each Preferred Share held by such holders (subject to adjustments for any recapitalizations, stock

combinations, stock splits and the like), then such series of Preferred Shares shall be automatically converted into Ordinary Shares immediately prior to such distribution of Liquidation Assets, and the applicable Preferred Preference shall terminate forthwith and shall have no further force and effect; provided, however, that in no event in which the applicable Preferred Preference is terminated shall the holders of the applicable Preferred Shares receive less than five (5) times the applicable Preferential Amount.

94.4. It is clarified that upon the conversion of the Preferred Shares into Ordinary Shares, the Preferred Preference and the limitations mentioned in Article 94.2 above shall cease to apply.

94.5. The "**Aggregate Preferential Amount**" shall mean the Preferential A Amount, Preferential B-1 Amount, Preferential B-2 Amount, Preferential C Amount, Preferential D Amount, Preferential E Amount, Preferential E-1, Preferential E-2, Preferential E-3 Amount and Preferential F Amount.

94.6. "**Distributions**" means any distribution in cash, cash equivalents, or, if applicable, securities, to a Shareholder with respect to its Shares other than bonus shares or share dividend distributed pro-rata on an As-Converted Basis with respect to all Company's shares.

94.7. The "**Preferential A Amount**" for each Preferred A Share shall be equal to the sum of: (i) the Series A Original Issue Price of such Preferred A Share, plus (ii) an amount equal to any declared but unpaid dividends on such Preferred A Share minus (iii) all previous Distributions.

94.8. The "**Preferential B-1 Amount**" for each Preferred B-1 Share shall be equal to the sum of: (i) the Series B-1 Original Issue Price of such Preferred B-1 Share, plus (ii) an amount equal to any declared but unpaid dividends on such Preferred B-1 Share minus (iii) all previous Distributions.

94.9. The "**Preferential B-2 Amount**" for each Preferred B-2 Share shall be equal to the sum of: (i) the Series B-2 Original Issue Price of such Preferred B-2 Share, plus (ii) an amount equal to any declared but unpaid dividends on such Preferred B-2 Share minus (iii) all previous Distributions.

94.10. The "**Preferential C Amount**" for each Preferred C Share shall be equal to the sum of: (i) the Series C Original Issue Price of such Preferred C Share, plus (ii) an amount equal to any declared but unpaid dividends on such Preferred C Share minus (iii) all previous Distributions.

94.11. The "**Preferential D Amount**" for each Preferred D Share shall be equal to the sum of: (i) the Series D Original Issue Price of such Preferred D Share, plus (ii) an amount equal to any declared but unpaid dividends on such Preferred D Share minus (iii) all previous Distributions.

94.12. The "**Preferential E Amount**" for each Preferred E Share shall be equal to the sum of: (i) the Series E Original Issue Price of such Preferred E Share, plus (ii) an amount equal to any declared but unpaid dividends on such Preferred E Share minus (iii) all previous Distributions.

94.13. The "**Preferential E-1 Amount**" for each Preferred E-1 Share shall be equal to the sum of: (i) the Series E-1 Original Issue Price of such Preferred E-1 Share, plus (ii) an amount equal to any declared but unpaid dividends on such Preferred E-1 Share minus (iii) all previous Distributions.

94.14. The "**Preferential E-2 Amount**" for each Preferred E-2 Share shall be equal to the sum of: (i) the Series E-2 Original Issue Price of such Preferred E-2 Share, plus (ii) an amount equal to any declared but unpaid dividends on such Preferred E-2 Share minus (iii) all previous Distributions.

94.15. The "**Preferential E-3 Amount**" for each Preferred E-3 Share shall be equal to the sum of: (i) the Series E-3 Original Issue Price of such Preferred E-3 Share, plus (ii) an amount equal to any declared but unpaid dividends on such Preferred E-3 Share minus (iii) all previous Distributions.

94.16. The "**Preferential F Amount**" for each Preferred F Share, (x) following the Closing Date and until December 3, 2022, shall be equal to the sum of: (i) $28.512335, plus (ii) an amount equal to any declared but unpaid dividends on such Preferred F Share minus (iii) all previous Distributions, and thereafter, (y) (i) the Original Series F Issue Price plus (ii) an amount equal to any declared but unpaid dividends on such Preferred F Share minus (iii) all previous Distributions on such Preferred F Share.

94.17. A "**Realization Event**" shall mean (i) any liquidation, dissolution, bankruptcy or winding up of the Company, whether voluntary or involuntary, or (ii) any merger or consolidating of the Company in which the Shareholders of the Company, by virtue of their shareholdings in the Company prior to such event, do not own a majority of the shares of the surviving entity, or the right to appoint a majority of the board members of the surviving company; or (iii) the sale of all or substantially all of the Company's assets; or (iv) the sale of a majority of shares of the Company; or (v) a transfer of or a grant of an exclusive license, to all or a substantially all of the Company's intellectual property; or (vi) a Proposed Transaction. Notwithstanding anything stated otherwise in these Articles, the treatment of a transaction as a Realization Event may not be waived without the Series D Consent, the Series E Consent and the Series F Consent.

94.18. First Money Out. In any event that the Liquidation Assets in any Realization Event is paid in cash and in other means, such as securities or assets (including – for the avoidance of doubt – receipt of any deferred amounts as a result of any escrow, holdback or earn-out situations), then the Preferred Shareholders may (as part of, and not in addition to, the Preferred Preference) elect to be the first among all Shareholders to transfer and receive payment, first in cash to the extent available and up to the applicable Preferential Amount, and each holder of Preferred Shares will be entitled to receive the same form of consideration (or election of such form) for their Preferred Shares as is received by other holders in respect of their Preferred Shares.

MISCELLANEOUS

95. **MINUTES**

95.1. Minutes of each General Meeting and of each meeting of the Board shall be recorded and duly entered in books provided for that purpose. Such minutes shall set forth all resolutions adopted at the meeting and, with respect to minutes of a meeting of the Board, the names of the persons present at the meeting.

95.2. Any minutes as aforesaid, if purporting to be signed by the Chairman of the meeting or by the Chairman of the next succeeding meeting (or, in the case of Board meetings where there is only one Director on the Board, by such Director), shall constitute *prima facie* evidence of the matters recorded therein.

96. **BOOKS OF ACCOUNT**

The Board shall cause accurate books of account to be kept in accordance with the provisions of the Companies Law and of any other applicable Law. Such books of account shall be kept at the registered office of the Company or at such other place or places as the Board may deem appropriate, and they shall always be open to inspection by all Directors. Any Shareholder shall be entitled to receive a copy of the audited financial statements of any fiscal year with the opinion of the Company's Auditor with respect to such financial statements.

97. **AUDIT**

Without derogating from the requirements of any applicable Law, at least once in every fiscal year the accounts of the Company shall be audited and the accuracy of the profit and loss account and balance sheet certified by one or more duly qualified auditors.

98. **RIGHTS OF SIGNATURE, STAMP AND SEAL**

98.1. Subject to Article 49, the Board shall be entitled to authorize any Person or Persons (who need not be Directors) to act and sign on behalf of the Company, and the acts and signature of such Person(s) on behalf of the Company shall bind the Company insofar as such Person(s) acted and signed within the scope of his or their authority. The Board may determine separate signatory rights in respect of different matters of the Company and in respect of the amounts in respect of which such Persons are authorized to sign.

98.2. The Board may provide for an official stamp and/or seal. If the Board provides for a seal, it shall also provide for the safe custody thereof. Such seal shall not be used except by the authority of the Board and in the presence of the Person(s) authorized to sign on behalf of the Company, who shall sign every instrument to which such seal is affixed.

99. **NOTICES**

99.1. Any written notice or other document may be served by the Company upon any Shareholder either personally or by sending it by prepaid registered mail (airmail if sent to a place outside Israel) addressed to such Shareholder at his address as described in the Shareholder Register or such other address as he may have designated in writing for the receipt of notices and other documents. Any written notice or other document may be served by any Shareholder upon the Company by tendering the same in person to the corporate secretary or the CEO of the Company at the principal office of the Company or by sending it by prepaid registered mail (airmail if posted outside Israel) to the Company at its registered office. Any such notice or other document shall be deemed to have been served two (2) Business Days after it has been posted (seven (7) Business Days if sent internationally), or when actually received by the addressee if sooner than such two Business Days or seven Business Days, as the case may be, after it has been posted, or when actually tendered in person, to such Shareholder (or to the corporate secretary or the CEO), provided, however, that notice may be sent by facsimile or other electronic means

(including e-mail), and such notice shall be deemed to have been given twenty four (24) hours after such facsimile or other electronic communication has been sent or when actually received by such Shareholder (or by the Company), whichever is earlier. If a notice is, in fact, received by the addressee, it shall be deemed to have been duly served, when received, notwithstanding that it was defectively addressed or failed, in some respect, to comply with the provisions of this Article 99.1. Unless otherwise provided in these Articles, the provisions of this Article 99.1 shall also apply to written notices permitted or required to be given by the Company to any Director or by any Director to the Company.

99.2. All notices to be given to the Shareholders shall, with respect to any share held by Persons jointly, be given to whichever of such Persons is named first in the Shareholder Register, and any notice so given shall be sufficient notice to the holders of such share.

99.3. Any Shareholder whose address is not described in the Shareholder Register, and who shall not have designated in writing an address for the receipt of notices, shall not be entitled to receive any notice from the Company.

99.4. Any Shareholder and any Director may waive his right to receive notices generally or during a specific time period and he may consent that a General Meeting of the Company or a meeting of the Board, as the case may be, shall be convened and held notwithstanding the fact that he did not receive a notice with respect thereto, or notwithstanding the fact that the notice was not received by him within the required time, in each case subject to the provisions of any Law prohibiting any such waiver or consent.

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Exhibit 3.2

THE COMPANIES LAW, 1999
A LIMITED LIABILITY COMPANY

AMENDED AND RESTATED
ARTICLES OF ASSOCIATION
OF
WALKME LTD.
As Adopted on _____, 2021

PRELIMINARY

1. **DEFINITIONS; INTERPRETATION**.

(a) In these Articles, the following terms (whether or not capitalized) shall bear the meanings set forth opposite them, respectively, unless the subject or context requires otherwise.

"Affiliate"	with respect to any specified person, shall mean, any other person who or which, directly or indirectly, controls, is controlled by, or is under common control with such specified person.
"Articles"	shall mean these Amended and Restated Articles of Association, as amended from time to time.
"Board of Directors"	shall mean the Board of Directors of the Company.
"Chairperson"	shall mean the Chairperson of the Board of Directors, or the Chairperson of the General Meeting, as the context implies;
"Companies Law"	shall mean the Israeli Companies Law, 5759-1999 and the regulations promulgated thereunder. The Companies Law shall include reference to the Companies Ordinance (New Version), 5743-1983, of the State of Israel, to the extent in effect according to the provisions thereof.
"Company"	shall mean WalkMe Ltd.
"Director(s)"	shall mean the member(s) of the Board of Directors holding office at a given time.
"Economic Competition Law"	shall mean the Israeli Economic Competition Law, 5758-1988 and the regulations promulgated thereunder.
"External Director(s)"	shall have the meaning provided for such term in the Companies Law.
"General Meeting"	shall mean an Annual General Meeting or Special General Meeting of the Shareholders (each as defined in Article 23 of these Articles), as the case may be.
"NIS"	shall mean New Israeli Shekels.
"Office"	shall mean the registered office of the Company at any given time.
"Office Holder" or "Officer"	shall have the meaning provided for such term in the Companies Law.

"Securities Law"	shall mean the Israeli Securities Law, 5728-1968, and the regulations promulgated thereunder.
"Shareholder(s)"	shall mean the shareholder(s) of the Company, at any given time.
"Stock Exchange"	shall mean the Nasdaq Stock Market or on any other stock exchange on which the Company's Ordinary Shares are then listed for trading.

(b) Unless the context shall otherwise require: words in the singular shall also include the plural, and vice versa; any pronoun shall include the corresponding masculine, feminine and neuter forms; the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation"; the words "herein", "hereof" and "hereunder" and words of similar import refer to these Articles in their entirety and not to any part hereof; all references herein to Articles or clauses shall be deemed references to Articles or clauses of these Articles; any references to any agreement or other instrument or law, statute or regulation are to it as amended, supplemented or restated, from time to time (and, in the case of any law, to any successor provisions or re-enactment or modification thereof being in force at the time); any reference to "law" shall include any law ('*din*') as defined in the Interpretation Law, 5741-1981 and any applicable supranational, national, federal, state, local, or foreign statute or law and shall be deemed also to refer to all rules and regulations promulgated thereunder; any reference to a "day" or a number of "days" (without any explicit reference otherwise, such as to business days) shall be interpreted as a reference to a calendar day or number of calendar days; any reference to a business day shall mean each calendar day other than any calendar day on which commercial banks in New York, New York or Tel-Aviv, Israel are authorized or required by applicable law to close; reference to a month or year means according to the Gregorian calendar; any reference to a "person" shall mean any individual, partnership, corporation, limited liability company, association, estate, any political, governmental, regulatory or similar agency or body, or other legal entity; and reference to "written" or "in writing" shall include written, printed, photocopied, typed, any electronic communication (including email, facsimile, signed electronically (in Adobe PDF, DocuSign or any other format)) or produced by any visible substitute for writing, or partly one and partly another, and signed shall be construed accordingly.

(c) The captions in these Articles are for convenience only and shall not be deemed a part hereof or affect the construction or interpretation of any provision hereof.

(d) The specific provisions of these Articles shall supersede the provisions of the Companies Law to the extent permitted thereunder.

LIMITED LIABILITY

2. The Company is a limited liability company and each Shareholder's liability for the Company's debt is therefore limited (in addition to any liabilities under any contract) to the payment of the full amount (par value (if any) and premium) such Shareholder was required to pay the Company for such Shareholder's Shares (as defined below) and which amount has not yet been paid by such Shareholder.

COMPANY'S OBJECTIVES

3. **OBJECTIVES**.

The Company's objectives are to carry on any business, and do any act, which is not prohibited by law.

4. **DONATIONS**.

The Company may donate a reasonable amount of money (in cash or in kind, including the Company's securities) to worthy purposes such as the Board of Directors may determine in its discretion, even if such donations are not made on the basis or within the scope of business considerations of the Company.

5. **AUTHORIZED SHARE CAPITAL**.

(a) The authorized share capital of the Company shall consist of 900,000,000 Ordinary Shares without par value (the "**Shares**").

(b) The Shares shall rank *pari passu* in all respects. The Shares may be redeemable to the extent set forth in Article 18.

6. **INCREASE OF AUTHORIZED SHARE CAPITAL**.

(a) The Company may, from time to time, by a Shareholders' resolution, whether or not all of the Shares then authorized have been issued, and whether or not all of the Shares theretofore issued have been called up for payment, increase its authorized share capital by increasing the number of Shares it is authorized to issue by such amount, and such additional Shares shall confer such rights and preferences, and shall be subject to such restrictions, as such resolution shall provide.

(b) Except to the extent otherwise provided in such resolution, any new Shares included in the authorized share capital increase as aforesaid shall be subject to all of the provisions of these Articles that are applicable to Shares that are included in the existing share capital.

7. **SPECIAL OR CLASS RIGHTS; MODIFICATION OF RIGHTS**.

(a) The Company may, from time to time, by a Shareholders' resolution, provide for shares with such preferred or deferred rights or other special rights and/or such restrictions, whether in regard to dividends, voting, repayment of share capital or otherwise, as may be stipulated in such resolution.

(b) If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class, unless otherwise provided by these Articles, may be modified or cancelled by the Company by a resolution of the General Meeting of the holders of all shares as one class, without any required separate resolution of any class of shares.

(c) The provisions of these Articles relating to General Meetings shall apply, *mutatis mutandis*, to any separate General Meeting of the holders of the shares of a particular class, it being clarified that the requisite quorum at any such separate General Meeting shall be two or more Shareholders present in person or by proxy and holding not less than thirty-three and one-third percent (33⅓%) of the issued shares of such class, *provided*, *however*, that if (i) such separate General Meeting of the holders of the particular class was initiated by and convened pursuant to a resolution adopted by the Board of Directors and (ii) at the time of such meeting the Company is qualified to use the forms of a "foreign private issuer" under US securities laws, then the requisite quorum at any such separate General Meeting shall be two or more Shareholders (not in default in payment of any sum referred to in Article 13 hereof) present in person or by proxy and holding not less than twenty-five percent (25%) of the issued shares of such class. For the purpose of determining the quorum present at such General Meeting, a proxy may be deemed to be two (2) or more Shareholders pursuant to the number of Shareholders represented by the proxy holder.

(d) Unless otherwise provided by these Articles, an increase in the authorized share capital, the creation of a new class of shares, an increase in the authorized share capital of a class of shares, or the issuance of additional shares thereof out of the authorized and unissued share capital, shall not be deemed, for purposes of this Article 7, to modify or derogate or cancel the rights attached to previously issued shares of such class or of any other class.

8. **CONSOLIDATION, DIVISION, CANCELLATION AND REDUCTION OF SHARE CAPITAL**.

(a) The Company may, from time to time, by or pursuant to an authorization of a Shareholders' resolution, and subject to applicable law:

(i) consolidate all or any part of its issued or unissued authorized share capital;

(ii) divide or sub-divide its Shares (issued or unissued) or any of them and the resolution whereby any Share is divided may determine that, as among the holders of the Shares resulting from such subdivision, one or more of the Shares may, in contrast to others, have any such preferred or deferred rights or rights of redemption or other special rights, or be subject to any such restrictions, as the Company may attach to unissued or new shares;

(iii) cancel any authorized Shares which, at the date of the adoption of such resolution, have not been issued to any person nor has the Company made any commitment, including a conditional commitment, to issue such Shares, and reduce the amount of its share capital by the amount of the Shares so canceled; or

(iv) reduce its share capital in any manner.

(b) With respect to any consolidation of issued Shares and with respect to any other action which may result in fractional Shares, the Board of Directors may settle any difficulty which may arise with regard thereto, as it deems fit, and, in connection with any such consolidation or other action which could result in fractional shares, may, without limiting its aforesaid power:

(i) determine, as to the holder of Shares so consolidated, which issued Shares shall be consolidated;

(ii) issue, in contemplation of or subsequent to such consolidation or other action, Shares sufficient to preclude or remove fractional share holdings;

(iii) redeem such Shares or fractional shares sufficient to preclude or remove fractional Share holdings;

(iv) round up, round down or round to the nearest whole number, any fractional Shares resulting from the consolidation or from any other action which may result in fractional Shares; or

(v) cause the transfer of fractional Shares by certain Shareholders of the Company to other Shareholders thereof so as to most expediently preclude or remove any fractional Share holdings, and cause the transferees of such fractional Shares to pay the transferors thereof the fair value thereof, and the Board of Directors is hereby authorized to act in connection with such transfer, as agent for the transferors and transferees of any such fractional Shares, with full power of substitution, for the purposes of implementing the provisions of this sub-Article 8(b)(v).

9. **ISSUANCE OF SHARE CERTIFICATES, REPLACEMENT OF LOST CERTIFICATES**.

(a) To the extent that the Board of Directors determines that all Shares shall be certificated or, if the Board of Directors does not so determine, to the extent that any Shareholder requests a share certificate or the Company's transfer agent so requires, share certificates shall be issued under the corporate seal of the Company or its written, typed or stamped name and shall bear the signature of one Director, the Company's Chief Executive Officer, or any person or persons authorized therefor by the Board of Directors. Signatures may be affixed in any mechanical or electronic form, as the Board of Directors may prescribe.

(b) Subject to the provisions of Article 9(a), each Shareholder shall be entitled to one numbered certificate for all of the Shares of any class registered in his or her name. Each certificate shall specify the serial numbers of the Shares represented thereby and may also specify the amount paid up thereon. The Company (as determined by an officer of the Company to be designated by the Chief Executive Officer) shall not refuse a request by a Shareholder to

obtain several certificates in place of one certificate, unless such request is, in the opinion of such officer, unreasonable. Where a Shareholder has sold or transferred a portion of such Shareholder's Shares, such Shareholder shall be entitled to receive a certificate in respect of such Shareholder's remaining Shares, *provided* that the previous certificate is delivered to the Company before the issuance of a new certificate.

(c) A share certificate registered in the names of two or more persons shall be delivered to the person first named in the Register of Shareholders in respect of such co-ownership.

(d) A share certificate which has been defaced, lost or destroyed, may be replaced, and the Company shall issue a new certificate to replace such defaced, lost or destroyed certificate upon payment of such fee, and upon the furnishing of such evidence of ownership and such indemnity, as the Board of Directors in its discretion deems fit.

10. **REGISTERED HOLDER**.

Except as otherwise provided in these Articles or the Companies Law, the Company shall be entitled to treat the registered holder of each Share as the absolute owner thereof, and accordingly, shall not, except as ordered by a court of competent jurisdiction, or as required by the Companies Law, be obligated to recognize any equitable or other claim to, or interest in, such Share on the part of any other person.

11. **ISSUANCE AND REPURCHASE OF SHARES**.

(a) The unissued Shares from time to time shall be under the control of the Board of Directors (and, to the extent permitted by applicable law, any Committee thereof), which shall have the power to issue or otherwise dispose of Shares and of securities convertible or exercisable into or other rights to acquire from the Company to such persons, on such terms and conditions (including, inter alia, price, with or without premium, discount or commission, and terms relating to calls set forth in Article 13(f) hereof), and at such times, as the Board of Directors (or the Committee, as the case may be) deems fit, and the power to give to any person the option to acquire from the Company any Shares or securities convertible or exercisable into or other rights to acquire from the Company on such terms and conditions (including, inter alia, price, with or without premium, discount or commission), during such time as the Board of Directors (or the Committee, as the case may be) deems fit.

(b) The Company may at any time and from time to time, subject to applicable law, repurchase or finance the purchase of any Shares or other securities issued by the Company, in such manner and under such terms as the Board of Directors shall determine, whether from any one or more Shareholders. Such purchase shall not be deemed as payment of dividends and as such, no Shareholder will have the right to require the Company to purchase his or her Shares or offer to purchase shares from any other Shareholders.

12. **PAYMENT IN INSTALLMENT**.

If pursuant to the terms of issuance of any Share, all or any portion of the price thereof shall be payable in installments, every such installment shall be paid to the Company on the due date thereof by the then registered holder(s) of the Share or the person(s) then entitled thereto.

13. **CALLS ON SHARES**.

(a) The Board of Directors may, from time to time, as it, in its discretion, deems fit, make calls for payment upon Shareholders in respect of any sum (including premium) which has not been paid up in respect of Shares held by such Shareholders and which is not, pursuant to the terms of issuance of such Shares or otherwise, payable at a fixed time, and each Shareholder shall pay the amount of every call so made upon him or her (and of each installment thereof if the same is payable in installments), to the person(s) and at the time(s) and place(s) designated by the Board of Directors, as any such times may be thereafter extended and/or such person(s) or place(s) changed. Unless otherwise stipulated in the resolution of the Board of Directors (and in the notice hereafter referred to), each payment in response to a call shall be deemed to constitute a pro rata payment on account of all the Shares in respect of which such call was made.

(b) Notice of any call for payment by a Shareholder shall be given in writing to such Shareholder not less than fourteen (14) days prior to the time of payment fixed in such notice, and shall specify the time and place of payment, and the person to whom such payment is to be made. Prior to the time for any such payment fixed in a notice of a call given to a Shareholder, the Board of Directors may in its absolute discretion, by notice in writing to such Shareholder, revoke such call in whole or in part, extend the time fixed for payment thereof, or designate a different place of payment or person to whom payment is to be made. In the event of a call payable in installments, only one notice thereof need be given.

(c) If pursuant to the terms of issuance of a share or otherwise, an amount is made payable at a fixed time, such amount shall be payable at such time as if it were payable by virtue of a call made by the Board of Directors and for which notice was given in accordance with paragraphs (a) and (b) of this Article 13, and the provision of these Articles with regard to calls (and the non-payment thereof) shall be applicable to such amount or such installment (and the non-payment thereof).

(d) Joint holders of a Share shall be jointly and severally liable to pay all calls for payment in respect of such Share and all interest payable thereon.

(e) Any amount called for payment which is not paid when due shall bear interest from the date fixed for payment until actual payment thereof, at such rate (not exceeding the then prevailing debitory rate charged by leading commercial banks in Israel), and payable at such time(s) as the Board of Directors may prescribe.

(f) Upon the issuance of Shares, the Board of Directors may provide for differences among the holders of such Shares as to the amounts and times for payment of calls for payment in respect of such Shares.

14. **PREPAYMENT**.

With the approval of the Board of Directors, any Shareholder may pay to the Company any amount not yet payable in respect of his or her Shares, and the Board of Directors may approve the payment by the Company of interest on any such amount until the same would be payable if it had not been paid in advance, at such rate and time(s) as may be approved by the Board of Directors. The Board of Directors may at any time cause the Company to repay all or any part of the money so advanced, without premium or penalty. Nothing in this Article 14 shall derogate from the right of the Board of Directors to make any call for payment before or after receipt by the Company of any such advance.

15. **FORFEITURE AND SURRENDER**.

(a) If any Shareholder fails to pay an amount payable by virtue of a call, installment or interest thereon as provided for in accordance herewith, on or before the day fixed for payment of the same, the Board of Directors may at any time after the day fixed for such payment, so long as such amount (or any portion thereof) or interest thereon (or any portion thereof) remains unpaid, forfeit all or any of the Shares in respect of which such payment was called for. All expenses incurred by the Company in attempting to collect any such amount or interest thereon, including, without limitation, attorneys' fees and costs of legal proceedings, shall be added to, and shall, for all purposes (including the accrual of interest thereon) constitute a part of, the amount payable to the Company in respect of such call.

(b) Upon the adoption of a resolution as to the forfeiture of a Shareholder's Share, the Board of Directors shall cause notice thereof to be given to such Shareholder, which notice shall state that, in the event of the failure to pay the entire amount so payable by a date specified in the notice (which date shall be not less than fourteen (14) days after the date such notice is given and which may be extended by the Board of Directors), such Shares shall be ipso facto forfeited, *provided*, *however*, that, prior to such date, the Board of Directors may cancel such resolution of forfeiture, but no such cancellation shall stop the Board of Directors from adopting a further resolution of forfeiture in respect of the non-payment of the same amount.

(c) Without derogating from Articles 51 and 55 hereof, whenever Shares are forfeited as herein provided, all dividends, if any, theretofore declared in respect thereof and not actually paid shall be deemed to have been forfeited at the same time.

(d) The Company, by resolution of the Board of Directors, may accept the voluntary surrender of any Share.

(e) Any Share forfeited or surrendered as provided herein, shall become the property of the Company as a dormant Share, and the same, subject to the provisions of these Articles, may be sold, re-issued or otherwise disposed of as the Board of Directors deems fit.

(f) Any person whose Shares have been forfeited or surrendered shall cease to be a Shareholder in respect of the forfeited or surrendered Shares, but shall, notwithstanding, be liable to pay, and shall forthwith pay, to the Company, all calls, interest and expenses owing upon or in respect of such Shares at the time of forfeiture or surrender, together with interest thereon from the time of forfeiture or surrender until actual payment, at the rate prescribed in Article 13(e) above, and the Board of Directors, in its discretion, may, but shall not be obligated to, enforce or collect the payment of such amounts, or any part thereof, as it shall deem fit. In the event of such forfeiture or surrender, the Company, by resolution of the Board of Directors, may accelerate the date(s) of payment of any or all amounts then owing to the Company by the person in question (but not yet due) in respect of all Shares owned by such Shareholder, solely or jointly with another.

(g) The Board of Directors may at any time, before any Share so forfeited or surrendered shall have been sold, re-issued or otherwise disposed of, nullify the forfeiture or surrender on such conditions as it deems fit, but no such nullification shall stop the Board of Directors from re-exercising its powers of forfeiture pursuant to this Article 15.

16. **LIEN**.

(a) Except to the extent the same may be waived or subordinated in writing, the Company shall have a first and paramount lien upon all the Shares registered in the name of each Shareholder (without regard to any equitable or other claim or interest in such Shares on the part of any other person), and upon the proceeds of the sale thereof, for his or her debts, liabilities and engagements to the Company arising from any amount payable by such Shareholder in respect of any unpaid or partly paid Share, whether or not such debt, liability or engagement has matured. Such lien shall extend to all dividends from time to time declared or paid in respect of such Share. Unless otherwise provided, the registration by the Company of a transfer of Shares shall be deemed to be a waiver on the part of the Company of the lien (if any) existing on such Shares immediately prior to such transfer.

(b) The Board of Directors may cause the Company to sell a Share subject to such a lien when the debt, liability or engagement giving rise to such lien has matured, in such manner as the Board of Directors deems fit, but no such sale shall be made unless such debt, liability or engagement has not been satisfied within fourteen (14) days after written notice of the intention to sell shall have been served on such Shareholder, his or her executors or administrators.

(c) The net proceeds of any such sale, after payment of the costs and expenses thereof or ancillary thereto, shall be applied in or toward satisfaction of the debts, liabilities or engagements of such Shareholder in respect of such Share (whether or not the same have matured), and the remaining proceeds (if any) shall be paid to the Shareholder, his or her executors, administrators or assigns.

17. **SALE AFTER FORFEITURE OR SURRENDER OR FOR ENFORCEMENT OF LIEN**.

Upon any sale of a share after forfeiture or surrender or for enforcing a lien, the Board of Directors may appoint any person to execute an instrument of transfer of the Share so sold and cause the purchaser's name to be entered in the Register of Shareholders in respect of such Share. The purchaser shall be registered as the Shareholder and shall not be bound to see to the regularity of the sale proceedings, or to the application of the proceeds of such sale, and after his or her name has been entered in the Register of Shareholders in respect of such Share, the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

18. **REDEEMABLE SHARES**.

The Company may, subject to applicable law, issue redeemable shares or other securities and redeem the same upon terms and conditions to be set forth in a written agreement between the Company and the holder of such shares or in their terms of issuance.

TRANSFER OF SHARES

19. **REGISTRATION OF TRANSFER**.

No transfer of Shares shall be registered unless a proper writing or instrument of transfer (in any customary form or any other form satisfactory to the Board of Directors or an officer of the Company to be designated by the Chief Executive Officer) has been submitted to the Company (or its transfer agent), together with any share certificate(s) and such other evidence of title as the Board of Directors or an officer of the Company to be designated by the Chief Executive Officer may require. Notwithstanding anything to the contrary herein, Shares registered in the name of The Depository Trust Company or its nominee shall be transferrable in accordance with the policies and procedures of The Depository Trust Company. Until the transferee has been registered in the Register of Shareholders in respect of the Shares so transferred, the Company may continue to regard the transferor as the owner thereof. The Board of Directors, may, from time to time, prescribe a fee for the registration of a transfer, and may approve other methods of recognizing the transfer of Shares in order to facilitate the trading of the Company's shares on the Stock Exchange.

20. **SUSPENSION OF REGISTRATION**.

The Board of Directors may, in its discretion to the extent it deems necessary, close the Register of Shareholders of registration of transfers of Shares for a period determined by the Board of Directors, and no registrations of transfers of Shares shall be made by the Company during any such period during which the Register of Shareholders is so closed.

TRANSMISSION OF SHARES

21. **DECEDENTS' SHARES**.

Upon the death of a Shareholder, the Company shall recognize the custodian or administrator of the estate or executor of the will, and in the absence of such, the lawful heirs of the Shareholder, as the only holders of the right for the Shares of the deceased Shareholder, after receipt of evidence to the entitlement thereto, as determined by the Board of Directors or an officer of the Company to be designated by the Chief Executive Officer.

22. **RECEIVERS AND LIQUIDATORS**.

(a) The Company may recognize any receiver, liquidator or similar official appointed to wind-up, dissolve or otherwise liquidate a corporate Shareholder, and a trustee, manager, receiver, liquidator or similar official appointed in bankruptcy or in connection with the reorganization of, or similar proceeding with respect to a Shareholder or its properties, as being entitled to the Shares registered in the name of such Shareholder.

(b) Such receiver, liquidator or similar official appointed to wind-up, dissolve or otherwise liquidate a corporate Shareholder and such trustee, manager, receiver, liquidator or similar official appointed in bankruptcy or in connection with the reorganization of, or similar proceedings with respect to a Shareholder or its properties, upon producing such evidence as the Board of Directors (or an officer of the Company to be designated by the Chief Executive

Officer) may deem sufficient as to his or her authority to act in such capacity or under this Article, shall with the consent of the Board of Directors or an officer of the Company to be designated by the Chief Executive Officer (which the Board of Directors or such officer may grant or refuse in its absolute discretion), be registered as a Shareholder in respect of such Shares, or may, subject to the regulations as to transfer herein contained, transfer such Shares.

GENERAL MEETINGS

23. **GENERAL MEETINGS**.

(a) An annual General Meeting ("**Annual General Meeting**") shall be held at such time and at such place, either within or outside of the State of Israel, as may be determined by the Board of Directors.

(b) All General Meetings other than Annual General Meetings shall be called "**Special General Meetings**". The Board of Directors may, at its discretion, convene a Special General Meeting at such time and place, within or outside of the State of Israel, as may be determined by the Board of Directors.

(c) If so determined by the Board of Directors, an Annual General Meeting or a Special General Meeting may be held through the use of any means of communication approved by the Board of Directors, provided all of the participating Shareholders can hear each other simultaneously. A resolution approved by use of means of communications as aforesaid, shall be deemed to be a resolution lawfully adopted at such general meeting and a Shareholder shall be deemed present in person at such general meeting if attending such meeting through the means of communication used at such meeting.

24. **RECORD DATE FOR GENERAL MEETING**.

Notwithstanding any provision of these Articles to the contrary, and to allow the Company to determine the Shareholders entitled to notice of or to vote at any General Meeting or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or grant of any rights, or entitled to exercise any rights in respect of or to take or be the subject of any other action, the Board of Directors may fix a record date for the General Meeting, which shall not be more than the maximum period and not less than the minimum period permitted by law. A determination of Shareholders of record entitled to notice of or to vote at a General Meeting shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

25. **SHAREHOLDER PROPOSAL REQUEST**.

(a) Any Shareholder or Shareholders of the Company holding at least the required percentage under the Companies Law of the voting rights of the Company which entitles such Shareholder(s) to require the Company to include a matter on the agenda of a General Meeting (the "**Proposing Shareholder(s)**") may request, subject to the Companies Law, that the Board of Directors include a matter on the agenda of a General Meeting to be held in the future, provided that the Board of Directors determines that the matter is appropriate to be considered at a General Meeting (a "**Proposal Request**"). In order for the Board of Directors to consider a Proposal Request and whether to include the matter stated therein in the agenda of a General Meeting, notice of the Proposal Request must be timely delivered in accordance with applicable law, and the Proposal Request must comply with the requirements of these Articles (including this Article 25) and any applicable law and stock exchange rules and regulations. The Proposal Request must be in writing, signed by all of the Proposing Shareholder(s) making such request, delivered, either in person or by registered mail, postage prepaid, and received by the Secretary (or, in the absence thereof, by the Chief Executive Officer of the Company). To be considered timely, a Proposal Request must be received within the time periods prescribed by applicable law. The announcement of an adjournment or postponement of a General Meeting shall not commence a new time period (or extend any time period) for the delivery of a Proposal Request as described above. In addition to any information required to be included in accordance with

applicable law, a Proposal Request must include the following: (i) the name, address, telephone number, fax number and email address of the Proposing Shareholder (or each Proposing Shareholder, as the case may be) and, if an entity, the name(s) of the person(s) that controls or manages such entity; (ii) the number of Shares held by the Proposing Shareholder(s), directly or indirectly (and, if any of such Shares are held indirectly, an explanation of how they are held and by whom), which shall be in such number no less than as is required to qualify as a Proposing Shareholder, accompanied by evidence satisfactory to the Company of the record holding of such Shares by the Proposing Shareholder(s) as of the date of the Proposal Request; (iii) the matter requested to be included on the agenda of a General Meeting, all information related to such matter, the reason that such matter is proposed to be brought before the General Meeting, the complete text of the resolution that the Proposing Shareholder proposes to be voted upon at the General Meeting, and a representation that the Proposing Shareholder(s) intend to appear in person or by proxy at the meeting; (iv) a description of all arrangements or understandings between the Proposing Shareholders and any other person(s) (naming such person or persons) in connection with the matter that is requested to be included on the agenda and a declaration signed by all Proposing Shareholder(s) of whether any of them has a personal interest in the matter and, if so, a description in reasonable detail of such personal interest; (v) a description of all Derivative Transactions (as defined below) by each Proposing Shareholder(s) during the previous twelve (12) month period, including the date of the transactions and the class, series and number of securities involved in, and the material economic terms of, such Derivative Transactions; and (vi) a declaration that all of the information that is required under the Companies Law and any other applicable law and stock exchange rules and regulations to be provided to the Company in connection with such matter, if any, has been provided to the Company. The Board of Directors, may, in its discretion, to the extent it deems necessary, request that the Proposing Shareholder(s) provide additional information necessary so as to include a matter in the agenda of a General Meeting, as the Board of Directors may reasonably require.

A "**Derivative Transaction**" means any agreement, arrangement, interest or understanding entered into by, or on behalf or for the benefit of, any Proposing Shareholder or any of its Affiliates or associates, whether of record or beneficial: (1) the value of which is derived in whole or in part from the value of any class or series of shares or other securities of the Company, (2) which otherwise provides any direct or indirect opportunity to gain or share in any gain derived from a change in the value of securities of the Company, (3) the effect or intent of which is to mitigate loss, manage risk or benefit of security value or price changes, or (4) which provides the right to vote or increase or decrease the voting power of, such Proposing Shareholder, or any of its Affiliates or associates, with respect to any Shares or other securities of the Company, which agreement, arrangement, interest or understanding may include, without limitation, any option, warrant, debt position, note, bond, convertible security, swap, stock appreciation right, short position, profit interest, hedge, right to dividends, voting agreement, performance-related fee or arrangement to borrow or lend Shares (whether or not subject to payment, settlement, exercise or conversion in any such class or series), and any proportionate interest of such Proposing Shareholder in the securities of the Company held by any general or limited partnership, or any limited liability company, of which such Proposing Shareholder is, directly or indirectly, a general partner or managing member.

(b) The information required pursuant to this Article shall be updated as of (i) the record date of the General Meeting, (ii) five business days before the General Meeting, and (iii) as of the General Meeting, and any adjournment or postponement thereof.

(c) The provisions of Articles 25(a) and 25(b) shall apply, *mutatis mutandis*, to any matter to be included on the agenda of a Special General Meeting which is convened pursuant to a request of a Shareholder duly delivered to the Company in accordance with the Companies Law.

(d) Notwithstanding anything to the contrary herein, this Article 25 may only be amended, replaced or suspended by a resolution adopted at a General Meeting by a majority of at least 65% of the total voting power of the Shares.

26. **NOTICE OF GENERAL MEETINGS; OMISSION TO GIVE NOTICE**.

(a) The Company is not required to give notice of a General Meeting, subject to any mandatory provision of the Companies Law.

(b) The accidental omission to give notice of a General Meeting to any Shareholder, or the non-receipt of notice sent to such Shareholder, shall not invalidate the proceedings at such meeting or any resolution adopted thereat.

(c) No Shareholder present, in person or by proxy, at any time during a General Meeting shall be entitled to seek the cancellation or invalidation of any proceedings or resolutions adopted at such General Meeting on account of any defect in the notice of such meeting relating to the time or the place thereof, or any item acted upon at such meeting.

(d) In addition to any places at which the Company may make available for review by Shareholders the full text of the proposed resolutions to be adopted at a General Meeting, as required by the Companies Law, the Company may add additional places for Shareholders to review such proposed resolutions, including an internet site.

PROCEEDINGS AT GENERAL MEETINGS

27. **QUORUM**.

(a) No business shall be transacted at a General Meeting, or at any adjournment thereof, unless the quorum required under these Articles for such General Meeting or such adjourned meeting, as the case may be, is present when the meeting proceeds to business.

(b) In the absence of contrary provisions in these Articles, the requisite quorum for any General Meeting shall be two or more Shareholders (not in default in payment of any sum referred to in Article 13 hereof) present in person or by proxy and holding shares conferring in the aggregate at least thirty-three and one-third percent (33⅓%) of the voting power of the Company, provided, however, that if (i) such General Meeting was initiated by and convened pursuant to a resolution adopted by the Board of Directors and (ii) at the time of such General Meeting the Company is qualified to use the forms of a "foreign private issuer" under US securities laws, then the requisite quorum shall be two or more Shareholders (not in default in payment of any sum referred to in Article 13 hereof) present in person or by proxy and holding Shares conferring in the aggregate at least twenty-five percent (25%) of the voting power of the Company. For the purpose of determining the quorum present at a certain General Meeting, a proxy may be deemed to be two (2) or more Shareholders pursuant to the number of Shareholders represented by the proxy holder.

(c) If within half an hour from the time appointed for the meeting a quorum is not present, then without any further notice the meeting shall be adjourned either (i) to the same day in the next week, at the same time and place, (ii) to such day and at such time and place as indicated in the notice of such meeting, or (iii) to such day and at such time and place as the Chairperson of the General Meeting shall determine (which may be earlier or later than the date pursuant to clause (i) above). No business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting as originally called. At such adjourned meeting, if the original meeting was convened by a Shareholder pursuant to a request under Section 63 of the Companies Law, such Shareholder in addition to at least one or more Shareholder, present in person or by proxy, and holding the number of Shares required for making such request, shall constitute a quorum, but in any other case any Shareholder (not in default as aforesaid) present in person or by proxy, shall constitute a quorum.

28. **CHAIRPERSON OF GENERAL MEETING**.

The Chairperson of the Board of Directors shall preside as Chairperson of every General Meeting of the Company. If at any meeting the Chairperson is not present within fifteen (15) minutes after the time fixed for holding the meeting or is unwilling or unable to act as Chairperson, any of the following may preside as Chairperson of the meeting (and in the

following order): a Director designated by the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, the General Counsel, the Secretary or any person designated by any of the foregoing. If at any such meeting none of the foregoing persons is present or all are unwilling or unable to act as Chairperson, the Shareholders present (in person or by proxy) shall choose a Shareholder or its proxy present at the meeting to be Chairperson. The office of Chairperson shall not, by itself, entitle the holder thereof to vote at any General Meeting nor shall it entitle such holder to a second or casting vote (without derogating, however, from the rights of such Chairperson to vote as a Shareholder or proxy of a Shareholder if, in fact, the Chairperson is also a Shareholder or such proxy).

29. **ADOPTION OF RESOLUTIONS AT GENERAL MEETINGS**.

(a) Except as required by the Companies Law or these Articles, including, without limitation, Article 39 below, a resolution of the Shareholders shall be adopted if approved by the holders of a simple majority of the voting power represented at the General Meeting in person or by proxy and voting thereon, as one class, and disregarding abstentions from the count of the voting power present and voting. Without limiting the generality of the foregoing, a resolution with respect to a matter or action for which the Companies Law prescribes a higher majority or pursuant to which a provision requiring a higher majority would have been deemed to have been incorporated into these Articles, but for which the Companies Law allows these Articles to provide otherwise (including, Sections 327 and 24 of the Companies Law), shall be adopted by a simple majority of the voting power represented at the General Meeting in person or by proxy and voting thereon, as one class, and disregarding abstentions from the count of the voting power present and voting.

(b) Every question submitted to a General Meeting shall be decided by a show of hands, but the Chairperson of the General Meeting may determine that a resolution shall be decided by a written ballot. A written ballot may be implemented before the proposed resolution is voted upon or immediately after the declaration by the Chairperson of the results of the vote by a show of hands. If a vote by written ballot is taken after such declaration, the results of the vote by a show of hands shall be of no effect, and the proposed resolution shall be decided by such written ballot.

(c) A defect in convening or conducting a General Meeting, including a defect resulting from the non-fulfillment of any provision or condition set forth in the Companies Law or these Articles, including with regard to the manner of convening or conducting the General Meeting, shall not disqualify any resolution passed at the General Meeting and shall not affect the discussions or decisions which took place thereat.

(d) A declaration by the Chairperson of the General Meeting that a resolution has been carried unanimously, or carried by a particular majority, or rejected, and an entry to that effect in the minute book of the Company, shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against such resolution.

30. **POWER TO ADJOURN**.

A General Meeting, the consideration of any matter on its agenda, or the resolution on any matter on its agenda, may be postponed or adjourned, from time to time and from place to place: (i) by the Chairperson of a General Meeting at which a quorum is present (and he shall do so if directed by the General Meeting, with the consent of the holders of a majority of the voting power represented in person or by proxy and voting on the question of adjournment), but no business shall be transacted at any such adjourned meeting except business which might lawfully have been transacted at the meeting as originally called, or a matter on its agenda with respect to which no resolution was adopted at the meeting originally called; or (ii) by the Board of Directors (whether prior to or at a General Meeting).

31. **VOTING POWER**.

Subject to the provisions of Article 32(a) and to any provision hereof conferring special rights as to voting, or restricting the right to vote, every Shareholder shall have one vote for each Share held by the Shareholder of record, on every resolution, without regard to whether the vote thereon is conducted by a show of hands, by written ballot, or by any other means.

32. **VOTING RIGHTS.**

(a) No Shareholder shall be entitled to vote at any General Meeting (or be counted as a part of the quorum thereat), unless all calls then payable by him or her in respect of his or her Shares in the Company have been paid.

(b) A company or other corporate body being a Shareholder of the Company may duly authorize any person to be its representative at any meeting of the Company or to execute or deliver a proxy on its behalf. Any person so authorized shall be entitled to exercise on behalf of such Shareholder all the power, which the Shareholder could have exercised if it were an individual. Upon the request of the Chairperson of the General Meeting, written evidence of such authorization (in form acceptable to the Chairperson) shall be delivered to him or her.

(c) Any Shareholder entitled to vote may vote either in person or by proxy (who need not be a Shareholder of the Company), or, if the Shareholder is a company or other corporate body, by representative authorized pursuant to Article (b) above.

(d) If two or more persons are registered as joint holders of any Share, the vote of the senior who tenders a vote, in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s). For the purpose of this Article 32(d), seniority shall be determined by the order of registration of the joint holders in the Register of Shareholders.

(e) If a Shareholder is a minor, under protection, bankrupt or legally incompetent, or in the case of a corporation, is in receivership or liquidation, it may, subject to all other provisions of these Articles and any documents or records required to be provided under these Articles, vote through his, her or its trustees, receiver, liquidator, natural guardian or another legal guardian, as the case may be, and the persons listed above may vote in person or by proxy.

PROXIES

33. **INSTRUMENT OF APPOINTMENT**.

(a) An instrument appointing a proxy shall be in writing and shall be substantially in the following form:

"I _____ of _____
(Name of Shareholder) *(Address of Shareholder)*

Being a shareholder of WalkMe Ltd. hereby appoints

_____ of _____
(Name of Proxy) *(Address of Proxy)*

as my proxy to vote for me and on my behalf at the General Meeting of the Company to be held on the ___ day of _____, _____ and at any adjournment(s) thereof.

Signed this ____ day of _____, _____.

(Signature of Appointor)"

or in any usual or common form or in such other form as may be approved by the Board of Directors. Such proxy shall be duly signed by the appointor of such person's duly authorized attorney, or, if such appointor is company or other corporate body, in the manner in which it signs documents which binds it together with a certificate of an attorney with regard to the authority of the signatories.

(b) Subject to the Companies Law, the original instrument appointing a proxy or a copy thereof certified by an attorney (and the power of attorney or other authority, if any, under which such instrument has been signed) shall be delivered to the Company (at its Office, at its principal place of business, or at the offices of its registrar or transfer agent, or at such place as notice of the meeting may specify) not less than forty eight (48) hours (or such shorter period as the notice shall specify) before the time fixed for such meeting. Notwithstanding the above, the Chairperson shall have the right to waive the time requirement provided above with respect to all instruments of proxies and to accept instruments of proxy until the beginning of a General Meeting. A document appointing a proxy shall be valid for every adjourned meeting of the General Meeting to which the document relates.

34. **EFFECT OF DEATH OF APPOINTER OF TRANSFER OF SHARE AND OR REVOCATION OF APPOINTMENT**.

(a) A vote cast in accordance with an instrument appointing a proxy shall be valid notwithstanding the prior death or bankruptcy of the appointing Shareholder (or of his or her attorney-in-fact, if any, who signed such instrument), or the transfer of the Share in respect of which the vote is cast, unless written notice of such matters shall have been received by the Company or by the Chairperson of such meeting prior to such vote being cast.

(b) Subject to the Companies Law, an instrument appointing a proxy shall be deemed revoked (i) upon receipt by the Company or the Chairperson, subsequent to receipt by the Company of such instrument, of written notice signed by the person signing such instrument or by the Shareholder appointing such proxy canceling the appointment thereunder (or the authority pursuant to which such instrument was signed) or of an instrument appointing a different proxy (and such other documents, if any, required under Article 33(b) for such new appointment), provided such notice of cancellation or instrument appointing a different proxy were so received at the place and within the time for delivery of the instrument revoked thereby as referred to in Article 33(b) hereof, or (ii) if the appointing Shareholder is present in person at the meeting for which such instrument of proxy was delivered, upon receipt by the Chairperson of such meeting of written notice from such Shareholder of the revocation of such appointment, or if and when such Shareholder votes at such meeting. A vote cast in accordance with an instrument appointing a proxy shall be valid notwithstanding the revocation or purported cancellation of the appointment, or the presence in person or vote of the appointing Shareholder at a meeting for which it was rendered, unless such instrument of appointment was deemed revoked in accordance with the foregoing provisions of this Article 34(b) at or prior to the time such vote was cast.

BOARD OF DIRECTORS

35. **POWERS OF THE BOARD OF DIRECTORS**.

(a) The Board of Directors may exercise all such powers and do all such acts and things as the Board of Directors is authorized by law or as the Company is authorized to exercise and do and are not hereby or by law required to be exercised or done by the General Meeting. The authority conferred on the Board of Directors by this Article 35 shall be subject to the provisions of the Companies Law, these Articles and any regulation or resolution consistent with these Articles adopted from time to time at a General Meeting, provided, however, that no such regulation or resolution shall invalidate any prior act done by or pursuant to a decision of the Board of Directors which would have been valid if such regulation or resolution had not been adopted.

(b) Without limiting the generality of the foregoing, the Board of Directors may, from time to time, set aside any amount(s) out of the profits of the Company as a reserve or reserves for any purpose(s) which the Board of Directors, in its absolute discretion, shall deem fit, including without limitation, capitalization and distribution of bonus Shares, and may invest any sum so

set aside in any manner and from time to time deal with and vary such investments and dispose of all or any part thereof, and employ any such reserve or any part thereof in the business of the Company without being bound to keep the same separate from other assets of the Company, and may subdivide or re-designate any reserve or cancel the same or apply the funds therein for another purpose, all as the Board of Directors may from time to time think fit.

36. **EXERCISE OF POWERS OF THE BOARD OF DIRECTORS**.

(a) A meeting of the Board of Directors at which a quorum is present in accordance with Article 45 shall be competent to exercise all the authorities, powers and discretion vested in or exercisable by the Board of Directors.

(b) A resolution proposed at any meeting of the Board of Directors shall be deemed adopted if approved by a majority of the Directors present, entitled to vote and voting thereon when such resolution is put to a vote.

(c) The Board of Directors may adopt resolutions, without convening a meeting of the Board of Directors, in writing or in any other manner permitted by the Companies Law.

(d) Notwithstanding anything to the contrary herein, including under Articles 36(a) and 36(b), and without derogating from any other approvals required pursuant to these Articles or applicable law, the following actions shall require the affirmative consent of at least two-thirds (2/3) of the Directors then in office and entitled to vote thereon:

(1) Any resolution to enter into a merger, consolidation, acquisition, amalgamation, business combination, issue equity securities or debt securities convertible into equity or other similar transaction (collectively, a "**Transaction**"), in each case that would reasonably be expected to result (A) in any person (together with its Affiliates) becoming, as a result of such Transaction, a beneficial owner (as determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended) of twenty five percent (25%) or more of the Ordinary Shares issued and outstanding immediately following the consummation of such Transaction or (B) in the increase in the beneficial ownership of Ordinary Shares of any person (together with its Affiliates) who immediately prior to the consummation of such Transaction holds twenty five percent (25%) or more of the then issued and outstanding Ordinary Shares;

(2) Any resolution to directly or indirectly sell, assign, convey, transfer, lease or otherwise dispose, in one or series of related transactions, of all or substantially all of the assets of the Company and its subsidiaries, taken as a whole, to any person;

(3) Any resolution to effect any material change to the principal business of the Company, enter into new lines of business that are materially different from the Company's then current line of business, or exit the then current line of business of the Company, or otherwise materially change the Company's strategy and/or policies with respect to its main lines of business;

(4) Any resolution to transfer the headquarters of the Company outside of Israel; or

(5) Any resolution effectively not nominating for re-election by the Shareholders any of the following individuals: Dan Adika, Rafael Sweary or Haleli Barath.

(e) Notwithstanding anything to the contrary herein, this Article 36 may only be amended or replaced by a resolution adopted at a General Meeting by a majority of at least 65% of the total voting power of the Shares.

37. **DELEGATION OF POWERS**.

(a) The Board of Directors may, subject to the provisions of the Companies Law, delegate any or all of its powers to committees (in these Articles referred to as a "**Committee of the Board of Directors**", or "**Committee**"), each consisting of one or more persons (who may or may not be Directors), and it may from time to time revoke such delegation or alter the composition of any such Committee. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations imposed on it by the Board of Directors, subject to applicable law. No regulation imposed by the Board of Directors on any Committee and no resolution of the Board of Directors shall invalidate any prior act done or pursuant to a resolution by the Committee which would have been valid if such regulation or resolution of the Board of Directors had not been adopted. The meetings and proceedings of any such Committee of the Board of Directors shall, mutatis mutandis, be governed by the provisions herein contained for regulating the meetings of the Board of Directors, to the extent not superseded by any regulations adopted by the Board of Directors. Unless otherwise expressly prohibited by the Board of Directors, in delegating powers to a Committee of the Board of Directors, such Committee shall be empowered to further delegate such powers.

(b) The Board of Directors may from time to time appoint a Secretary to the Company, as well as Officers, agents, employees and independent contractors, as the Board of Directors deems fit, and may terminate the service of any such person. The Board of Directors may, subject to the provisions of the Companies Law, determine the powers and duties, as well as the salaries and compensation, of all such persons.

(c) The Board of Directors may from time to time, by power of attorney or otherwise, appoint any person, company, firm or body of persons to be the attorney or attorneys of the Company at law or in fact for such purposes(s) and with such powers, authorities and discretions, and for such period and subject to such conditions, as it deems fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board of Directors deems fit, and may also authorize any such attorney to delegate all or any of the powers, authorities and discretions vested in him or her.

38. **NUMBER OF DIRECTORS**.

(a) The Board of Directors shall consist of such number of Directors (not less than three (3) nor more than ten (10), including the External Directors, if any were elected) as may be fixed from time to time by resolution of the Board of Directors, provided, however, that in the event at any time the Board of Directors is comprised of nine (9) or less members, the maximum number of members permitted under the New Articles shall not exceed nine (9).

(b) Notwithstanding anything to the contrary herein, this Article 38 may only be amended or replaced by a resolution adopted at a General Meeting by a majority of at least 65% of the total voting power of the Shares.

39. **ELECTION AND REMOVAL OF DIRECTORS**.

(a) The Directors (excluding the External Directors if any were elected), shall be classified, with respect to the term for which they each severally hold office, into three classes, as nearly equal in number as practicable, hereby designated as Class I, Class II and Class III (each, a "**Class**"). The Board of Directors may assign members of the Board of Directors already in office to such classes at the time such classification becomes effective.

(i) The term of office of the initial Class I directors shall expire at the Annual General Meeting to be held in 2022 and when their successors are elected and qualified,

(ii) The term of office of the initial Class II directors shall expire at the first Annual General Meeting following the Annual General Meeting referred to in clause (i) above and when their successors are elected and qualified, and

(iii) The term of office of the initial Class III directors shall expire at the first Annual General Meeting following the Annual General Meeting referred to in clause (ii) above and when their successors are elected and qualified.

(b) At each Annual General Meeting, commencing with the Annual General Meeting to be held in 2022, each Nominee or Alternate Nominee (each as defined below) elected at such Annual General Meeting to serve as a Director in a Class whose term shall have expired at such Annual General Meeting shall be elected to hold office until the third Annual General Meeting next succeeding his or her election and until his or her respective successor shall have been elected and qualified. Notwithstanding anything to the contrary, each Director shall serve until his or her successor is elected and qualified or until such earlier time as such Director's office is vacated.

(c) If the number of Directors (excluding External Directors, if any were elected) that comprises the Board of Directors is hereafter changed by the Board of Directors, any newly created directorships or decrease in directorships shall be so apportioned by the Board of Directors among the classes as to make all classes as nearly equal in number as is practicable, provided that no decrease in the number of Directors constituting the Board of Directors shall shorten the term of any incumbent Director.

(d) Prior to every General Meeting of the Company at which Directors are to be elected, and subject to clauses (a) and (h) of this Article, the Board of Directors (or a Committee thereof) shall select, by a resolution adopted by a majority of the Board of Directors (or such Committee), a number of persons to be proposed to the Shareholders for election as Directors at such General Meeting (the "**Nominees**").

(e) Any Proposing Shareholder requesting to include on the agenda of a General Meeting a nomination of a person to be proposed to the Shareholders for election as Director (such person, an "**Alternate Nominee**"), may so request provided that it complies with this Article 39(e), Article 25 and applicable law. Unless otherwise determined by the Board of Directors, a Proposal Request relating to an Alternate Nominee is deemed to be a matter that is appropriate to be considered only at an Annual General Meeting. In addition to any information required to be included in accordance with applicable law, such a Proposal Request shall include information required pursuant to Article 25, and shall also set forth: (i) the name, address, telephone number, fax number and email address of the Alternate Nominee and all citizenships and residencies of the Alternate Nominee; (ii) a description of all arrangements, relations or understandings during the past three (3) years, and any other material relationships, between the Proposing Shareholder(s) or any of its Affiliates and each Alternate Nominee; (iii) a declaration signed by the Alternate Nominee that he or she consents to be named in the Company's notices and proxy materials and on the Company's proxy card relating to the General Meeting, if provided or published, and that he or she, if elected, consents to serve on the Board of Directors and to be named in the Company's disclosures and filings; (iv) a declaration signed by each Alternate Nominee as required under the Companies Law and any other applicable law and stock exchange rules and regulations for the appointment of such an Alternate Nominee and an

undertaking that all of the information that is required under law and stock exchange rules and regulations to be provided to the Company in connection with such an appointment has been provided (including, information in respect of the Alternate Nominee as would be provided in response to the applicable disclosure requirements under Form 20-F (or Form 10-K, if applicable) or any other applicable form prescribed by the U.S. Securities and Exchange Commission (the "**SEC**")); (v) a declaration made by the Alternate Nominee of whether he or she meets the criteria for an independent director and, if applicable, External Director of the Company under the Companies Law and/or under any applicable law, regulation or stock exchange rules, and if not, then an explanation of why not; and (vi) any other information required at the time of submission of the Proposal Request by applicable law, regulations or stock exchange rules. In addition, the Proposing Shareholder(s) and each Alternate Nominee shall promptly provide any other information reasonably requested by the Company, including a duly completed director and officer questionnaire, in such form as may be provided by the Company, with respect to each Alternate Nominee. The Board of Directors may refuse to acknowledge the nomination of any person not made in compliance with the foregoing. The Company shall be entitled to publish any information provided by a Proposing Shareholder or Alternate Nominee pursuant to this Article 39(e) and Article 25, and the Proposing Shareholder and Alternate Nominee shall be responsible for the accuracy and completeness thereof.

(f) The Nominees or Alternate Nominees shall be elected by a resolution adopted at the General Meeting at which they are subject to election. Notwithstanding Articles 25(a) and 25(c), in the event of a Contested Election, the method of calculation of the votes and the manner in which the resolutions will be presented to the General Meeting shall be determined by the Board of Directors in its discretion. In the event that the Board of Directors does not or is unable to make a determination on such matter, then the method described in clause (ii) below shall apply. The Board of Directors may consider, among other things, the following methods: (i) election of competing slates of Director nominees (determined in a manner approved by the Board of Directors) by a majority of the voting power represented at the General Meeting in person or by proxy and voting on such competing slates, (ii) election of individual Directors by a plurality of the voting power represented at the General Meeting in person or by proxy and voting on the election of Directors (which shall mean that the nominees receiving the largest number of "for" votes will be elected in such Contested Election), (iii) election of each nominee by a majority of the voting power represented at the General Meeting in person or by proxy and voting on the election of Directors, provided that if the number of such nominees exceeds the number of Directors to be elected, then as among such nominees the election shall be by plurality of the voting power as described above, and (iv) such other method of voting as the Board of Directors deems appropriate, including use of a "universal proxy card" listing all Nominees and Alternate Nominees by the Company. For the purposes of these Articles, election of Directors at a General Meeting shall be considered a "Contested Election" if the aggregate number of Nominees and Alternate Nominees at such meeting exceeds the total number of Directors to be elected at such meeting, with the determination thereof being made by the Secretary (or, in the absence thereof, by the Chief Executive Officer of the Company) as of the close of the applicable notice of nomination period under Article 25 or under applicable law, based on whether one or more notice(s) of nomination were timely filed in accordance with Article 25, this Article 39 and applicable law; provided, however, that the determination that an election is a Contested Election shall not be determinative as to the validity of any such notice of nomination; and provided, further, that, if, prior to the time the Company mails its initial proxy statement in connection with such election of Directors, one or more notices of nomination of an Alternate Nominee are withdrawn such that the number of candidates for election as Director no longer exceeds the number of Directors to be elected, the election shall not be considered a Contested Election. Shareholders shall not be entitled to cumulative voting in the election of Directors, except to the extent specifically set forth in this clause (f).

(g) Notwithstanding anything to the contrary herein, this Article 39 and Article 42(e) may only be amended, replaced or suspended by a resolution adopted at a General Meeting by a majority of at least 65% of the total voting power of the Shares.

(h) Notwithstanding anything to the contrary in these Articles, the election, qualification, removal or dismissal of External Directors, if so elected, shall be only in accordance with the applicable provisions set forth in the Companies Law.

40. **COMMENCEMENT OF DIRECTORSHIP**.

Without derogating from Article 39, the term of office of a Director shall commence as of the date of his or her appointment or election, or on a later date if so specified in his or her appointment or election.

41. **CONTINUING DIRECTORS IN THE EVENT OF VACANCIES**.

The Board of Directors (and, if so determined by the Board of Directors, the General Meeting) may at any time and from time to time appoint any person as a Director to fill a vacancy (whether such vacancy is due to a Director no longer serving or due to the number of Directors serving being less than the maximum number stated in Article 38 hereof). In the event of one or more such vacancies in the Board of Directors, the continuing Directors may continue to act in every matter, provided, however, that if the number of Directors serving is less than the minimum number provided for pursuant to Article 38 hereof, they may only act in an emergency or to fill the office of a Director which has become vacant up to a number equal to the minimum number provided for pursuant to Article 38 hereof, or in order to call a General Meeting of the Company for the purpose of electing Directors to fill any or all vacancies. The office of a Director that was appointed by the Board of Directors to fill any vacancy shall only be for the remaining period of time during which the Director whose service has ended was filled would have held office, or in case of a vacancy due to the number of Directors serving being less than the maximum number stated in Article 38 hereof the Board of Directors shall determine at the time of appointment the class pursuant to Article 39 to which the additional Director shall be assigned. Notwithstanding anything to the contrary herein, this Article 41 may only be amended, replaced or suspended by a resolution adopted at a General Meeting by a majority of at least 65% of the total voting power of the Shares.

42. **VACATION OF OFFICE**.

The office of a Director shall be vacated and he shall be dismissed or removed:

(a) ipso facto, upon his or her death;

(b) if he or she is prevented by applicable law from serving as a Director;

(c) if the Board of Directors determines that due to his or her mental or physical state he or she is unable to serve as a director;

(d) if his or her directorship expires pursuant to these Articles and/or applicable law;

(e) by a resolution adopted at a General Meeting by a majority of at least 65% of the total voting power of the Shares (with such removal becoming effective on the date fixed in such resolution);

(f) by his or her written resignation, such resignation becoming effective on the date fixed therein, or upon the delivery thereof to the Company, whichever is later; or

(g) with respect to an External Director, if so elected, and notwithstanding anything to the contrary herein, only pursuant to applicable law.

43. **CONFLICT OF INTERESTS; APPROVAL OF RELATED PARTY TRANSACTIONS**.

(a) Subject to the provisions of applicable law and these Articles, no Director shall be disqualified by virtue of his or her office from holding any office or place of profit in the Company or in any company in which the Company shall be a Shareholder or otherwise interested, or from contracting with the Company as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided, nor, other than as required

under the Companies Law, shall any Director be liable to account to the Company for any profit arising from any such office or place of profit or realized by any such contract or arrangement by reason only of such Director's holding that office or of the fiduciary relations thereby established, but the nature of his or her interest, as well as any material fact or document, must be disclosed by him or her at the meeting of the Board of Directors at which the contract or arrangement is first considered, if his or her interest then exists, or, in any other case, at no later than the first meeting of the Board of Directors after the acquisition of his or her interest.

(b) Subject to the Companies Law and these Articles, a transaction between the Company and an Office Holder, and a transaction between the Company and another entity in which an Office Holder of the Company has a personal interest, in each case, which is not an Extraordinary Transaction (as defined by the Companies Law), shall require only approval by the Board of Directors or a Committee of the Board of Directors. Such authorization, as well as the actual approval, may be for a particular transaction or more generally for specific type of transactions.

PROCEEDINGS OF THE BOARD OF DIRECTORS

44. **MEETINGS**.

(a) The Board of Directors may meet and adjourn its meetings and otherwise regulate such meetings and proceedings as the Board of Directors thinks fit.

(b) A meeting of the Board of Directors shall be convened by the Secretary upon instruction of the Chairperson or upon a request of at least two (2) Directors which is submitted to the Chairperson or in any event that such meeting is required by the provisions of the Companies Law. In the event that the Chairperson does not instruct the Secretary to convene a meeting upon a request of at least two (2) Directors within seven (7) days of such request, then such two (2) Directors may convene a meeting of the Board of Directors. Any meeting of the Board of Directors shall be convened upon not less than two (2) days' notice, unless such notice is waived in writing by all of the Directors as to a particular meeting or by their attendance at such meeting or unless the matters to be discussed at such meeting are of such urgency and importance that notice is reasonably determined by the Chairperson as ought to be waived or shortened under the circumstances.

(c) Notice of any such meeting shall be given orally, by telephone, in writing or by mail, facsimile, email or such other means of delivery of notices as the Company may apply, from time to time.

(d) Notwithstanding anything to the contrary herein, failure to deliver notice to a Director of any such meeting in the manner required hereby may be waived by such Director, and a meeting shall be deemed to have been duly convened notwithstanding such defective notice if such failure or defect is waived prior to action being taken at such meeting, by all Directors entitled to participate at such meeting to whom notice was not duly given as aforesaid. Without derogating from the foregoing, no Director present at any time during a meeting of the Board of Directors shall be entitled to seek the cancellation or invalidation of any proceedings or resolutions adopted at such meeting on account of any defect in the notice of such meeting relating to the date, time or the place thereof or the convening of the meeting.

45. **QUORUM**.

Until otherwise unanimously decided by the Board of Directors, a quorum at a meeting of the Board of Directors shall be constituted by the presence in person or by any means of communication of a majority of the Directors then in office who are lawfully entitled to participate and vote in the meeting. No business shall be transacted at a meeting of the Board of Directors unless the requisite quorum is present (in person or by any means of communication on the condition that all participating Directors can hear each other simultaneously) when the meeting proceeds to business. If within thirty (30) minutes from the time appointed for a meeting of the Board of Directors a quorum is not present, the meeting shall stand adjourned at the same

place and time forty-eight (48) hours thereafter unless the Chairperson has determined that there is such urgency and importance that a shorter period is required under the circumstances. If an adjourned meeting is convened in accordance with the foregoing and a quorum is not present within thirty (30) minutes of the announced time, the requisite quorum at such adjourned meeting shall be, any two (2) Directors, if the number of Directors then serving is up to five (5), and any three (3) Directors, if the number of Directors then serving is more than five (5), in each case who are lawfully entitled to participate in the meeting and who are present at such adjourned meeting. At an adjourned meeting of the Board of Directors the only matters to be considered shall be those matters which might have been lawfully considered at the meeting of the Board of Directors originally called if a requisite quorum had been present, and the only resolutions to be adopted are such types of resolutions which could have been adopted at the meeting of the Board of Directors originally called.

46. **CHAIRPERSON OF THE BOARD OF DIRECTORS**.

The Board of Directors shall, from time to time, elect one of its members to be the Chairperson of the Board of Directors, remove such Chairperson from office and appoint in his or her place. The Chairperson of the Board of Directors shall preside at every meeting of the Board of Directors, but if there is no such Chairperson, or if at any meeting he is not present within fifteen (15) minutes of the time fixed for the meeting or if he is unwilling to take the chair, the Directors present shall choose one of the Directors present at the meeting to be the Chairperson of such meeting. The office of Chairperson of the Board of Directors shall not, by itself, entitle the holder to a second or casting vote.

47. **VALIDITY OF ACTS DESPITE DEFECTS**.

All acts done or transacted at any meeting of the Board of Directors, or of a Committee of the Board of Directors, or by any person(s) acting as Director(s), shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of the participants in such meeting or any of them or any person(s) acting as aforesaid, or that they or any of them were disqualified, be as valid as if there were no such defect or disqualification.

CHIEF EXECUTIVE OFFICER

48. **CHIEF EXECUTIVE OFFICER**.

The Board of Directors shall from time to time appoint one or more persons, whether or not Directors, as Chief Executive Officer of the Company who shall have the powers and authorities set forth in the Companies Law, and may confer upon such person(s), and from time to time modify or revoke, such titles and such duties and authorities of the Board of Directors as the Board of Directors may deem fit, subject to such limitations and restrictions as the Board of Directors may from time to time prescribe. Such appointment(s) may be either for a fixed term or without any limitation of time, and the Board of Directors may from time to time (subject to any additional approvals required under, and the provisions of, the Companies Law and of any contract between any such person and the Company) fix their salaries and compensation, remove or dismiss them from office and appoint another or others in his, her or their place or places.

MINUTES

49. **MINUTES**.

Any minutes of the General Meeting or the Board of Directors or any Committee thereof, if purporting to be signed by the Chairperson of the General Meeting, the Board of Directors or a Committee thereof, as the case may be, or by the Chairperson of the next succeeding General Meeting, meeting of the Board of Directors or meeting of a Committee, as the case may be, shall constitute prima facie evidence of the matters recorded therein.

50. **DECLARATION OF DIVIDENDS**.

The Board of Directors may, from time to time, declare, and cause the Company to pay dividends as permitted by the Companies Law. The Board of Directors shall determine the time for payment of such dividends and the record date for determining the shareholders entitled thereto.

51. **AMOUNT PAYABLE BY WAY OF DIVIDENDS**.

Subject to the provisions of these Articles and subject to the rights or conditions attached at that time to any Share in the capital of the Company granting preferential, special or deferred rights or not granting any rights with respect to dividends, any dividend paid by the Company shall be allocated among the Shareholders (not in default in payment of any sum referred to in Article 13 hereof) entitled thereto on a *pari passu* basis in proportion to their respective holdings of the issued and outstanding Shares in respect of which such dividends are being paid.

52. **INTEREST**.

No dividend shall carry interest as against the Company.

53. **PAYMENT IN SPECIE**.

If so declared by the Board of Directors, a dividend declared in accordance with Article 50 may be paid, in whole or in part, by the distribution of specific assets of the Company or by distribution of paid up Shares, debentures or other securities of the Company or of any other companies, or in any combination thereof, in each case, the fair value of which shall be determined by the Board of Directors in good faith.

54. **IMPLEMENTATION OF POWERS**.

The Board of Directors may settle, as it deems fit, any difficulty arising with regard to the distribution of dividends, bonus shares or otherwise, and in particular, to issue certificates for fractions of shares and sell such fractions of shares in order to pay their consideration to those entitled thereto, or to set the value for the distribution of certain assets and to determine that cash payments shall be paid to the Shareholders on the basis of such value, or that fractions whose value is less than NIS 0.01 shall not be taken into account. The Board of Directors may instruct to pay cash or convey these certain assets to a trustee in favor of those people who are entitled to a dividend, as the Board of Directors shall deem appropriate.

55. **DEDUCTIONS FROM DIVIDENDS**.

The Board of Directors may deduct from any dividend or other moneys payable to any Shareholder in respect of a Share any and all sums of money then payable by him or her to the Company on account of calls or otherwise in respect of Shares of the Company and/or on account of any other matter of transaction whatsoever.

56. **RETENTION OF DIVIDENDS.**

(a) The Board of Directors may retain any dividend or other moneys payable or property distributable in respect of a Share on which the Company has a lien, and may apply the same in or toward satisfaction of the debts, liabilities, or engagements in respect of which the lien exists.

(b) The Board of Directors may retain any dividend or other moneys payable or property distributable in respect of a Share in respect of which any person is, under Articles 21 or 22, entitled to become a Shareholder, or which any person is, under said Articles, entitled to transfer, until such person shall become a Shareholder in respect of such Share or shall transfer the same.

57. **UNCLAIMED DIVIDENDS**.

All unclaimed dividends or other moneys payable in respect of a Share may be invested or otherwise made use of by the Board of Directors for the benefit of the Company until claimed.

The payment of any unclaimed dividend or such other moneys into a separate account shall not constitute the Company a trustee in respect thereof, and any dividend unclaimed after a period of one (1) year (or such other period determined by the Board of Directors) from the date of declaration of such dividend, and any such other moneys unclaimed after a like period from the date the same were payable, shall be forfeited and shall revert to the Company, *provided*, *however*, that the Board of Directors may, at its discretion, cause the Company to pay any such dividend or such other moneys, or any part thereof, to a person who would have been entitled thereto had the same not reverted to the Company. The principal (and only the principal) of any unclaimed dividend of such other moneys shall be if claimed, paid to a person entitled thereto.

58. **MECHANICS OF PAYMENT**.

Any dividend or other moneys payable in cash in respect of a Share, less the tax required to be withheld pursuant to applicable law, may, as determined by the Board of Directors in its sole discretion, be paid by check or warrant sent through the post to, or left at, the registered address of the person entitled thereto or by transfer to a bank account specified by such person (or, if two (2) or more persons are registered as joint holders of such Share or are entitled jointly thereto in consequence of the death or bankruptcy of the holder or otherwise, to any one of such persons or his or her bank account or the person who the Company may then recognize as the owner thereof or entitled thereto under Article 21 or 22 hereof, as applicable, or such person's bank account), or to such person and at such other address as the person entitled thereto may by writing direct, or in any other manner the Board of Directors deems appropriate. Every such check or warrant or other method of payment shall be made payable to the order of the person to whom it is sent, or to such person as the person entitled thereto as aforesaid may direct, and payment of the check or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such check shall be sent at the risk of the person entitled to the money represented thereby.

ACCOUNTS

59. **BOOKS OF ACCOUNT**.

The Company's books of account shall be kept at the Office of the Company, or at such other place or places as the Board of Directors may think fit, and they shall always be open to inspection by all Directors. No shareholder, not being a Director, shall have any right to inspect any account or book or other similar document of the Company, except as explicitly conferred by law or authorized by the Board of Directors. The Company shall make copies of its annual financial statements available for inspection by the Shareholders at the principal offices of the Company. The Company shall not be required to send copies of its annual financial statements to the Shareholders.

60. **AUDITORS**.

The appointment, authorities, rights and duties of the auditor(s) of the Company, shall be regulated by applicable law, provided, however, that in exercising its authority to fix the remuneration of the auditor(s), the Shareholders in General Meeting may act (and in the absence of any action in connection therewith shall be deemed to have so acted) to authorize the Board of Directors (with right of delegation to a Committee thereof or to management) to fix such remuneration subject to such criteria or standards, and if no such criteria or standards are so provided, such remuneration shall be fixed in an amount commensurate with the volume and nature of the services rendered by such auditor(s). The General Meeting may, if so recommended by the Board of Directors, appoint the auditors for a period that may extend until the third Annual General Meeting after the Annual General Meeting in which the auditors were appointed.

61. **FISCAL YEAR**.

The fiscal year of the Company shall be the 12 months period ending on December 31 of each calendar year.

SUPPLEMENTARY REGISTERS

62. **SUPPLEMENTARY REGISTERS**.

Subject to and in accordance with the provisions of Sections 138 and 139 of the Companies Law, the Company may cause supplementary registers to be kept in any place outside Israel as the Board of Directors may think fit, and, subject to all applicable requirements of law, the Board of Directors may from time to time adopt such rules and procedures as it may think fit in connection with the keeping of such branch registers.

EXEMPTION, INDEMNITY AND INSURANCE

63. **INSURANCE**.

Subject to the provisions of the Companies Law with regard to such matters, the Company may enter into a contract for the insurance of the liability, in whole or in part, of any of its Office Holders imposed on such Office Holder due to an act performed by or an omission of the Office Holder in the Office Holder's capacity as an Office Holder of the Company arising from any matter permitted by law, including the following:

(a) a breach of duty of care to the Company or to any other person;

(b) a breach of his or her duty of loyalty to the Company, provided that the Office Holder acted in good faith and had reasonable grounds to assume that act that resulted in such breach would not prejudice the interests of the Company;

(c) a financial liability imposed on such Office Holder in favor of any other person; and

(d) any other event, occurrence, matters or circumstances under any law with respect to which the Company may, or will be able to, insure an Office Holder, and to the extent such law requires the inclusion of a provision permitting such insurance in these Articles, then such provision is deemed to be included and incorporated herein by reference (including, without limitation, in accordance with Section 56h(b)(1) of the Securities Law, if and to the extent applicable, and Section 50P of the Economic Competition Law).

64. **INDEMNITY**.

(a) Subject to the provisions of the Companies Law, the Company may retroactively indemnify an Office Holder of the Company to the maximum extent permitted under applicable law, including with respect to the following liabilities and expenses, provided that such liabilities or expenses were imposed on such Office Holder or incurred by such Office Holder due to an act performed by or an omission of the Office Holder in such Office Holder's capacity as an Office Holder of the Company:

(i) a financial liability imposed on an Office Holder in favor of another person by any court judgment, including a judgment given as a result of a settlement or an arbitrator's award which has been confirmed by a court;

(ii) reasonable litigation expenses, including legal fees, expended by the Office Holder (A) 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 (1) no indictment (as defined in the Companies Law) was filed against such Office Holder as a result of such investigation or proceeding; and (2) no financial liability in lieu of a criminal proceeding (as defined in the Companies Law) was imposed upon him or her 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 or (B) in connection with a financial sanction;

(iii) reasonable litigation costs, including legal fees, expended by an Office Holder or which were imposed on an Office Holder by a court in proceedings filed against the Office Holder by the Company or in its name or by any other person or in a criminal charge in respect of which the Office Holder was acquitted or in a criminal charge in respect of which the Office Holder was convicted for an offence which did not require proof of criminal intent; and

(iv) any other event, occurrence, matter or circumstance under any law with respect to which the Company may, or will be able to, indemnify an Office Holder, and to the extent such law requires the inclusion of a provision permitting such indemnity in these Articles, then such provision is deemed to be included and incorporated herein by reference (including, without limitation, in accordance with Section 56h(b)(1) of the Israeli Securities Law, if and to the extent applicable, and Section 50P(b)(2) of the RTP Law).

(b) Subject to the provisions of the Companies Law, the Company may undertake to indemnify an Office Holder, in advance, with respect to those liabilities and expenses described in the following Articles:

(i) Sub-Article 6464(a)(i)(a)(ii) to 64(a)(iv); and

(ii) Sub-Article 64(a)(i), provided that:

(1) the undertaking to indemnify is limited to such events which the Directors shall deem to be foreseeable in light of the operations of the Company at the time that the undertaking to indemnify is made and for such amounts or criterion which the Directors may, at the time of the giving of such undertaking to indemnify, deem to be reasonable under the circumstances; and

(2) the undertaking to indemnify shall set forth such events which the Directors shall deem to be foreseeable in light of the operations of the Company at the time that the undertaking to indemnify is made, and the amounts and/or criterion which the Directors may, at the time of the giving of such undertaking to indemnify, deem to be reasonable under the circumstances.

65. **EXEMPTION**.

Subject to the provisions of the Companies Law, the Company may, to the maximum extent permitted by law, exempt and release, in advance, any Office Holder from any liability for damages arising out of a breach of a duty of care.

66. **GENERAL**.

(a) Any amendment to the Companies Law or any other applicable law adversely affecting the right of any Office Holder to be indemnified, insured or exempt pursuant to Articles 63 to 65 and any amendments to Articles 63 to 65 shall be prospective in effect, and shall not affect the Company's obligation or ability to indemnify, insure or exempt an Office Holder for any act or omission occurring prior to such amendment, unless otherwise provided by applicable law.

(b) The provisions of Articles 63 to 65 (i) shall apply to the maximum extent permitted by law (including, the Companies Law, the Securities Law and the Economic Competition Law); and (ii) are not intended, and shall not be interpreted so as to restrict the Company, in any manner, in respect of the procurement of insurance and/or in respect of indemnification (whether in advance or retroactively) and/or exemption, in favor of any person who is not an Office Holder, including, without limitation, any employee, agent, consultant or contractor of the Company who is not an Office Holder; and/or any Office Holder to the extent that such insurance and/or indemnification is not specifically prohibited under law.

WINDING UP

67. **WINDING UP**.

If the Company is wound up, then, subject to applicable law and to the rights of the holders of Shares with special rights upon winding up, the assets of the Company available for distribution among the Shareholders shall be distributed to them in proportion to the number of issued and outstanding Shares held by each Shareholder.

NOTICES

68. **NOTICES**.

(a) Any written notice or other document may be served by the Company upon any Shareholder either personally, by facsimile, email or other electronic transmission, or by sending it by prepaid mail (airmail if sent internationally) addressed to such Shareholder at his or her address as described in the Register of Shareholders or such other address as the Shareholder may have designated in writing for the receipt of notices and other documents.

(b) Any written notice or other document may be served by any Shareholder upon the Company by tendering the same in person to the Secretary or the Chief Executive Officer of the Company at the principal office of the Company, by facsimile transmission, email or other electronic submission, or by sending it by prepaid registered mail (airmail if posted outside Israel) to the Company at its Office.

(c) Any such notice or other document shall be deemed to have been served:

(i) in the case of mailing, forty-eight (48) hours after it has been posted, or when actually received by the addressee if sooner than forty-eight hours after it has been posted, or

(ii) in the case of overnight air courier, on the next business day following the day sent, with receipt confirmed by the courier, or when actually received by the addressee if sooner than three business days after it has been sent;

(iii) in the case of personal delivery, when actually tendered in person, to such addressee;

(iv) in the case of facsimile, email or other electronic transmission, on the first business day (during normal business hours in place of addressee) on which the sender receives automatic electronic confirmation by the addressee's facsimile machine that such notice was received by the addressee or delivery confirmation from the addressee's email or other communication server.

(d) If a notice is, in fact, received by the addressee, it shall be deemed to have been duly served, when received, notwithstanding that it was defectively addressed or failed, in some other respect, to comply with the provisions of this Article 6868.

(e) All notices to be given to the Shareholders shall, with respect to any Share to which persons are jointly entitled, be given to whichever of such persons is named first in the Register of Shareholders, and any notice so given shall be sufficient notice to the holders of such Share.

(f) Any Shareholder whose address is not described in the Register of Shareholders, and who shall not have designated in writing an address for the receipt of notices, shall not be entitled to receive any notice from the Company.

(g) Notwithstanding anything to the contrary contained herein, notice by the Company of a General Meeting, containing the information required by applicable law and these Articles to be set forth therein, which is published, within the time otherwise required for giving notice of such meeting, in either or several of the following manners (as applicable) shall be deemed to be notice of such meeting duly given, for the purposes of these Articles, to any Shareholder whose address as registered in the Register of Shareholders (or as designated in writing for the receipt of notices and other documents) is located either inside or outside the State of Israel:

(i) if the Company's Shares are then listed for trading on a national securities exchange in the United States or quoted in an over-the-counter market in the United States, publication of notice of a General Meeting pursuant to a report or a schedule filed with, or furnished to, the SEC pursuant to the Securities Exchange Act of 1934, as amended; and/or

(ii) on the Company's internet site.

(h) The mailing or publication date and the record date and/or date of the meeting (as applicable) shall be counted among the days comprising any notice period under the Companies Law and the regulations thereunder.

AMENDMENT

69. **AMENDMENT**.

Any amendment of these Articles shall require, in addition to the approval of the General Meeting of Shareholders in accordance with these Articles, also the approval of the Board of Directors with the affirmative vote of a majority of the then serving Directors.

FORUM FOR ADJUDICATION OF DISPUTES

70. **FORUM FOR ADJUDICATION OF DISPUTES**.

(a) Unless the Company consents 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 or causes of action arising under the U.S. Securities Act of 1933, as amended, including all causes of action asserted against any defendant to such complaint. For the avoidance of doubt, this provision is intended to benefit and may be enforced by the Company, its officers and directors, the underwriters to any offering giving rise to such complaint, and any other professional or entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering. The foregoing provisions of this Article 70 shall not apply to causes of action arising under the U.S. Securities Exchange Act of 1934, as amended.

(b) Unless the Company consents 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 claim of breach of a fiduciary duty owed by any director, officer or other employee of the Company to the Company or the Company's shareholders, or (iii) any action asserting a claim arising pursuant to any provision of the Companies Law or the Securities Law.

(c) Any person or entity purchasing or otherwise acquiring or holding any interest in shares of the Company shall be deemed to have notice of and consented to the provisions of this Article 70.

* * *

NUMBER

SHARES

ORDINARY SHARES

INCORPORATED UNDER THE LAWS OF THE STATE OF ISRAEL

SEE REVERSE FOR CERTAIN DEFINITIONS

CUSIP

THIS CERTIFIES THAT:

SPECIMEN - NOT NEGOTIABLE

IS THE OWNER OF

FULLY PAID AND NON-ASSESSABLE ORDINARY SHARES OF NO PAR VALUE EACH, OF

WALKME LTD.

transferable on the books of the Company by the holder hereof in person or by duly authorized attorney only upon surrender of this Certificate properly endorsed. This Certificate and the shares represented hereby are issued and shall be held subject to all the provisions of the Articles of Association of the Company and amendments thereto, to all of which the holder by the acceptance hereof assents.

This Certificate is not valid unless countersigned and registered by the Transfer Agent and Registrar.

WITNESS the facsimile seal of the Company and the facsimile signature of its duly authorized officer.

DATED:

SPECIMEN
NOT NEGOTIABLE

WALKME LTD. CORPORATE SEAL 2011 ISRAEL

CHIEF EXECUTIVE OFFICER

COUNTERSIGNED AND REGISTERED
AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC
BROOKLYN, NY

TRANSFER AGENT AND REGISTRAR

BY

AUTHORIZED SIGNATURE

WALKME LTD.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	*as tenants in common*	*UNIF GIFT MIN ACT -*	*.....Custodian.....*
TEN ENT	*as tenants by the entireties*		*(Cust) (Minor)*
JT TEN	*as joint tenants with right of survivorship and not as tenants in common*		*under Uniform Gifts to Minors Act.....* *(State)*

Additional abbreviations may also be used though not in the above list.

For Value Received, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____

_____

_____ *Shares represented by the within Certificate, and do hereby irrevocably constitute and appoint*

_____ *Attorney to transfer the said shares on the books of the within named Company with full power of substitution in the premises.*

Dated _____

NOTICE: THE SIGNATURE(S) TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME(S) AS WRITTEN UPON THE FACE OF THE CERTIFICATE, IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

Signature(s) Guaranteed

By _____

The Signature(s) must be guaranteed by an eligible guarantor institution (Banks, Stockbrokers, Savings and Loan Associations and Credit Unions with membership in an approved Signature Guarantee Medallion Program), pursuant to SEC Rule 17Ad-15.

Exhibit 5.1

MEITAR | LAW OFFICES
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Tel. +972 3 6103100 Fax. +972 3 6103111 www.meitar.com

June 7, 2021

WalkMe Ltd.
1 Walter Moses St.
Tel Aviv 6789903
Israel

Re: WalkMe Ltd.

Ladies and Gentlemen:

We have acted as Israeli counsel for WalkMe Ltd., an Israeli company (the "**Company**"), in connection with the underwritten initial public offering by the Company, contemplating (i) the issuance and sale by the Company of an aggregate of 9,250,000 ordinary shares, no par value ("**Ordinary Shares**") of the Company (the "**Firm Shares**") and (ii) the potential issuance and sale by the Company of up to an additional 1,387,500 Ordinary Shares (the "**Additional Shares**" and, collectively with the Firm Shares, the "**Shares**"), that are subject to an option to purchase additional shares proposed to be granted by the Company to the underwriters in the offering (the "**Offering**"). This opinion letter is rendered pursuant to Item 8(a) of Form F-1 promulgated by the United States Securities and Exchange Commission (the "**SEC**") and Items 601(b)(5) and (b)(23) of the SEC's Regulation S-K promulgated under the United States Securities Act of 1933, as amended (the "**Securities Act**").

In connection herewith, we have examined the originals, or photocopies or copies, certified or otherwise identified to our satisfaction, of: (i) the form of the registration statement on Form F-1 (File No. 333-256219) filed by the Company with the SEC under the Securities Act (as amended through the date hereof, the "**Registration Statement**") and to which this opinion is attached as an exhibit; (ii) a copy of the articles of association of the Company, as currently in effect; (iii) a draft of the amended articles of association of the Company, to be in effect immediately prior to the closing of the Offering (the "**Amended Articles**"); (iv) resolutions of the board of directors (the "**Board**") of the Company and its shareholders which have heretofore been approved and, in each case, which relate to the Registration Statement and other actions to be taken in connection with the Offering (the "**Resolutions**"); and (v) such other corporate records, agreements, documents and other instruments, and such certificates or comparable documents of public officials and of officers of the Company as we have deemed relevant and necessary as a basis for the opinions hereafter set forth. We have also made inquiries of such officers as we have deemed relevant and necessary as a basis for the opinions hereafter set forth.

In such examination, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, confirmed as photostatic copies and the authenticity of the originals of such latter documents. As to all questions of fact material to these opinions that have not been independently established, we have relied upon certificates or comparable documents of officers and representatives of the Company.

Based upon and subject to the foregoing, we are of the opinion that following effectiveness of the Amended Articles and upon payment to the Company of the consideration per Share in such amount and form as shall be determined by the Board or an authorized committee thereof, the Shares, when issued and sold in the Offering, as described in the Registration Statement, will be duly authorized, validly issued, fully paid and non-assessable.

Members of our firm are admitted to the Bar in the State of Israel, and we do not express any opinion as to the laws of any other jurisdiction. This opinion is limited to the matters stated herein and no opinion is implied or may be inferred beyond the matters expressly stated.

We consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our firm appearing under the caption "Legal Matters" and "Enforceability of Civil Liabilities" in the prospectus forming part of the Registration Statement. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act, the rules and regulations of the SEC promulgated thereunder or Item 509 of the SEC's Regulation S-K promulgated under the Securities Act.

This opinion letter is rendered as of the date hereof and we disclaim any obligation to advise you of facts, circumstances, events or developments that may be brought to our attention after the effective date of the Registration Statement that may alter, affect or modify the opinions expressed herein.

Very truly yours,

/s/ Meitar | Law Offices

Meitar | Law Offices

WALKME LTD.

RESTATED 2012 SHARE OPTION PLAN

1. PURPOSES OF THE PLAN.

The purpose of this Share Option Plan (as amended, the **"Plan")** is to advance the interests of WalkMe Ltd. (the **"Company"**) and its shareholders by attracting and retaining the best available personnel for positions of substantial responsibility, providing additional incentive to employees, officers, directors, advisors and consultants and promoting a close identity of interests between those individuals and the Company.

2. DEFINITIONS.

As used herein, the following definitions shall apply:

2.1. "Administrator" means the Board or any of its Committees as shall be administrating this Plan, in accordance with Section 3 hereof.

2.2. "Affiliate" means any entity controlling, controlled by or under common control with the Company. For the purpose of this definition of Affiliate, control shall mean the ability, to direct the activities of the relevant entity and/or shall include the holding of more than 50% of the capital or the voting of such entity and any "employing company" within the meaning of Section 102(a) of the Ordinance.

2.3. "Applicable Law" shall mean any applicable law, rule, regulation, statute, pronouncement, policy, interpretation, judgment, order or decree, and the rules and regulations of any stock exchange or trading system on which the Shares are then traded or listed.

2.4. "Articles" means the First Amended Articles of Association of the Company and any other governing documents of the Company, including all policies, manuals and internal regulations adopted by the Company from time to time, all as may be amended from time to time.

2.5. "Board" means the Board of Directors of the Company.

2.6. "Cause" means **(i)** any material breach by Optionee of the terms of this Plan, the Option Agreement, the Engagement Agreement or any other contract or agreement between the Optionee and the Company or any Affiliate (specifically including the terms and conditions of any confidentiality, non-compete, invention assignment and the like agreements), and any other breach thereof which, if it can be cured, is not cured by Optionee within 7 (seven) days from notice to Optionee of such breach; or **(ii)** any willful failure to perform or willful failure to perform competently any of the Company's or Affiliate's instructions or any of the Optionee's functions or duties; or **(iii)** the Optionee's engagement in willful misconduct or acting in bad faith with respect to the Company and/or Affiliates, and specifically the Optionee's dishonesty or commitment of any breach of duty or trust, including, but not limited to, theft, embezzlement, self-dealing; or **(iv)** the Optionee's prohibited use or disclosure of confidential or proprietary information of, or relating to, the Company and/or its Affiliates and/or their products, technologies, research and development activities,

commercial engagements and/or their clients, customers, business partners and any other persons and entities related to them; or **(v)** the Optionee's conviction (including any plea of guilty) of any felony involving moral turpitude; or **(vi)** any cause justifying termination or dismissal in circumstances in which an employer can deny the employee severance payment under Applicable Law (to the extent applicable) and/or any other action or omission which may be defined as "justifiable cause" under Applicable Law and/or pursuant to the applicable Engagement Agreement.

2.7. "Committee" means a compensation committee of the Board, designated from time to time by the resolution of the Board.

2.8. "Companies Law" means the Israeli Companies Law, 5759-1999, as now in effect or as hereafter amended.

2.9. "Controlling Shareholder" shall have the meaning ascribed to it in Section 32(9) of the Ordinance as amended from time to time.

2.10. "Date of Grant" means the date upon which an Option is granted pursuant to this Plan, as determined by the Administrator and as set forth in the Option Agreement. 2.11. "Director" means a member of the Board.

2.12. "Employee" means any person who is employed by the Company or its Affiliates, including an individual who is serving as a Director, as such term is defined in the Companies Law, but excluding a Controlling Shareholder.

2.13. "Engagement Agreement" means any employment, consulting or other contract or agreement pursuant to which the Optionee is engaged by the Company or any of its Affiliates.

2.14. "Exercise Price" means the price for each Share subject to an Option.

2.15. "Fair Market Value" means, as of any date, the value of a Share determined as follows: (i) if the Shares are listed on any established stock exchange or a national market system, including without limitation the Nasdaq National Market or The Nasdaq SmallCap Market of The Nasdaq Stock Market, their Fair Market Value shall be the closing sales price for such Shares (or the closing bid, if no sales were reported) as quoted on such exchange or system for the last market trading day prior to the time of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable. Without derogating from the above and solely for the purpose of determining the tax liability pursuant to Section 102, if at the Date of Grant the Company's Shares are listed on any established stock exchange or a national market system or if the Company's Shares will be registered for trading within ninety (90) days following the Date of Grant under Section 102 Capital Gain Track, the Fair Market Value of each Share at the Date of Grant shall be determined in accordance with the average value of the Company's Shares on the thirty (30) consecutive trading days preceding the Date of Grant or on the thirty (30) trading days following the date of registration for trading, as the case may be; or (ii) If the Shares are regularly quoted by a recognized securities dealer but selling prices are not reported, their Fair Market Value shall be the mean between the high bid and low asked prices for the Shares on the last market trading day prior to the day of determination, or; (iii) in the absence of an established market for the Shares, the Fair Market Value thereof shall be determined in good faith by the Administrator.

2.16. "IPO" means the listing for trading on a stock exchange or market or trading system of the Company's (or the Successor Corporation's) shares.

2.17. "ITA" means the Israeli Tax Authority.

2.18. "Non-Employee" means a consultant, adviser, service provider, Controlling Shareholder or any other person who is not an Employee.

2.19. "Option" means an option to purchase one or more Shares of the Company pursuant to this Plan.

2.20. "3(i) Option" means an Option granted pursuant to Section 3(i) of the Ordinance to any person who is a Non- Employee.

2.21. "Option Agreement" shall have the meaning set out in Section 6 of this Plan. 2.22. "Optionee" means the holder of an outstanding Option granted under this Plan. 2.23. "Ordinance" means the Income Tax Ordinance [New Version], 5721-1961, as now in effect or as hereafter amended.

2.24. "Section 102" means Section 102 of the Ordinance and any regulation, rules, orders or other procedures promulgated thereunder as now in effect or as hereafter amended.

2.25. "Section 102 Capital Gain Track" means grant of Options with a Trustee under the capital gain track as defined in Section 102(b)(2) of the Ordinance.

2.26. "Section 102 Employment Income Track" means grant of Options with a Trustee under the employment income track as defined in Section 102(b)(1) of the Ordinance.

2.27. "Section 102 Non Trustee Track" means grant of Options without a Trustee as defined in Section 102(c) of the Ordinance.

2.28. "Share" means an Ordinary Share, par value NIS 0.01, of the Company, or such other class of shares or other securities as may be applicable pursuant to Section 15 of this Plan.

2.29. "Trustee" shall have the meaning set out in Section 5.1 of this Plan.

2.30. "Vesting Dates" means the date(s) as of which an Optionee shall be entitled to exercise the Options or part of the Options, as set out in Section 8.1 of this Plan (but without derogating from any other conditions, conditions precedent and other restrictions which may apply with respect to actual exercise of any Options, in accordance with the terms and conditions of this Plan and the Option Agreement).

3. ADMINISTRATION OF THE PLAN.

3.1. General. This Plan shall be administered by the Administrator (subject to the provisions under the Company Act). In administering this Plan, the Administrator shall comply with all Applicable Law.

3.2. Powers of the Administrator. Subject to all terms and conditions of this Plan, Applicable Law and the approval of any relevant authorities, the Administrator shall have the authority, in its discretion, to: (i) construe and interpret the terms of this Plan, the Option Agreements and any Options granted pursuant to this Plan, and prescribe, amend and rescind rules and regulations relating to this Plan; (ii) appoint a Trustee; (iii) designate persons to whom Options may be granted, designate the types of Options, and make Elections (as defined below); (iv) grant Options under this Plan; (v) determine the number of Shares to be covered by each Option grant, the Exercise Price, the Vesting Dates, the Fair Market Value of the Shares, and all other terms and conditions which may be determined in accordance with this Plan and the Option Agreement; and (vi) take all other actions and make all other determinations necessary for the administration of this Plan.

3.3. Effect of Administrator's Decision. All decisions, determinations and interpretations of the Administrator shall be final and binding on all Optionees. No member of the Administrator shall be liable for any action or determination made in good faith with respect to this Plan or any Option granted thereunder.

3.4. Grants to Administrator Members. A member of the Administrator shall be eligible to receive Options under this Plan while serving on the Administrator, only in accordance with the provisions of any Applicable Law. If the Administrator is a Committee appointed by the Board, the grant of Options under this Plan to members of such Committee, if any, shall be made by the Board and not by such Committee, and subject to any Applicable Law.

3.5. Certain Options Grants. All grants of Options to Employees and or Non-Emoloyees pursuant to this Plan, shall be authorized and implemented in accordance with the provisions of Applicable Law, including, without limitation, the Companies Law and the Ordinance.

4. ELIGIBILITY.

4.1. The persons eligible for participation in this Plan as Optionees shall include any Employees and/or Non-Employees of the Company or of any Affiliate; provided, however, that (i) Employees may only be granted Options pursuant to the provisions of Section 102 Capital Gain Track, Section 102 Employment Income Track, and Section 102 Non Trustee Track (each, a "Section **102 Track")** and any pre-ruling related thereto and regulations, rules, orders or procedures promulgated thereunder including but not limited to the Income Tax Rules (Tax Benefits in Share Issuance to Employees) 2003; and (ii) Non-Employees may only be granted 3(i) Options.

4.2. As between the Section 102 Capital Gain Track and the Section 102 Employment Income Track, the Company may only grant Option under one of these Section 102 Tracks at any given time and shall elect which in accordance with this provision (the "Election"). The Company shall file its Election with the Israeli income tax authority. The Election shall obligate the Company, and shall apply to all Optionees who were granted Options during the period indicated herein, all in accordance with the provisions of Section 102(g) of the Ordinance. The first Election shall become effective as of the Date of Grant of the first Section 102 Capital Gain Track or 102 Employment Income Track (as applicable) granted under this Plan and shall remain in effect at least until the end of the year following the year during which the Company first granted Section 102 Capital Gain Track or 102 Employment Income Track (as applicable). The Company shall not be entitled to change its Election at least until the lapse of a year from the end of the year in which the first Section 102 Capital Gain Track or 102 Employment Income Track (as applicable) was granted pursuant to the prior Election. Such Election shall not prevent the Company from granting Section 102 Non Trustee Track to Employees or 3(i) Options to Non-Employees simultaneously.

4.3. For avoidance of any doubt, the grant of Options under Section 102 Tracks is subject to (i) the approval of this Plan by the Israeli income tax authority, (ii) filing the Company's Election with the Israeli income tax authority at least thirty (30) days before the first Date of Grant of Options.

4.4. Options under Section 102 Capital Gain Track and Section 102 Employment Income Track shall be held in trust pursuant to the Section 5 of this Plan.

4.5. All Employees and Non-Employees of the Company or any Affiliate of the Company shall be eligible to receive Options under this Plan; provided, however, that Options granted pursuant to Section 102 of the Ordinance shall be granted only to Employees, and provided that Options granted pursuant to Section 3(i) of the Ordinance shall be granted to Non-Employees.

4.6. For the avoidance of any doubt, the designation of Section 102 Capital Gain Track, Section 102 Employment Income Track and Section 102 Non Trustee Track shall be subject to the terms and conditions of Section 102 and the regulations promulgated thereunder. With regards to Section 102 Capital Gain Track and Section 102 Employment Income Track, the provisions of the Plan and/or the Option Agreement shall be also subject to the Tax Assessing Officer's permit, if required, and the said terms and conditions and permit shall be deemed an integral part of the Plan and of the Option Agreement. Any provision of Section 102 and/or the said permit which is necessary in order to receive and/or to keep any tax benefit pursuant to Section 102, which is not expressly specified in the Plan or the Option Agreement, shall be considered binding upon the Company and the Optionees.

4.7. No person shall at any time have a right to receive an Option under this Plan, and any rights under this Plan shall exist only after execution of an Option Agreement.

5. TRUSTEE.

5.1. In case of Election of either Section 102 Capital Gain Track or Section 102 Employment Income Track, the Board shall elect and appoint a Trustee, in accordance with the provisions of Section 102 of the Ordinance for this Plan (the "**Trustee**"). Upon such appointment, a trust agreement, which complies with the relevant and Applicable Law, will be signed between the Trustee and the Company.

5.2. In case of Election of either Section 102 Capital Gain Track or Section 102 Employment Income Track and in the event that a Trustee has been appointed, all Options granted according to this Plan as well as any Shares allocated or issued upon exercise of such Options and/or other shares received subsequently following any realization of rights with respect to such Options and/or Shares, including without limitation bonus shares, shall be held by the Trustee for the benefit of the Optionees for the Restricted Period (as defined below).

5.3. In the event the requirements under Section 102 Capital Gain Track or Section 102 Employment Income Track are not met, then such Options may be treated in accordance with the provisions of Section 102 and any regulations promulgated thereunder.

5.4. In the event that the Company issues Options to the Trustee, the sale or transfer of the Options or the Shares issued upon exercise of the Option shall be restricted for a certain period of time as required under Section 102 (the **"Restricted Period")**. 5.5. Notwithstanding anything to the contrary, the Trustee shall not release any Options or Shares allocated or issued upon exercise of Options under Section 102 Capital Gain Track and Section 102 Employment Income Track prior to the full payment of the Optionee's tax liabilities arising from such Options which were granted to him/her and/or any Shares allocated or issued upon exercise of such Options.

5.6. During the Restricted Period and as long as the applicable tax has not been paid, neither the Option nor the Shares, as the case may be, may be sold, transferred, assigned, pledged or mortgaged (other than through a transfer by will or by operation of law), nor may they be subject of an attachment, power of attorney or transfer deed (other than a power of attorney for the purpose of participation in shareholders meetings or voting such Shares) unless Section 102 and/or the regulations, rules, orders or procedures promulgated thereunder allow otherwise.

5.7. With respect to any Options under Section 102 Capital Gain Track and Section 102 Employment Income Track, subject to the provisions of Section 102 and any rules or regulation or orders or procedures promulgated thereunder, an Optionee shall not be entitled to sell or release from trust any Share received upon the exercise of any such 102 Options and/or any Share received subsequently following any realization of rights, including without limitation, bonus shares, until the lapse of the Restricted Period. Notwithstanding the above, if any such sale or release occurs during the Restricted Period, the sanctions under Section 102 and under any rules or regulation or orders or procedures promulgated thereunder shall apply to and shall be borne by such Optionee.

5.8. The Trustee shall be exempt from any liability in respect of any action or decision duly taken in its capacity as a Trustee, provided, however, that the Trustee acted at all times in good faith.

6. SHARES SUBJECT TO THE PLAN.

Subject to the provisions of Section 15 of this Plan, as of the date this Plan is adopted the maximum aggregate number of Shares which may be received upon the exercise of Options under this Plan and which have been reserved for such purpose, is 12,583,103 Ordinary Shares. The maximum aggregate number of Shares that may be issued under this Plan through ISOs subject to the US Appendix, is 12,583,103 Ordinary Shares. In the event that an outstanding Option or other right for any reason expires or is canceled, the Shares allocable to the unexercised portion of such Option or other right shall be added to the number of Shares then available for issuance under the Plan, including as ISOs. Shares distributed pursuant to this Plan shall consist of authorized but unissued Shares. The Board may, subject to any other approvals required under Applicable Law, increase or decrease the number of Shares to be reserved and subject to Options under the Plan.

If an Option expires or becomes unexercisable without having been exercised in full, the unpurchased Shares which were subject thereto shall become available for grant or sale under this Plan (unless this Plan has terminated); provided, however, that Shares that have actually been issued under this Plan shall not be returned to this Plan and shall not become available for future distribution under this Plan. Any Shares which remain unissued and which are not subject to outstanding Options at the termination of the Plan shall cease to be reserved for the purpose of the Plan, but until termination of the Plan the Company shall at all times reserve sufficient number of Shares to meet the requirements of the Plan.

7. GRANT OF OPTIONS.

Each Option granted pursuant to this Plan shall be evidenced by a written agreement between the Company and the person to whom such Options are granted, in such form as the Administrator shall from time to time approve, at its sole and absolute discretion (an **"Option Agreement")**. Each Option Agreement shall state, among other matters, the number of Shares to which the Option relates, the type of Option granted thereunder (whether a Section 102 Capital Gain Track, Section 102 Employment Income Track, Section 102 Non Trustee Track or a 3(i) Option), the Vesting Dates (if different from the Vesting Dates set out in Section 8.1 of this Plan), the Exercise Price per share, the expiration date and such other terms and conditions as the Administrator in its discretion may prescribe, provided that they are consistent with this Plan.

8. TERM AND VESTING OF OPTIONS.

8.1. Unless stated otherwise in each Option Agreement, and subject to Section 13 hereof, Options shall vest and become exercisable under the following Vesting Dates: (a) twenty-five percent (25%) of the Shares covered by the Option, on the first anniversary of the Date of Grant of such Option, provided that the Optionee is employed by or rendering services to the Company at all times during the period beginning with the Date of Grant of such Option and ending upon the date of exercise thereof, and (b) 1/36 of the Shares covered by the Option at the end of each subsequent month after the first anniversary of the Date of Grant of such Option, provided that the Optionee is employed by or rendering services to the Company at all times during the period beginning with the Date of Grant of such Option and ending upon the date of exercise thereof. Each Option Agreement may contain performance goals and measurements, and in connection with Section 102 Options, only if they meet the applicable requirements of Section 102, and the provisions with respect to any Option need not be the same as the provisions with respect to any other Option.

8.2. Notwithstanding any other provision herein or in an Option Agreement to the contrary, the Administrator may, at any time, at its sole and absolute discretion, amend (accelerate or postpone or delay) any and all Vesting Dates, as the Administrator may deem fit or desirable, including Vesting Dates set forth in any Option Agreement already signed with an Optionee.

8.3. Unless the Administrator determines otherwise, vesting of Options granted hereunder shall be suspended during any unpaid leave of absence, other than in the case of any (a) leave of absence which was pre-approved by the Company for purposes of continuing the vesting of Options, or (b) transfers between locations of the Company or between the Company, any Affiliate, or any respective successor thereof.

8.4. An Option may be subject to such other terms and conditions on the time or times when it may be exercised, as the Administrator may determine, at its sole and absolute discretion.

8.5. Subject to Sections 13 and 16 below, the term of an Option shall expire on such date or dates as the Administrator shall determine at the time of the grant of the Option as detailed in the relevant Option Agreement.

9. EXERCISE PRICE AND METHOD OF PAYMENT.

9.1. The Exercise Price of an Option shall be determined by the Administrator on the Date of Grant of such Option in accordance with Applicable Law and subject to guidelines as shall be suggested by the Board from time to time, provided that the Exercise Price shall not be less that the par value of the Shares underlying the Options.

9.2. The Exercise Price of an Option shall be payable upon the exercise of the Option in a form satisfactory to the Administrator. The Administrator shall have the authority to postpone the date of payment on such terms as it may determine.

10. EXERCISE OF OPTION.

10.1. Any Option granted hereunder shall be exercisable according to the terms of this Plan and at such times and under such conditions as determined by the Administrator and set forth in the Option Agreement. An Option may not be exercised for a fraction of a Share.

10.2. An Option shall be deemed exercised when the Company receives: (i) a written or electronic notice of exercise (in accordance with the Option Agreement) from the person entitled to exercise the Option, in such form and method as may be determined by the Company and when applicable, by the Trustee in accordance with the requirements of Section 102, (ii) full payment of the Exercise Price for such Shares with respect to which the Option is exercised, and (iii) the Proxy and any other deliverable as may be stipulated in the Option Agreement. Shares issued upon exercise of an Option shall be issued in the name of the Optionee, provided that Shares issued upon exercise of any Option which was granted under Section 102 Capital Gain Track or under Section 102 Employment Income Track and as long as it is held by the Trustee, shall be issued in the name of the Trustee for the benefit of the Optionee.

10.3. If any law or regulation requires the Company to take any action with respect to the Shares specified in such notice of exercise before the issuance thereof, then the date of their issuance shall be extended for the period necessary to take such action.

10.4. In addition to the provisions of Section 10.2 above, a 3(i) Option may not be exercised unless, at the time the Optionee gives notice of exercise to the Company, the Optionee includes with such notice: (i) a valid certificate issued by the ITA exempting the issuance of the Shares upon the exercise of the Options from Israeli withholding tax as source to the full satisfaction of the Administrator, (ii) payment in cash or by bank check of all withholding taxes due, if any, on account of his or her acquired Shares under the Option, or (iii) gives other assurance satisfactory to the Administrator of the payment of those withholding taxes.

10.5. Exercise of an Option in any manner shall result in a decrease in the number of Shares thereafter available, both for purposes of this Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

10.6. If any Option or part thereof has not been exercised prior to its expiration date, such option, or part thereof, and all interests and rights of the Optionee therein shall immediately expire.

11. TERM OF OPTION.

The term of an Option shall expire on such date or dates as the Administrator shall determine at the time of the grant of the Option; provided, however, that subject to Section 13 of this Plan, the term of each Option shall not exceed ten (10) years from the Date of Grant thereof. At the end of this period, all unexercised Options shall expire, unless otherwise specifically authorized in writing by the Administrator.

12. NON-TRANSFERABILITY OF OPTIONS.

Unless specifically authorized otherwise in writing by the Administrator, no Options may be sold, pledged, assigned, hypothecated, transferred, mortgaged, seized or given as collateral or disposed of in any manner other than by will or by the laws of descent or distribution and shall not be subject to sale under execution, attachment, levy or similar process, and an Option may be exercised during the lifetime of the Optionee only by such Optionee or by such Optionee's heirs. Subject to the above provisions, the terms of such Option shall be binding upon the beneficiaries, executors, administrators, heirs and successors of such Optionee.

Any such action mentioned above, made not in accordance with this Section 11 shall be void.

13. TERMINATION.

Upon the termination or cancellation of the Optionee's engagement with the Company or any of its Affiliates, for any reason whatsoever, the following provisions shall apply:

13.1. In the event of termination of Optionee's engagement with the Company or any of its Affiliates, all Options granted to the Optionee which are not vested at the time of such termination shall terminate and the Shares covered by such Options shall revert to this Plan. For the avoidance of doubt, unless expressly stated otherwise in the Optionee's Option Agreement, in any case of termination of engagement, the unvested portion of the Optionee's Options shall not continue to vest and shall immediately expire.

13.2. In the event of termination of Optionee's engagement with the Company or any of its Affiliates, all Options granted to the Optionee, which are vested and exercisable at the time of such termination, may, unless earlier terminated in accordance with the Option Agreement, be exercised by the Optionee within three (3) months after the date of such termination (or such different period as the Administrator shall prescribe), but in no event later than the expiration of the term of such Option as set forth in this Plan or the Option Agreement. If any Options are not so exercised, they shall terminate and the Optionee shall have no further rights to purchase Shares pursuant to such Options, and the Shares covered by such Options shall revert to this Plan.

13.3. In the event of termination of Optionee's engagement with the Company or any of its Affiliates, by reason of death or Disability (as such term is defined below), all Options granted to the Optionee, which are vested and exercisable at the time of such termination, may, unless earlier terminated in accordance with the Option Agreement, be exercised by the Optionee, the Optionee's legal guardian, the Optionee's estate or a person who acquires the right to exercise the Option by bequest or inheritance, as the case may be, upon the earlier of a closing of a Transaction (defined below) or within twelve (12) months after termination (or such different period as the Administrator shall prescribe), but in no event later than the expiration of the term of such Option as set forth in this Plan or the Option Agreement. If any Options are not so exercised, they shall terminate and the Optionee shall have no further rights to purchase Shares pursuant to such Options, and the Shares covered by such Options shall revert to this Plan.

For purposes hereof, "**Disability**" shall mean the inability, due to illness or injury, to engage in any gainful occupation for which the individual is suited by education, training or experience, which condition continues for at least six (6) consecutive months or an aggregate of six (6) months in any twelve (12)-month period, and provided that the Company is provided with full written evidence, documents and any other information which the Company shall required in order to verify the existence of any such Disability.

13.4. Notwithstanding the above provisions of this Section 13, in the event of termination of Optionee's engagement with the Company or any of its Affiliates for Cause, any and all Options held by such Optionee (whether or not vested) shall terminate immediately and the Optionee shall have no further rights to purchase Shares pursuant to such Options, and the Shares covered by such Options shall revert to this Plan. It is hereby clarified that a transfer of Optionee from the employment or engagement with the Company to any Affiliate (or vice versa) or between Affiliates, shall not be deemed a termination of Optionee's engagement for purposes hereof.

13.5. Notwithstanding the above provisions of this Section 13, in the event that at any time following the date of termination of Optionee's engagement with the Company and/or its Affiliate, the Optionee shall violate or breach the terms of any agreement or contract applying to him or her (such as the provisions of any confidentiality, non-complete or invention assignment agreement, or of any waiver and/or release signed by the Optionee), then any and all Options held by such Optionee (whether or not vested) shall terminate immediately and the Optionee shall have no further rights to purchase Shares pursuant to such Options, and the Shares covered by such Options shall revert to this Plan.

13.6. With respect to any Options granted under the Section 102 Non Trustee Track, in the event of termination of Optionee's engagement with the Company or any of its Affiliates, then the Optionee shall obtain and maintain with the Company and/or its Affiliates security or guarantee for the payment of tax due at the time of sale of Options, all in accordance with the provisions of Section 102.

14. **RIGHT OF REPURCHASE.**

Notwithstanding anything in this Plan to the contrary, in the event that the Optionee shall have exercised any Options and at any time thereafter, (a) during the term of the Optionee's engagement with the Company and/or any Affiliate, there shall occur any event defined as a Cause, or (b) at any time after the termination of the Optionee's engagement with the Company and/or any Affiliate, the Optionee shall violate or breach the terms of any agreement or contract applying to him or her (such as the provisions of any confidentiality, non-complete or invention assignment agreement, or of any waiver and/or release signed by the Optionee), then the Company shall have the right and authority to: (i) repurchase all of the Shares held by the Optionee, or designate any other person or entity who shall have the right and authority to purchase all of the shares held by the Optionee, for the Exercise Price paid for such shares; or (ii) forfeit all such Shares, or (iii) redeem all such Shares for their par value (or for less than that amount, if allowed under Applicable Law), or (iv) take action in order to have such Shares converted into deferred shares entitling their holder only to their par value upon liquidation of the Company, or (v) take any other action which may be required in order to achieve similar results—all as shall be determined by the Company, at its sole and absolute discretion, and, by execution of the Option Agreement, the Optionee is deemed to irrevocably empower the Company or any person which may be designated by it to take any action by, in the name of or on behalf of the Optionee to comply with any such actions, including, inter alia, voting such shares, filling in, signing and delivering share transfer deeds, etc.

15. **ADJUSTMENTS UPON CHANGES IN CAPITALIZATION**.

In the event of a share split, reverse share split, share dividend, recapitalization, combination or reclassification of the Shares, or any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company (but not the conversion of any convertible securities of the Company), the Administrator shall make an appropriate adjustment in the number of Shares related to each outstanding Option, the number of Shares reserved for issuance under this Plan, as well as the Exercise Price per Share of each outstanding Option, and in connection with 102 Options – subject, if required, to an approval to be obtained from the ITA, provided however, that any fractional shares resulting from such adjustment shall be rounded down to the nearest whole share unless otherwise determined by he Administrator. Except as expressly provided herein, no issuance by the Company of Shares of any class, or securities convertible into Shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares subject to an Option.

16. **MERGER ORACQUISITION TRANSACTION.**

In the event of (i) a sale of all or substantially all of the assets of the Company; or (ii) a sale (including an exchange) of all or substantially all of the shares of the Company; or (iii) a merger, consolidation, amalgamation or like transaction of the Company with or into another corporation; or (iv) a scheme of arrangement for the purpose of effecting such sale, merger or amalgamation (all such transactions being herein referred to as a **"Transaction"**), then, without the Optionee's consent and action:

16.1. The Administrator in its sole and absolute discretion may cause that any Option then outstanding shall be assumed or an equivalent award shall be substituted by such successor corporation in the Transaction or any parent or Affiliate thereof, as determined by the Administrator is its discretion (the "**Successor Company**"), under substantially the same terms as the Option; and

16.2. In case the Successor Company does not agree to assume the Options or to substitute for an equivalent award, then the Administrator may (but shall not be obligated to), in lieu of such assumption or substitution of the Option and in its sole discretion, (i) provide for the Optionee to have the right to exercise the Option as to all or part of the Shares, including Shares covered by the Option which would not otherwise be exercisable, under such terms and conditions as the Administrator shall determine, including the cancellation of all unexercised Options upon closing of the Transaction; and/or (ii) provide for the cancellation of each outstanding Option at the closing of such Transaction, against payment to the Optionee of an amount in cash equal to (a) the Fair Market Value, as reflected under the terms of the Transaction, of each Share covered by the vested portion of any Option, minus (b) the Exercise Price of each Share covered by such vested portion of such Option.

16.3. Notwithstanding the foregoing, in the event of a Transaction, the Administrator may determine, in its sole discretion, that upon completion of such Transaction, the terms of any Option be otherwise amended, modified or terminated, as the Administrator shall deem in good faith to be appropriate, and/or that the Option shall confer the right to purchase or receive any other security or asset, including cash, or any combination thereof, or that its terms be otherwise amended or modified, as the Administrator shall deem in good faith to be appropriate. Neither the authorities and powers of the Administrator under this Section 16, nor the exercise thereof, shall (i) be restricted or limited in any way by any adverse consequences (tax or otherwise) that may result to any Optionee; and (ii) *inter alia*, as being a feature of the Option upon its grant, be deemed to constitute a change or an amendment of the rights of such Optionee under this Plan, nor shall any such consequences that may result to any Optionee be deemed to constitute a change or an amendment of the rights of such Optionee under this Plan.

17. **RESERVATION OF RIGHTS**.

Except as expressly provided otherwise in this Plan, Optionees shall have no rights by reason of any subdivision or consolidation of Shares of any class or the payment of any share dividend (bonus shares), any other increase or decrease in the number of Shares of any class or by reason of any dissolution, liquidation, Transaction, or consolidation, divestiture or spin-off of assets or shares of another company. Any issue by the Company of Shares of any class, or securities convertible into Shares of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number, type or price of Shares subject to an Option. The grant of Options pursuant to this Plan shall not affect in any way the right of power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structures or to merge or to consolidate or to dissolve, liquidate or sell, or transfer all or part of its business or assets or engage in any similar transactions.

18. **TRANSFERABILITY AND RESTRICTIONS APPLYING TO THE SHARES.**

18.1. Unless otherwise determined by the Administrator, until the consummation of an IPO, the Shares issued under this Plan shall be subject to all restrictions on transfer applicable to the shares of the Company (including without limitation, rights of first refusal, bring along rights, no-sale, market stand-off and tag-along rights), as stated in the Company's Articles, and in any shareholders agreement applicable to all or

substantially all of the Company's holders of Shares, regardless of whether or not the Optionee is party to such shareholders agreement. Until an IPO, unless otherwise determined by the Administrator, an Optionee shall not have the right to transfer any Shares except for in accordance with and subject to the applicable provisions under the Company's Articles.

18.2. The Company shall not register any transfer of Shares not made in accordance with the provisions of this Plan, the Company's Articles and any Applicable Law.

18.3. Anything herein to the contrary notwithstanding, if, prior to the closing of an IPO, all or substantially all of the shares of the Company are to be sold, or upon a Transaction, all or substantially all of the shares of the Company are to be exchanged for securities of another company, then the Optionee shall be obliged to sell or exchange, as the case may be, all Shares such Optionee purchased under this Plan, in accordance with the instructions then issued by the Board, whose determination shall be final.

18.4. Unless specifically otherwise authorized by the Company, the Optionee will be subject to a lock-up period as determined by the Company and the underwriters and Applicable Law.

18.5. By exercising an Option hereunder, the Optionee agrees not to sell, transfer or otherwise dispose any of the Shares so purchased except in compliance with the United States Securities Act of 1933, as amended, ("the Securities Act") and the rules and regulations thereunder or any other Applicable Law, and the Optionee further agrees that all certificates evidencing any of such shares shall be appropriately legended to reflect such restrictions, if and whenever so required by the Company. Nothing herein shall be deemed to require the Company to register the Shares under the securities laws of any jurisdiction.

18.6. The Optionee represents that the Shares received under this Plan are acquired for investment for its own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that the Optionee has no present intention of selling, granting any participation in, or otherwise distributing the same.

19. **RIGHTS AS A SHAREHOLDER; VOTING AND DIVIDENDS.**

19.1. The Optionee shall have no rights of a shareholder with respect to the Shares subject to the Option until the Optionee shall have exercised the Option, paid the Exercise Price thereof and become the record holder of the Shares, as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company.

19.2. Upon their issuance, the Shares shall carry equal voting rights on all matters where such vote is permitted by Applicable Law, and the Optionee shall be entitled to receive dividends in accordance with the number of such Shares, and subject to any applicable taxation on distribution of dividends, and when applicable subject to the provisions of Section 102 and the rules, regulations or orders promulgated thereunder. No adjustment will be made for a dividend or other shareholder right for which the record date precedes the date of issuance of the Shares, except as provided in Section 15 of this Plan.

19.3. Until the consummation of an IPO, the Shares issued upon exercise of an Option shall be voted by an irrevocable proxy (the "**Proxy**"), such Proxy to be assigned to the person or persons designated by the Board to vote the Shares for the benefit of the Optionee (the **"Proxy Holder")**. The Proxy Holder shall be indemnified and held harmless by the Company and the Optionee against any cost or expense (including counsel fees) reasonably incurred by him/her, or any liability (including any sum paid in settlement of a claim with the approval of the Company) arising out of any act or omission to act in connection with the voting of such Proxy unless arising out of the Proxy Holder's own fraud or bad faith, to the extent permitted by Applicable Law. Such indemnification shall be in addition to any rights of indemnification the Proxy Holder may have as a director or otherwise under the Company's Articles, any agreement, any vote of shareholders or disinterested directors, insurance policy or otherwise.

19.4. The provisions of this Section 19 shall apply both to the Optionee and to any purchaser, assignee or transferee of any Shares.

19A. RESTRICTED SHARES; REPURCHASE

19A.1 Definitions. In addition to the definitions otherwise set forth in this Plan, in this Section 0 the following definitions shall apply:

19A.1.2 "**Participant**" means an Employee or a Non-Employee that is granted with a Restricted Share under this Plan;

19A.1.3 "**Restricted Share Purchase Agreement"** an agreement between the Company and a Participant that evidences and sets out the terms and conditions of a Restricted Share (such as a repurchase agreement, stock restriction agreement or any other agreement relating to Restricted Shares of the Company that the Administrator shall have determined to be subject to the terms of this Plan). Any specific Restricted Share Purchase Agreement may contain such other provisions, not inconsistent with this Plan, as the Administrator may, from time to time, deem advisable;

19A.1.4 "Restricted **Shares"** means Shares issued to a Participant pursuant to this Section 0.

19A.2 Rights to Purchase. Restricted Shares may be issued to Participants under the Plan either alone, in addition to, or in tandem with other awards granted under the Plan and/or cash awards made outside of the Plan. After the Administrator determines that it will offer Restricted Shares under the Plan, it shall advise the offeree in writing or electronically of the terms, conditions and restrictions related to the offer, including the number of Shares that such person shall be entitled to purchase, the price to be paid, and the time within which such person must accept such offer. The offer shall be accepted by execution of a Restricted Share Purchase Agreement in the form determined by the Administrator.

19A.3 Repurchase Right. The Restricted Shares shall be subject to a repurchase right of the Company or its designee, so that in the event of termination of service of the Participant, the Company shall have a right to repurchase the Restricted Shares at the purchase price actually paid by the Participant for such Restricted Shares (the "**Repurchase Right")**. The Company shall be entitled to exercise the Repurchase Right at any time following the effective date of termination and until the applicable termination as set forth in Section 13 above . The number of Restricted Shares that the Company shall be entitled to repurchase under the Repurchase Right shall be reduced over time, pursuant to a vesting schedule described in the Restricted Share Purchase Agreement. The Company shall have the right and authority to: (i) repurchase all of the Restricted Shares not vested, or designate any other person(s) or entity(ies) who shall exercise the Repurchase Right; or (ii) forfeit all such Restricted Shares, or (iii) redeem all such Restricted Shares, or (iv) take action in order to

have such Restricted Shares converted into deferred shares entitling their holder only to their par value upon liquidation of the Company, or (v) take any other action which may be required in order to achieve similar results—all as shall be determined by the Company, at its sole and absolute discretion, and, by execution of the Restricted Share Agreement, the Participant is deemed to irrevocably empower the Company or any person which may be designated by it to take any action by, in the name of or on behalf of the Participant to comply with any such actions, including, inter alia, voting such shares, filling in, signing and delivering share transfer deeds, etc This Section does not derogate from the provisions of Sections 13.4 and 14 above, which shall apply, *mutatis mutandis.* The Administrator may determine that the terms of any specific Restricted Share Purchase Agreement shall vary from the above.

19A.4 Other Provisions. The Restricted Share Purchase Agreement shall contain such other terms, provisions and conditions not inconsistent with this Plan as may be determined by the Administrator in its sole discretion. Except if the context otherwise requires, any reference in this Plan or the US Appendix to "Option" and "Optionee" shall be deemed as a reference to "Restricted Shares" and "Participant", *mutatis mutandis.*

19A.5 Rights as a Shareholder. Once a Participant is issued with Restricted Shares, the Participant shall have rights equivalent to those of a shareholder and shall be a shareholder when his or her purchase is entered upon the registry of shareholders or records of the duly authorized transfer agent of the Company, subject, however, to all rights and restrictions imposed on an Optionee and/or a holder of Shares by virtue of this Plan, *mutatis mutandis.* The Administrator shall determine in any specific Restricted Share Purchase Agreement, whether the Participant is required to provide a Proxy for the voting of his/her Restricted Shares. No adjustment shall be made for a dividend or other right for which the record date is prior to the date the Repurchase Right is exercised, except as provided in Section **Error! Reference source not found.** above.

19A.6 Notwithstanding the above provisions of this Section 19A and subject to any applicable law, the Administrator may determine otherwise with respect to certain Restricted Share Purchase Agreement.

20. **NO REPRESENTATION BY COMPANY.**

By granting an Option, the Company is not, and shall not be deemed as, making any representations or warranties to the Optionee regarding the Company, its business affairs, its prospects or the future value of its Shares.

21. **TAX CONSEQUENCES.**

21.1. Any tax consequences arising from the grant of any Option or exercise of any Option or from the payment for Shares or from the sale of Shares or from any other event or act (whether of the Optionee or of the Company or its Affiliates or of the Trustee) hereunder, shall be borne solely by the Optionee. The Company and/or the Trustee shall withhold taxes according to the requirements under Applicable Law, including withholding taxes at source and under Section 102. Furthermore, the Optionee shall indemnify the Company and/or Affiliate that employs the Optionee and/or the Trustee, and/or the Company's shareholders and/or directors and/or officers if applicable, and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Optionee.

21.2. Except as otherwise required by law, the Company shall not be obligated to honor the exercise of any Option by or on behalf of an Optionee until all tax consequences (if any) arising from the exercise of such Options or sale of Shares are resolved to the full satisfaction of the Company. Without derogating from the above, the Company and/or, when applicable, the Trustee shall not be required to release any Share certificate to an Optionee until all required payments have been fully made.

21.3. For avoidance of any doubt, the Options granted to the Optionee under Section 102 Capital Gain Track or Section 102 Employment Income Track (with Trustee) will be held by the Trustee. The Trustee will hold the Options in trust and withhold any tax due to the Israeli Tax Authorities according to the trust agreement, this Plan and any Applicable Law.

22. **TERM, TERMINATION AND AMENDMENT OF THE PLAN**.

22.1. This Plan shall become effective upon its adoption by the Board and in accordance with Section 102 and Options may be granted hereunder until the lapse of ten (10) years from the date of its adoption, unless this Plan is sooner terminated. Notwithstanding the foregoing, in the event that the approval of this Plan by the shareholders of the Company is required under Applicable Law, such approval shall be obtained within the time required under Applicable Law.

22.2. Subject to Applicable Law, the Board may, at any time, terminate this Plan, and apply such termination also to any grants of securities made under this Plan prior to that date, thus terminating such grants and all Options and rights granted under this Plan and all applicable Option Agreements. Termination of this Plan shall not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Options granted under this Plan prior to the date of such termination.

22.3. Subject to Applicable Law and to the provisions of the Company's Articles, the Board may, at any time and from time to time, amend, alter or change any and all provisions of this Plan, and any such amendment, alteration or change shall apply both with respect to all grants made prior to the date of such amendment, alteration or change (without the need of any approval or consent of the Optionee who may then be party to an executed Option Agreement), as well as with respect to any future grants which may be made by the Board.

23. **LEGAL COMPLIANCE**.

Shares shall not be issued pursuant to the exercise of an Option, unless the exercise of such Option and the issuance and delivery of such Shares shall comply with Applicable Law as determined by counsel to the Company. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue such Shares as to which such requisite authority shall not have been obtained.

24. **CONTINUANCE OF EMPLOYMENT OR HIRED SERVICES**.

Neither this Plan nor the grant of any Options hereunder shall impose any obligation on the Company or any Affiliate thereof to continue the employment or service of any Optionee, and nothing in this Plan or in any Option Agreement shall confer upon any Optionee any right to continue in the employ or service of the Company or an Affiliate thereof, or restrict the right of the Company or an Affiliate to terminate such employment or service at any time.

25. **INABILITY TO OBTAIN AUTHORITY**.

The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company to be necessary to the lawful issuance of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

26. **MULTIPLE AGREEMENTS**.

The terms of each Option and Option Agreement may differ from other Options granted and other Option Agreement executed under this Plan at the same time. The Administrator may also grant more than one Option to a given Optionee during the term of this Plan in addition to one or more Options previously granted to that Optionee.

27. **RULES PARTICULAR TO SPECIFIC JURISDICTIONS.**

Notwithstanding anything herein to the contrary, the terms and conditions of this Plan may be amended with respect to a particular jurisdiction by means of an appendix to the Plan which provide for terms and conditions specific to the jurisdiction to which such appendix shall apply (each, a **"Territory Appendix")**. To the extent that the terms and conditions set forth in any Territory Appendix shall conflict with any provisions of this Plan, the provisions of the Territory Appendix shall govern with respect to the jurisdiction to which such Territory Appendix applies. Terms and conditions set forth in each Territory Appendix shall apply only to Options granted under the jurisdiction that is the subject of the Territory Appendix. The adoption of any Territory Appendix shall be subject to the approval of the Administrator.

28. **GOVERNING LAW AND JURISDICTION.**

This Plan shall be governed by and construed and enforced in accordance with the laws of the State of Israel, without giving effect to the principles of conflict of laws. The competent courts of Tel-Aviv, Israel shall have sole jurisdiction in any matters pertaining to this Plan.

29. **NON-EXCLUSIVITY OF THE PLAN.**

The adoption of this Plan by the Board shall not be construed as amending, modifying or rescinding any previously approved incentive arrangement or as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of share options otherwise than under this Plan, and such arrangements may be either applicable generally or only in specific cases.

30. **MISCELLANEOUS.**

30.1. Severability. If any provision of this Plan or any Option Agreement shall be determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions hereof and thereof shall be severable and enforceable in accordance with their terms, and all provisions shall remain enforceable in any other jurisdiction. In addition, if any particular provision contained in this Plan shall for any reason be held to be excessively broad as to duration, geographic scope, activity or subject, it shall be construed by limiting and reducing such provision as to such characteristic so that the provision is enforceable to fullest extent compatible with the applicable law as it shall then appear.

30.2. Captions and Titles. The use of captions and titles in this Plan or any Option Agreement is for the convenience of reference only and shall not affect the meaning of any provision of the Plan or such agreement.

* * *

WALKME LTD.

APPENDIX – UNITED STATES

TO THE AMENDED 2012 SHARE OPTION PLAN

1. GENERAL

1.1. This appendix (the "**Appendix**") shall apply only to participants who are residents of the United States for US income tax purposes (the "**US Optionees**"). The provisions specified hereunder shall form an integral part of the 2012 Share Option Plan of WalkMe Ltd. (the "**Plan**" and the "**Company**", respectively), which applies to the issuance of Options to purchase Shares of the Company.

1.2. This Appendix is to be read as a continuation of the Plan and only refers to Options granted to US Optionees so that they comply (or are exempt from the application of, as the case may be) with the requirements of Section 409A of the Internal Revenue Code (the "**Code**") and/or Section 422 of the Code, as and any regulations, rules, procedures or other guidance promulgated thereunder, as may be amended or replaced from time to time. For the avoidance of doubt, this Appendix does not add to nor modify the Plan in respect of Optionees who are non-US Optionees.

1.3. The Plan and this Appendix are intended to be complementary to each other and shall be deemed one. In any case of contradiction, whether explicit or implied, between the provisions of this Appendix and the Plan, the provisions set out in this Appendix shall prevail with respect to Options granted to US Optionees.

1.4. Options granted under the Plan are intended either to be exempt from the rules of Section 409A of the Code or to satisfy those rules, and the Plan and such Options shall be construed accordingly. Grants may be modified at any time, in the Board's discretion, so as to increase the likelihood of exemption from or compliance with the rules of Section 409A of the Code. Notwithstanding the foregoing, neither the Company nor the Board or any committee thereof shall have any liability to any Participant, or to any other party, if an Option (or any portion thereof), whether prior to or subsequent to any such modification that may be made, is determined to be subject to the provisions of Section 409A of the Code.

1.5. Any capitalized term not specifically defined in this Appendix shall be construed according to the interpretation given to it in the Plan.

2. DEFINITIONS

As used in the Plan, the following capitalized words shall have the meanings indicated:

2.1. "**Affiliate**" means a "parent corporation" or "subsidiary corporation" of the Company within the meaning of Section 424(e) or Section 424(f), as the case may be, of the Code, and any other business venture (including without limitation any joint venture or limited liability company) in which the Company has a significant interest, as determined by the Board.

2.2. "**Code**" means the Internal Revenue Code of 1986, as amended.

2.3. "**Disability**", except as provided in an applicable Option Agreement, means "disability" as such term is defined in Section 22(e)(3) and 409A (a)(2)(c)(i) of the Code.

2.4. "**Disqualifying Disposition**" means any disposition (within the meaning of Section 424(c) of the Code) of Shares acquired upon the exercise of an ISO before the later of (a) two years after the Participant was granted the ISO or (b) one year after the Participant acquired the Shares by exercising the ISO.

2.5. "**Fair Market Value**" shall have the meaning ascribed to it in the Plan, provided, however, that for purposes of a grant of an NQO or other share-based Option, the fair market value of such Share shall be determined in a manner consistent with Section 409A Authority.

2.6. "**Incentive Stock Option**" or "**ISO**" means an option to purchase Shares granted to a Participant under the Plan that is intended to meet the requirements of Section 422 of the Code.

2.7. "**Nonqualified Stock Option**" or "**NQO**" means an option to purchase Shares granted to an eligible Participant under the Plan that is not intended to be an ISO.

2.8. "**Option**" means an ISO or an NQO.

2.9. "**Participant**" means an individual or entity selected by the Board to receive an Option under the Plan.

2.10. "**Section 409A Authority**" means Section 409A of the Code, the final Treasury Regulations and any further guidance issued by the Internal Revenue Service.

2.11. "**Voting Securities**" means with respect to any corporation or other entity, securities having the right to vote in an election of the board of directors, or the equivalent of a board of directors, of such corporation or other entity.

3. MAXIMUM AWARD

Subject to adjustment pursuant to the Plan, if at any time the Company is a public company within the meaning of Section 162(m) of the Code, the number of Shares in respect of which a Participant may receive Options under the Plan in any year shall not exceed 50% of the shares subject to the Plan.

4. SHARE OPTIONS

4.1. The Board may grant ISOs, NQOs or a combination thereof; *provided, however*, that Participants who are not employees of the Company or an Affiliate may not be granted ISOs. Neither the Company nor the Board nor any committee thereof shall have any liability to any Participant, or to any other party, if an Option (or any portion thereof) that is intended to be an ISO is determined not to be an ISO (including, without limitation, due to a determination that the exercise price per Share of the Option was less than the Fair Market Value per Share of the Shares subject to the Option as of the Date of Grant).

4.2. Except as set forth in the applicable Option Agreement, no Option shall be transferable by the Participant other than by will or the laws of descent and distribution, and all Options shall be exercisable, during the Participant's lifetime, only by the Participant. In no event shall ISOs be transferable by the Participant other than by will or the laws of descent and distribution.

4.3. Certain Additional Provisions for Incentive Stock Options:

4.3.1. *Aggregate Value*. The aggregate Fair Market Value (determined on the Date of Grant(s)) of the Shares with respect to which ISOs are exercisable for the first time by any Participant during any calendar year (under all plans of the Company and its Affiliates) shall not exceed $100,000.

4.3.2. *Exercise Price.* In the case of an ISO, the exercise price shall be not less than 100% of the Fair Market Value on the Date of Grant of the Shares subject to the Option; *provided, however,* that if on the date of Grant the Participant (together with persons whose share ownership is attributed to the Participant pursuant to Section 424(d) of the Code) owns shares possessing more than 10% of the total combined voting power of all classes of shares of the Company or any Affiliate, the exercise price shall be not less than 110% of the Fair Market Value on the Date of Grant of the Shares subject to the Option.

4.3.3. *Eligibility.* ISOs may be granted only to persons who are employees of the Company or an Affiliate on the Date of Grant.

4.3.4. *Expiration.* No ISO may be exercised after the expiration of ten (10) years from the Date of Grant; *provided, however,* that if the Option is granted to a Participant who, together with persons whose share ownership is attributed to the Participant pursuant to Section 424(d) of the Code, owns shares possessing more than 10% of the total combined voting power of all classes of shares of the Company or any Affiliate, the ISO may not be exercised after the expiration of five years from the Date of Grant.

4.3.5. *Compliance with Section 422 of the Code.* The terms and conditions of ISOs shall be subject to and comply with Section 422 of the Code or any successor provision.

4.3.6. *Notice to Company of Disqualifying Disposition.* Each Participant who receives an ISO agrees to notify the Company in writing within ten days after the Participant makes a Disqualifying Disposition of any Shares received pursuant to the exercise of the ISO.

4.3.7. *Substitute Options.* Notwithstanding the provisions of Section 4.3.1, in the event that the Company or any Affiliate consummates a transaction described in Section 424(a) of the Code (relating to the acquisition of property or stock from an unrelated corporation), individuals who become employees or consultants of the Company or any Affiliate on account of such transaction may be granted ISOs in substitution for options granted by their former employer. The Board, in its sole discretion and consistent with Section 424(a) of the Code, shall determine the exercise price of such substitute Options.

4.4. An Option granted hereunder shall be presumed to be a NQO unless expressly designated as an ISO in the applicable Option Agreement.

5. GENERAL PROVISIONS APPLICABLE TO OPTION GRANTS

5.1. The delivery of Shares shall be subject to compliance with (i) applicable federal and state laws and regulations, (ii) if the outstanding Shares are listed at the time on any stock exchange, the listing requirements of such exchange and (iii) the Company's counsel's approval of all other legal matters in connection with the issuance and delivery of the Shares. If the sale of the Shares has not been registered under the Securities Act, the Company may require, as a condition to delivery of the Shares, such representations or agreements as counsel for the Company may consider appropriate to avoid violation of such Act and may require that the certificates evidencing the Shares bear an appropriate legend restricting transfer.

5.2. The terms and provisions of a grant shall be set forth in an Option Agreement approved by the Board and delivered or made available to the Participant as soon as practicable following the Date of Grant. The Option Agreement shall specify whether the Option is intended to be an ISO or a NQO.

5.3. The vesting, exercisability, payment and other restrictions applicable to a grant (which may include, without limitation, restrictions on transferability or provision for mandatory resale to the Company) shall be determined by the Board and set forth in the applicable Option Agreement. Notwithstanding the foregoing and except as provided in an applicable Option Agreement, the Board may accelerate (i) the vesting or payment of any grant (including an ISO), (ii) the lapse of restrictions on any grant; and (iii) the date on which any grant first becomes exercisable.

6. CERTAIN TAX MATTERS

6.1. In the case of any NQO, the Board may require the Participant to remit to the Company an amount sufficient to satisfy the minimum statutory federal, state and local withholding tax obligations of the Company with respect to the exercise of such NQO (or make other arrangements satisfactory to the Board with regard to such taxes, including withholding from regular cash compensation, providing other security to the Company, or remitting or foregoing the receipt of Shares having a Fair Market Value on the date of delivery sufficient to satisfy such minimum statutory obligations) prior to the delivery of any Shares in respect of such NQO.

6.2. In the case of an ISO, if at the time the ISO is exercised the Board determines that under applicable law and regulations the Company could be liable for the withholding of any federal, state or local tax with respect to a disposition of the Shares received upon exercise, the Board may require the Participant to agree to give such security as the Board deems adequate to meet the potential liability of the Company for the withholding of tax, and to augment such security from time to time in any amount reasonably deemed necessary by the Board to preserve the adequacy of such security.

6.3. With respect to any Participant subject to Section 16(a) of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”), any retention of Shares by the Company to satisfy a tax obligation with respect to such Participant shall be made in compliance with any applicable requirements of Rule 16b-3(e) or any successor rule under the Exchange Act.

6.4. The Company may, to the extent permitted by law, deduct any tax obligations of a Participant from any payment of any kind otherwise due to the Participant.

7. ADJUSTMENTS

A Participant’s rights shall not be adjusted without the Participant’s consent and, in the case of an ISO unless the Board so determines. Any such adjustments shall be done on terms and conditions consistent with any applicable Section 409A Authority.

8. **SETTLEMENT**

No Shares shall be delivered in connection with any Option unless and until (i) the requirements of this Section 8 and of the relevant Option Agreement have been satisfied and (ii) payment in full of the price therefor, if any, is received by the Company. Such payment may be made in whole or in part in cash or by check or, to the extent permitted by the Board at or after the Grant Date, by delivery of (A) a promissory note that (x) bears interest at a rate determined by the Board to be a fair market rate for the individual Participant at the time the Shares are issued, (y) is full recourse (including with respect to the payment of interest) to the Participant, and (z) contains such other terms as may be determined by the Board (and, if required by applicable law, delivery by the Participant of cash or check in an amount equal to the aggregate par value of the Shares purchased), (B) Shares valued at their Fair Market Value on the date of exercise, or (C) such other lawful consideration as the Board shall determine.

9. **GOVERNING LAW & JURISDICTION**

This Appendix shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, without giving effect to the principles of conflict of laws.

AMENDMENT TO WALKME LTD. RESTATED 2012 SHARE OPTION PLAN

1. The first paragraph of Section 6 of the Plan is hereby amended and restated in its entirety to read as follows:

"Subject to the provisions of Section 15 of this Plan, the maximum aggregate number of Shares which may be received upon the exercise of Options under this Plan and which have been reserved for such purpose, is 20,074,493 Shares**.** The maximum aggregate number of Shares that may be issued under this Plan through ISOs subject to the US Appendix, is 20,074,493 Shares. In the event that an outstanding Option or other right for any reason expires or is canceled, the Shares allocable to the unexercised portion of such Option or other right shall be added to the number of Shares then available for issuance under the Plan, including as ISOs. Shares distributed pursuant to this Plan shall consist of authorized but unissued Shares. The Board may, subject to any other approvals required under Applicable Law, increase or decrease the number of Shares to be reserved and subject to Options under the Plan."

2. Except as otherwise provided in this Amendment, the Plan shall remain in full force and effect.

Adopted by Board of Directors May 3 2021; adopted by Shareholders May 11, 2021

WalkMe Ltd .
2021 SHARE INCENTIVE PLAN

Unless otherwise defined, terms used herein shall have the meaning ascribed to them in Section 2 hereof.

1. PURPOSE; TYPES OF AWARDS; CONSTRUCTION.

1.1. Purpose. The purpose of this 2021 Share Incentive Plan (as amended, this "Plan") is to afford an incentive to Service Providers of WalkMe Ltd., an Israeli company (together with any successor corporation thereto, the "Company"), or any Affiliate of the Company, which now exists or hereafter is organized or otherwise becomes an Affiliate (e.g. if it is acquired by the Company or its Affiliates), to continue as Service Providers, to increase their efforts on behalf of the Company or its Affiliates and to promote the success of the Company's business, by providing such Service Providers with opportunities to acquire a proprietary interest in the Company by the issuance of Shares or restricted Shares ("Restricted Shares") of the Company, Options, Restricted Shares Units ("RSUs"), share appreciation rights and other Share-based Awards pursuant to Sections 11 through 13 of this Plan.

1.2. Types of Awards. This Plan is intended to enable the Company to issue Awards under various tax regimes, including:

(i) pursuant and subject to the provisions of Section 102 of the Ordinance (or the corresponding provision of any subsequently enacted statute, as amended from time to time), and all regulations and interpretations adopted by any competent authority, including the Israel Tax Authority (the "ITA"), including the Income Tax Rules (Tax Benefits in Stock Issuance to Employees) 5763-2003 or such other rules so adopted from time to time (the "Rules") (such Awards that are intended to be (as set forth in the Award Agreement) and which qualify as such under Section 102 of the Ordinance and the Rules, "102 Awards");

(ii) pursuant to Section 3(i) of the Ordinance or the corresponding provision of any subsequently enacted statute, as amended from time to time (such Awards, "3(i) Awards");

(iii) Incentive Stock Options within the meaning of Section 422 of the Code, or the corresponding provision of any subsequently enacted United States federal tax statute, as amended from time to time, to be granted to Employees who are deemed to be residents of the United States, for purposes of taxation, or are otherwise subject to U.S. Federal income tax (such Awards that are intended to be (as set forth in the Award Agreement) and which qualify as an incentive stock option within the meaning of Section 422(b) of the Code, "Incentive Stock Options");

(iv) Options not intended to be (as set forth in the Award Agreement) or which do not qualify as an Incentive Stock Option ("Nonqualified Stock Options")

(v) Share appreciation rights; and

(vi) Restricted Shares, RSUs and other forms of Share-based Awards.

In addition to the issuance of Awards under the relevant tax regimes in the United States of America and the State of Israel, and without derogating from the generality of Section 24, this Plan contemplates issuances to Grantees in other jurisdictions or under other tax regimes with respect to which the Committee is empowered, but is not required, to make the requisite adjustments in this Plan and set forth the relevant conditions in an appendix to this Plan or in the Company's agreement with the Grantee in order to comply with the requirements of such other tax regimes.

1.3. Construction. To the extent any provision herein conflicts with the conditions of any relevant tax law, rule or regulation which are relied upon for tax relief in respect of a particular Award to a Grantee, the Committee is empowered, but, to the extent permissible under applicable law, is not required, hereunder to determine that the provisions of such law, rule or regulation shall prevail over those of this Plan and to interpret and enforce such prevailing provisions. With respect to 102 Awards, if and to the extent any action or the exercise or application of any provision hereof or authority granted hereby is conditioned or subject to obtaining a ruling or tax determination from the ITA, to the extent required by Applicable Law, then the taking of any such action or the exercise or application of such section or authority with respect to 102 Awards shall be conditioned upon obtaining such ruling or tax determination, and, if obtained, shall be subject to any condition set forth therein; it being clarified that there is no obligation to apply for any such ruling or tax determination (which shall be in the sole discretion of the Committee) and no assurance is made that if applied any such ruling or tax determination will be obtained (or the conditions thereof).

2. DEFINITIONS.

2.1. Terms Generally. Except when otherwise indicated by the context, (i) the singular shall include the plural and the plural shall include the singular; (ii) any pronoun shall include the corresponding masculine, feminine and neuter forms; (iii) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth therein or herein), (iv) references to any law, constitution, statute, treaty, regulation, rule or ordinance, including any section or other part thereof shall refer to it as amended from time to time and shall include any successor thereof, (v) reference to a "company" or "entity" shall include a, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof, and reference to a "person" shall mean any of the foregoing or an individual, (vi) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Plan in its entirety, and not to any particular provision hereof, (vii) all references herein to Sections shall be construed to refer to Sections to this Plan; (viii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation"; and (ix) use of the term "or" is not intended to be exclusive.

2.2. Defined Terms. The following terms shall have the meanings ascribed to them in this Section 2:

2.3. "Affiliate" shall mean, (i) with respect to any person, any other person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such person (with the term "control" or "controlled by" within the meaning of Rule 405 of Regulation C under the Securities Act), including, without limitation, any Parent or Subsidiary, or (ii) Employer.

2.4. Reserved.

2.5. "Applicable Law" shall mean any applicable law, rule, regulation, statute, pronouncement, policy, interpretation, judgment, order or decree of any federal, provincial, state or local governmental, regulatory or adjudicative authority or agency, of any jurisdiction, and the rules and regulations of any stock exchange, over-the-counter market or trading system on which the Company's shares are then traded or listed.

2.6. "Award" shall mean any issuance of Shares or Restricted Share, Options, RSUs, share appreciation rights and other Share-based Awards granted under this Plan.

2.7. "Board" shall mean the Board of Directors of the Company.

2.8. "Change in Board Event" shall mean any time at which individuals who, as of the Effective Date, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date whose appointment, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.

2.9. "Code" shall mean the United States Internal Revenue Code of 1986, and any applicable regulations promulgated thereunder, all as amended.

2.10. "Committee" shall mean a committee established or appointed by the Board to administer this Plan, subject to Section 3.1.

2.11. "Companies Law" shall mean the Israel Companies Law, 5759-1999, and the regulations promulgated thereunder, all as amended from time to time.

2.12. "Controlling Shareholder" shall have the meaning set forth in Section 32(9) of the Ordinance.

2.13. "Disability" shall mean (i) the inability of a Grantee to engage in any substantial gainful activity or to perform the major duties of the Grantee's position with the Company or its Affiliates by reason of any medically determinable physical or mental impairment which has lasted or can be expected to last for a continuous period of not less than 12 months (or such other period as determined by the Committee), as determined by a qualified doctor acceptable to the Company, (ii) if applicable, a "permanent and total disability" as defined in Section 22(e)(3) of the Code or Section 409A(a)(2)(c)(i) of the Code, as amended from time to time, or (iii) as defined in a policy of the Company that the Committee deems applicable to this Plan, or that makes reference to this Plan, for purposes of this definition.

2.14. "Employee" shall mean any person treated as an employee (including an officer or a director who is also treated as an employee) in the records of the Company or any of its Affiliates (and in the case of 102 Awards, subject to Section 9.3 or in the case of Incentive Stock Options, who is an employee for purposes of Section 422 of the Code); provided, however, that neither service as a director nor payment of a director's fee shall be sufficient to constitute employment for purposes of this Plan. The Company shall determine in good faith and in the exercise of its discretion whether an individual has become or has ceased to be an Employee and the effective date of such individual's employment or termination of employment, as the case may be. For purposes of a person's rights, if any, under this Plan as of the time of the Company's determination, all such determinations by the Company shall be final, binding and conclusive, notwithstanding that the Company or any court of law or governmental agency subsequently makes a contrary determination.

2.15. "Employer" means, for purpose of a 102 Trustee Award, the Company or an Affiliate, Subsidiary or Parent thereof, which is an "employing company" within the meaning and subject to the conditions of Section 102(a) of the Ordinance.

2.16. "employment", "employed" and words of similar import shall be deemed to refer to the employment of Employees or to the services of any other Service Provider, as the case may be.

2.17. "Exchange Act" shall mean the U.S. Securities Exchange Act of 1934, as amended, and all regulations, guidance and other interpretative authority issued thereunder.

2.18. "exercise," "exercised" and words of similar import, when referring to an Award that does not require exercise or that is settled upon vesting (such as may be the case with RSUs or Restricted Shares, if so determined in their terms), shall be deemed to refer to the vesting of such an Award (regardless of whether or not the wording included reference to vesting of such an Awards explicitly).

2.19. "Exercise Period" shall mean the period, commencing on the date of grant of an Award, during which an Award shall be exercisable, subject to any vesting provisions thereof (including any acceleration thereof, if any) and subject to the termination provisions hereof.

2.20. "Exercise Price" shall mean the exercise price for each Share covered by an Option or the purchase price for each Share covered by any other Award.

2.21. "Fair Market Value" shall mean, as of any date, the value of a Share or other securities, property or rights as determined by the Board, in its discretion, subject to the following: (i) if, on such date, the Shares are listed on any securities exchange, the closing sales price per Share on which the Shares are principally traded on such date, or if no sale occurred on such date, the last day preceding such date on which a sale occurred, as reported in The Wall Street Journal or such other source as the Company deems reliable; (ii) if, on such date, the Shares are then quoted in an over-the-counter market, the average of the closing bid and asked prices for the Shares in that market on such date, or if there are no bid and asked prices on such date, the last day preceding such date on which there are bid and asked prices, as reported in The Wall Street Journal or such other source as the Company deems reliable; or (iii) if, on such date, the Shares

are not then listed on a securities exchange or quoted in an over-the-counter market, or in case of any other securities, property or rights, such value as the Committee, in its sole discretion, shall determine, with full authority to determine the method for making such determination and which determination shall be conclusive and binding on all parties, and shall be made after such consultations with outside legal, accounting and other experts as the Committee may deem advisable; provided, however, that, if applicable, the Fair Market Value of the Shares shall be determined in a manner that is intended to satisfy the applicable requirements of and subject to Section 409A of the Code, and with respect to Incentive Stock Options, in a manner that is intended to satisfy the applicable requirements of and subject to Section 422 of the Code, subject to Section 422(c)(7) of the Code. The Committee shall maintain a written record of its method of determining such value. If the Shares are listed or quoted on more than one established stock exchange or over-the-counter market, the Committee shall determine the principal such exchange or market and utilize the price of the Shares on that exchange or market (determined as per the method described in clauses (i) or (ii) above, as applicable) for the purpose of determining Fair Market Value.

2.22. "Grantee" shall mean a person who has been granted an Award(s) under this Plan.

2.23. "Option" shall mean a grant of options to purchase Shares, including, for the avoidance of doubt, Incentive Stock Options and Nonqualified Stock Options.

2.24. "Ordinance" shall mean the Israeli Income Tax Ordinance (New Version) 5271-1961, and the regulations and rules (including the Rules) promulgated thereunder, all as amended from time to time.

2.25. "Parent" shall mean any company (other than the Company), which now exists or is hereafter organized, (i) in an unbroken chain of companies ending with the Company if, at the time of granting an Award, each of the companies (other than the Company) owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other companies in such chain, or (ii) if applicable and for purposes of Incentive Stock Options, that is a "parent corporation" of the Company, as defined in Section 424(e) of the Code.

2.26. "Retirement" shall mean a Grantee's retirement pursuant to Applicable Law or in accordance with the terms of any tax-qualified retirement plan maintained by the Company or any of its Affiliates in which the Grantee participates or is subject to.

2.27. "Securities Act" shall mean the U.S. Securities Act of 1933, and the rules and regulations promulgated thereunder, all as amended from time to time.

2.28. "Service Provider" shall mean an Employee, director, officer, consultant, advisor and any other person or entity who provides services to the Company or any Parent, Subsidiary or other Affiliate thereof. Service Providers shall include prospective Service Providers to whom Awards are granted in connection with written offers of an employment or other service relationship with the Company or any Parent, Subsidiary or any other Affiliates thereof, provided, however, that such employment or service shall have actually commenced. Notwithstanding the foregoing, unless otherwise determined by the Committee, each Service Provider shall be an "employee" as defined in the General Instructions to Form S-8 Registration Statement under the Securities Act (or any successor form thereto) at the time the Award is granted to the Service Provider.

2.29. "Share(s)" shall mean Ordinary Share(s), of no par value, of the Company (including Ordinary Shares resulting or issued as a result of share split, reverse share split, bonus shares, combination or other recapitalization events), or shares of such other class of shares of the Company as shall be designated by the Board in respect of the relevant Award(s). "Shares" include any securities or property issued or distributed with respect thereto.

2.30. "Subsidiary" shall mean any company (other than the Company), which now exists or is hereafter organized or acquired by the Company, (i) in an unbroken chain of companies beginning with the Company if, at the time of granting an Award, each of the companies other than the last company in the unbroken chain owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other companies in such chain, or (ii) if applicable and for purposes of Incentive Stock Options, that is a "subsidiary corporation" of the Company, as defined in Section 424(f) of the Code.

2.31. "tax(es)" shall mean (a) all federal, state, local or foreign taxes, charges, fees, imposts, levies or other assessments, including all income, capital gains, alternative or add-on minimum, transfer, value added tax, real and personal property, withholding, payroll, employment, escheat, social security, disability, national security, health tax, wealth surtax, stamp, registration and estimated taxes, customs duties, fees, assessments and charges of any similar kind whatsoever (including under Section 280G of the Code) or other tax of any kind whatsoever, (b) all interest, indexation differentials, penalties, fines, additions to tax or additional amounts imposed by any taxing authority in connection with any item described in clause (a), (c) any transferee or successor liability in respect of any items described in clauses (a) or (b) payable by reason of contract, assumption, transferee liability, successor liability, operation of Applicable Law, or as a result of any express or implied obligation to assume Taxes or to indemnify any other person, and (d) any liability for the payment of any amounts of the type described in clause (a) or (b) payable as a result of being a member of an affiliated, consolidated, combined, unitary or aggregate or other group for any taxable period, including under U.S. Treasury Regulations Section 1.1502-6(a) (or any predecessor or successor thereof of any analogous or similar provision under Applicable Law) or otherwise.

2.32. "Ten Percent Shareholder" shall mean a Grantee who, at the time an Award is granted to the Grantee, owns shares possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Company or any Parent or Subsidiary, within the meaning of Section 422(b)(6) of the Code.

2.33. "Trustee" shall mean the trustee appointed by the Committee to hold the Awards (and, in relation with 102 Trustee Awards, approved by the ITA), if so appointed.

2.34. Other Defined Terms. The following terms shall have the meanings ascribed to them in the Sections set forth below:

Term	Section
102 Awards	1.2(i)
102 Capital Gains Track Awards	9.1
102 Non-Trustee Awards	9.2
102 Ordinary Income Track Awards	9.1
102 Trustee Awards	9.1
3(i) Awards	1.2(ii)
Award Agreement	6
Cause	6.6.4.4
Company	1.1
Effective Date	24.1
Election	9.2
Eligible 102 Grantees	9.3.1
Incentive Stock Options	1.2(iii)
Information	16.4
ITA	1.1(i)
Merger/Sale	14.2
Nonqualified Stock Options	1.2(iv)
Plan	1.1
Prior Plan(s)	5.2
Pool	5.1
Recapitalization	14.1
Required Holding Period	9.5
Restricted Period	11.2
Restricted Share Agreement	11
Restricted Share Unit Agreement	12
Restricted Share	1.1
RSUs	1.1
Rules	1.1(i)
Successor Corporation	14.2.1
Withholding Obligations	17.5

3. ADMINISTRATION.

3.1. To the extent permitted under Applicable Law, the Company's Amended and Restated Articles of Association (as may be amended and supplemented from time to time, the "Articles of Association") and any other governing document of the Company, this Plan shall be administered by the Committee. In the event that the Board does not appoint or establish a committee to administer this Plan, this Plan shall be administered by the Board and, accordingly, any and all references herein to the Committee shall be construed as references to the Board. In the event that an action necessary for the administration of this Plan is required under Applicable Law to be taken by the Board without the right of delegation, or if such action or power was explicitly reserved by the Board in appointing, establishing and empowering the Committee, then such action shall be so taken by the Board. In any such event, all references herein to the Committee shall be construed as references to the Board. Even if such a Committee was appointed or established, the Board may take any actions that are stated to be vested in the Committee, and shall not be restricted or limited from exercising all rights, powers and authorities under this Plan or Applicable Law.

3.2. The Board shall appoint the members of the Committee, may from time to time remove members from, or add members to, the Committee, and shall fill vacancies in the Committee, however caused, provided that the composition of the Committee shall at all times be in compliance with any mandatory requirements of Applicable Law, the Articles of Association and any other governing document of the Company. The Committee may select one of its members as its Chairman and shall hold its meetings at such times and places as it shall determine. The Committee may appoint a Secretary, who shall keep records of its meetings, and shall make such rules and regulations for the conduct of its business as it shall deem advisable and subject to mandatory requirements of Applicable Law.

3.3. Subject to the terms and conditions of this Plan, any mandatory provisions of Applicable Law and any provisions of any Company policy required under mandatory provisions of Applicable Law, and in addition to the Committee's powers contained elsewhere in this Plan, the Committee shall have full authority, in its discretion, from time to time and at any time, to determine any of the following, or to recommend to the Board any of the following if it is not authorized to take such action according to Applicable Law:

(i) eligible Grantees,

(ii) grants of Awards and setting the terms and provisions of Award Agreements (which need not be identical) and any other agreements or instruments under which Awards are made, including, the number of Shares underlying each Award and the class of Shares underlying each Award (if more than one class was designated by the Board),

(iii) the time or times at which Awards shall be granted,

(iv) the terms, conditions and restrictions applicable to each Award (which need not be identical) and any Shares acquired upon the exercise or (if applicable) vesting thereof, including, (1) designating Awards under Section 1.2; (2) the vesting schedule, the acceleration thereof and terms and conditions upon which Awards may be exercised or become vested, (3) the Exercise Price, (4) the method of payment for Shares purchased upon the exercise or (if applicable) vesting of the Awards, (5) the method for satisfaction of any tax withholding obligation arising in connection with the Awards or such Shares, including by the withholding or delivery of Shares, (6) the time of the expiration of the Awards, (7) the effect of the Grantee's termination of employment with the Company or any of its Affiliates, and (8) all other terms, conditions and restrictions applicable to the Award or the Shares not inconsistent with the terms of this Plan,

(v) to accelerate, continue, extend or defer the exercisability of any Award or the vesting thereof, including with respect to the period following a Grantee's termination of employment or other service,

(vi) the interpretation of this Plan and any Award Agreement and the meaning, interpretation and applicability of terms referred to in Applicable Law,

(vii) policies, guidelines, rules and regulations relating to and for carrying out this Plan, and any amendment, supplement or rescission thereof, as it may deem appropriate,

(viii) to adopt supplements to, or alternative versions of, this Plan, including, without limitation, as it deems necessary or desirable to comply with the laws of, or to accommodate the tax regime or custom of, foreign jurisdictions whose citizens or residents may be granted Awards,

(ix) the Fair Market Value of the Shares or other securities property or rights,

(x) the tax track (capital gains, ordinary income track or any other track available under the Section 102 of the Ordinance) for the purpose of 102 Awards,

(xi) the authorization and approval of conversion, substitution, cancellation or suspension under and in accordance with this Plan of any or all Awards or Shares,

(xii) unless otherwise provided under the terms of this Plan, the amendment, modification, waiver or supplement of the terms of any outstanding Award (including reducing the Exercise Price of an Award), provided, however, that if such amendments increase the Exercise Price of an Award or reduce the number of Shares underlying an Award, then such amendments shall require the consent of the applicable Grantee, unless such amendment is made pursuant to the exercise of rights or authorities in accordance with Sections 14 or 24,

(xiii) without limiting the generality of the foregoing, and subject to the provisions of Applicable Law, to grant to a Grantee, who is the holder of an outstanding Award, in exchange for the cancellation of such Award, a new Award having an Exercise Price lower than that provided in the Award so canceled and containing such other terms and conditions as the Committee may prescribe in accordance with the provisions of this Plan or to set a new Exercise Price for the same Award lower than that previously provided in the Award,

(xiv) to correct any defect, supply any omission or reconcile any inconsistency in this Plan or any Award Agreement and all other determinations and take such other actions with respect to this Plan or any Award as it may deem advisable to the extent not inconsistent with the provisions of this Plan or Applicable Law, and

(xv) any other matter which is necessary or desirable for, or incidental to, the administration of this Plan and any Award thereunder.

3.4. The authority granted hereunder includes the authority to modify Awards to eligible individuals who are foreign nationals or are individuals who are employed outside the State of Israel or the United States of America, to recognize differences in local law, tax policy or custom, in order to effectuate the purposes of this Plan but without amending this Plan.

3.5. The Board and the Committee shall be free at all times to make such determinations and take such actions as they deem fit. The Board and the Committee need not take the same action or determination with respect to all Awards, with respect to certain types of Awards, with respect to all Service Providers or any certain type of Service Providers and actions and determinations may differ as among the Grantees, and as between the Grantees and any other holders of securities of the Company.

3.6. All decisions, determinations, and interpretations of the Committee, the Board and the Company under this Plan shall be final and binding on all Grantees (whether before or after the issuance of Shares pursuant to Awards), unless otherwise determined by the Committee, the Board or the Company, respectively. The Committee shall have the authority (but not the obligation) to determine the interpretation and applicability of Applicable Law to any Grantee or any Awards. No member of the Committee or the Board shall be liable to any Grantee for any action taken or determination made in good faith with respect to this Plan or any Award granted hereunder.

3.7. Any officer or authorized signatory of the Company shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, determination or election which is the responsibility of or which is allocated to the Company herein, provided such person has apparent authority with respect to such matter, right, obligation, determination or election. Such person or authorized signatory shall not be liable to any Grantee for any action taken or determination made in good faith with respect to this Plan or any Award granted hereunder.

4. ELIGIBILITY.

Awards may be granted to Service Providers of the Company or any Affiliate thereof, taking into account, at the Committee's discretion and without an obligation to do so, the qualification under each tax regime pursuant to which such Awards are granted, subject to the limitation on the granting of Incentive Stock Options set forth in Section 8.1. A person who has been granted an Award hereunder may be granted additional Awards, if the Committee shall so determine, subject to the limitations herein. However, eligibility in accordance with this Section 4 shall not entitle any person to be granted an Award, or, having been granted an Award, to be granted an additional Award.

Awards may differ in number of Shares covered thereby, the terms and conditions applying to them or on the Grantees or in any other respect (including, that there should not be any expectation (and it is hereby disclaimed) that a certain treatment, interpretation or position granted to one shall be applied to the other, regardless of whether or not the facts or circumstances are the same or similar).

5. SHARES.

5.1. The maximum aggregate number of Shares that may be issued pursuant to Awards under this Plan (the "Pool") shall be the sum of (a) 9,954,480 Shares plus (and without the need to further amend the Plan) (b) on January 1st, 2022 and on January 1st of each calendar year thereafter ending on and including January 1, 2031, a number of Shares equal to the lesser of: (i) five percent (5%) of the total number of Shares outstanding as of the end of the last day of the immediately preceding calendar year, and (ii) such smaller amount of Shares as is determined by the Board, if so determined prior to the January 1st of the calendar year in which the increase will occur (in each case, without the need to amend the Plan in case of such determination); in all events subject to adjustment as provided in Section 14.1. Notwithstanding the foregoing, the total number of Shares that may be issued pursuant to Incentive Stock Options granted under this Plan shall be 99,544,800, subject to adjustment as provided in Section 14.1. The Board may, at its discretion, reduce the number of Shares that may be issued pursuant to Awards under this Plan, at any time (provided that such reduction does not derogate from any issuance of Shares in respect of Awards then outstanding).

5.2. Any Shares (a) underlying an Award granted hereunder or an award granted under the Company's Restated 2012 Share Option Plan, each as amended (the "Prior Plan(s)") (in an amount not to exceed 14,760,000 Shares under the Prior Plan(s)) that has expired, or was cancelled, terminated, forfeited, or settled in cash in lieu of issuance of Shares, for any reason, without having been exercised; (b) if permitted by the Company, tendered to pay the Exercise Price of an Award (or the exercise price or other purchase price of any option or other award under the Prior Plan(s)), or withholding tax obligations with respect to an Award (or any awards under the Prior Plan(s)); or (c) if permitted by the Company, subject to an Award (or any award under the Prior Plan(s)) that are not delivered to a Grantee because such Shares are withheld to pay the Exercise Price of such Award (or any award under the Prior Plan(s)), or withholding tax obligations with respect to such Award (or such award); shall automatically, and without any further action on the part of the Company or any Grantee, again be available for grant of Awards and for issuance upon exercise or (if applicable) vesting thereof for the purposes of this Plan (unless this Plan shall have been terminated), unless the Board determines otherwise. Such Shares may be, in whole or in part, authorized but unissued Shares, (and, subject to obtaining a ruling as it applies to 102 Awards) treasury shares (dormant shares) or otherwise Shares that shall have been or may be repurchased by the Company (to the extent permitted pursuant to the Companies Law).

5.3. Any Shares under the Pool that are not subject to outstanding or exercised Awards at the termination of this Plan shall cease to be reserved for the purpose of this Plan.

5.4. From and after the Effective Date, no further grants or awards shall be made under the Prior Plan(s); however, Awards made under the Prior Plan(s) before the Effective Date shall continue in effect in accordance with their terms.

6. TERMS AND CONDITIONS OF AWARDS.

Each Award granted pursuant to this Plan shall be evidenced by a written or electronic agreement between the Company and the Grantee or a written or electronic notice delivered by the Company (the "Award Agreement"), in substantially such form or forms and containing such terms and conditions, as the Committee shall from time to time approve. The Award Agreement shall comply with and be subject to the following general terms and conditions and the provisions of this Plan (except for any provisions applying to Awards under different tax regimes), unless otherwise specifically provided in such Award Agreement, or the terms referred to in other Sections of this Plan applying to Awards under such applicable tax regimes, or terms prescribed by Applicable Law. Award Agreements need not be in the same form and may differ in the terms and conditions included therein.

6.1. Number of Shares. Each Award Agreement shall state the number of Shares covered by the Award.

6.2. Type of Award. Each Award Agreement may state the type of Award granted thereunder, provided that the tax treatment of any Award, whether or not stated in the Award Agreement, shall be as determined in accordance with Applicable Law.

6.3. Exercise Price. Each Award Agreement shall state the Exercise Price, if applicable. Unless otherwise set forth in this Plan, an Exercise Price of an Award of less than the par value of the Shares (if shares bear a par value) shall comply with Section 304 of the Companies Law. Subject to Sections 3, 7.2 and 8.2 and to the foregoing, the Committee may reduce the Exercise Price of any outstanding Award without stockholder approval, on terms and subject to such conditions as it deems advisable. The Exercise Price shall also be subject to adjustment as provided in Section 14 hereof. The Exercise Price of any Award granted to a Grantee who is subject to U.S. federal income tax shall be determined in accordance with Section 409A of the Code.

6.4. Manner of Exercise.

6.4.1 An Award may be exercised, as to any or all Shares as to which the Award has become exercisable, (a) by written notice delivered in person or by mail (or such other methods of delivery prescribed by the Company) to the General Counsel of the Company or, if no such officer is then incumbent, to the Chief Financial Officer of the Company or to such other person as determined by the Committee, (b) by way of an exercise order submitted via the online service operated and maintained by the Company or any of its service providers, or (c) or in any other manner as the Committee shall prescribe from time to time, specifying the number of Shares with respect to which the Award is being exercised (which may be equal to or lower than the aggregate number of Shares that have become exercisable at such time, subject to the last sentence of this Section), accompanied by payment of the aggregate Exercise Price for such Shares in the manner specified in the following sentence. The Exercise Price shall be paid in full with respect to each Share, at the time of exercise and as a condition therefor, either (i) in cash, (ii) if the Company's shares are listed for trading on any securities exchange or over-the-counter market, and if the Committee so determines, all or part of the Exercise Price and any withholding taxes may be paid by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company or the Trustee, (iii) if the Company's shares are listed for trading on any securities exchange or over-the-counter market, and if the Committee so determines, all or part of the Exercise Price and any withholding taxes may be paid by the delivery (on a form prescribed by the Company) of an irrevocable direction to pledge Shares to a securities broker or lender approved by the Company, as security for a loan, and to deliver all or part of the loan proceeds to the Company or the Trustee, (iv) by applying the Cashless Exercise Mechanism set forth in Section 6.4.3 below, or (v) in such other manner as the Committee shall determine, which may include procedures for cashless exercise.

6.4.2 The application of Cashless Exercise Mechanism with respect to any 102 Awards shall be subject to obtaining a ruling from the ITA, to the extent required by Applicable Law.

6.4.3 Unless otherwise determined by the Committee, any and all Options (other than Incentive Stock Options) may be exercised using a cashless exercise mechanism, in which case the number of the Shares to be issued by the Company upon such exercise shall be calculated pursuant to the following formula (the "Cashless Exercise Mechanism"):

$$X = \frac{Y * (A - B)}{A}$$

Where: X = the number of Shares to be issued to the Grantee.

Y = the number of Shares, as adjusted to the date of such calculation, underlying the number of Options being exercised.

A = the Fair Market Value of one Share at the exercise date.

B = the Exercise Price of the Options being exercised.

Upon the completion of the calculation, if X is a negative number, then X shall be deemed to equal 0 (zero).

6.5. Term and Vesting of Awards.

6.5.1 Each Award Agreement shall provide the vesting schedule for the Award as determined by the Committee. The Committee shall have the authority to determine the vesting schedule and accelerate the vesting of any outstanding Award at such time and under such circumstances as it, in its sole discretion, deems appropriate. Unless otherwise resolved by the Committee and stated in the Award Agreement, and subject to Sections 6.6 and 6.7 hereof, Awards shall vest and become exercisable under the following schedule: twenty-five percent (25%) of the Shares covered by the Award, on the first anniversary of the vesting commencement date determined by the Committee (and in the absence of such determination, of date on which such Award was granted), and six and one-quarter percent (6.25%) of the Shares covered by the Award at the end of each subsequent three-month period thereafter over the course of the following three (3) years; provided that the Grantee remains continuously as a Service Provider of the Company or its Affiliates throughout such vesting dates.

6.5.2 The Award Agreement may contain performance goals and measurements (which, in case of 102 Trustee Awards, may, if then required, be subject to obtaining a specific tax ruling or determination from the ITA), and the provisions with respect to any Award need not be the same as the provisions with respect to any other Award. Such performance goals may include, but are not limited to, revenues, sales, operating income, earnings before interest and taxes, return on investment, earnings per share, any combination of the foregoing or rate of growth of any of the foregoing, as determined by the Committee. The Committee may adjust performance goals pursuant to Awards previously granted to take into account changes in law and accounting and tax rules and to make such adjustments as the Committee deems necessary or appropriate to reflect the inclusion or the exclusion of the impact of extraordinary or unusual items, events or circumstances.

6.5.3 The Exercise Period of an Award will be ten (10) years from the date of grant of the Award, unless otherwise determined by the Committee and stated in the Award Agreement, but subject to the vesting provisions described above and the early termination provisions set forth in Sections 6.6 and 6.7 hereof. At the expiration of the Exercise Period, any Award, or any part thereof, that has not been exercised within the term of the Award and the Shares covered thereby not paid for in accordance with this Plan and the Award Agreement shall terminate and become null and void, and all interests and rights of the Grantee in and to the same shall expire.

6.6. Termination.

6.6.1 Unless otherwise determined by the Committee, and subject to this Section 6.6 and Section 6.7 hereof, an Award may not be exercised unless the Grantee was, since the date of grant of the Award throughout the vesting dates, and is then (at the time of exercise), a Service Provider.

6.6.2 In the event that the employment or service of a Grantee shall terminate (other than by reason of death, Disability or Retirement), such that Grantee is no longer a Service Provider, all Awards of such Grantee that are unvested at the time of such termination shall terminate on the date of such termination, and all Awards of such Grantee that are vested and exercisable at the time of such termination may be exercised within up to three (3) months after the date of such termination (or such different period as the Committee shall prescribe, in general or on a case-by-case basis), but in any event no later than the date of expiration of the Award's term as set forth in the Award Agreement or pursuant to this Plan; provided, however, that if the Company (or its Subsidiary or other Affiliate thereof, as applicable) shall have terminated the Grantee's employment or service for Cause (as defined below) (whether the facts or circumstances that constitute such Cause occur prior to or after termination of employment or service), or if facts or circumstances arise or are discovered with respect to the Grantee that would have constituted Cause, then all Awards theretofore granted to such Grantee (whether vested or not) shall terminate and be subject to recoupment by the Company on the date of such termination (or on such subsequent date on which such facts or circumstances arise or are discovered, as the case may be) unless otherwise determined by the Committee, and any Shares issued upon exercise or (if applicable) vesting of Awards (including other Shares or securities issued or distributed with respect thereto, and including the gross amount of any proceeds, gains or other economic benefit the Grantee actually or constructively receives upon receipt or exercise of any Award or the receipt or resale of any Shares underlying the Award), whether held by the Grantee or by the Trustee for the Grantee's benefit, shall be deemed to be irrevocably offered for sale to the Company, any of its Affiliates or any person designated by the Company to purchase, at the Company's election and subject to Applicable Law, either for no consideration, for the par value of such Shares (if such Shares bear a par value) or against payment of the Exercise Price previously received by the Company for such Shares upon their issuance, as the Committee deems fit, upon written notice to the Grantee at any time prior to, at or after the Grantee's termination of employment or service. Such Shares or other securities shall be sold and transferred within 30 days from the date of the Company's notice of its election to exercise its right. If the Grantee fails to transfer such Shares or other securities to the Company, the Company, at the decision of the Committee, shall be entitled to forfeit or repurchase such Shares and to authorize any person to execute on behalf of the Grantee any document necessary to effect such transfer, whether or not the share certificates are surrendered. The Company shall have the right and authority to effect the above either by: (i) repurchasing all of such Shares or other securities held by the Grantee or by the Trustee for the benefit of the Grantee, or designate the purchaser of all or any part of such Shares or other securities, for the Exercise Price paid for such Shares, the par value of such Shares (if such Shares bear a par value) or for no payment or consideration whatsoever, as the Committee deems fit; (ii) forfeiting all or any part of such Shares or other securities; (iii) redeeming all or any part of such Shares or other securities, for the Exercise Price paid for such Shares, the par value of such Shares (if such Shares bear a par value) or for no payment or consideration whatsoever, as the Committee deems fit; (iv) taking action in order to have all or any part of such Shares or other securities converted into deferred shares entitling their holder only to their par value (if such Shares bear a par value) upon liquidation of the Company; or (v) taking any other action which may be required in order to achieve similar results; all as shall be determined by the Committee, at its sole and absolute discretion, and the Grantee is deemed to irrevocably empower the Company or any person which may be designated by it to take any action by, in the name of or on behalf of the Grantee to comply with and give effect to such actions (including, voting such shares, filling in, signing and delivering share transfer deeds, etc.).

6.6.3 Notwithstanding anything to the contrary, the Committee, in its absolute discretion, may, on such terms and conditions as it may determine appropriate, extend the periods for which Awards held by any Grantee may continue to vest and be exercisable; it being clarified that such Awards may lose their entitlement to certain tax benefits under Applicable Law (including, without limitation, qualification of an Award as an Incentive Stock Option) as a result of the modification of such Awards and/or in the event that the Award is exercised beyond the later of: (i) three (3) months after the date of termination of the employment or service relationship; or (ii) the applicable period under Section 6.7 below with respect to a termination of the employment or service relationship because of the death, Disability or Retirement of Grantee.

6.6.4 For purposes of this Plan:

6.6.4.1. A termination of employment or service relationship of a Grantee shall not be deemed to occur (except to the extent required by the Code with respect to the Incentive Stock Option status of an Option) in case of (i) a transition or transfer of a Grantee among the Company and its Affiliates, (ii) a change in the capacity in which the Grantee is employed or renders service to the Company or any of its Affiliates or a change in the identity of the employing or engagement entity among the Company and its Affiliates, provided, in case of the foregoing clauses (i) and (ii) above, that the Grantee has remained continuously employed by and/or in the service of the Company and its Affiliates since the date of grant of the Award and throughout the vesting period; or (iii) if the Grantee takes any unpaid leave as set forth in Section 6.8 below.

6.6.4.2. An entity or an Affiliate thereof assuming an Award or issuing in substitution thereof in a transaction to which Section 424(a) of the Code applies or in a Merger/Sale in accordance with Section 14 shall be deemed as an Affiliate of the Company for purposes of this Section 6.6, unless the Committee determines otherwise.

6.6.4.3. In the case of a Grantee whose principal employer or service recipient is a Subsidiary or other Affiliate thereof, the Grantee's employment or service relationship shall also be deemed terminated for purposes of this Section 6.6 as of the date on which such principal employer or service recipient ceases to be a Subsidiary or other Affiliate thereof.

6.6.4.4. The term "Cause" shall mean (irrespective of, and in addition to, any definition included in any other agreement or instrument applicable to the Grantee, and unless otherwise determined by the Committee) any of the following: (i) any theft, fraud, embezzlement, dishonesty, willful misconduct, breach of fiduciary duty for personal profit, falsification of any documents or records of the Company or any of its Affiliates, felony or similar act by the Grantee (whether or not related to the Grantee's relationship with the Company); (ii) an act of moral turpitude by the Grantee, or any act that causes significant injury to, or is otherwise adversely affecting, the reputation, business, assets, operations or business relationship of the Company (or a Subsidiary or other Affiliate thereof, when applicable); (iii) any breach by the Grantee of any material agreement with or of any material duty of the Grantee to the Company or any Subsidiary or other Affiliate thereof (including breach of confidentiality, non-disclosure, non-use non-competition or non-solicitation covenants towards the Company or any of its Affiliates) or failure to abide by code of conduct or other policies (including, without limitation, policies relating to confidentiality and reasonable workplace conduct); (iv) any act which constitutes a breach of a Grantee's fiduciary duty towards the Company or a Subsidiary or other Affiliate thereof, including disclosure of confidential or proprietary information thereof or acceptance or solicitation to receive unauthorized or undisclosed benefits, irrespective of their nature, or funds, or promises to receive either, from individuals, consultants or corporate entities with whom the Company or a Subsidiary or other Affiliate thereof conducts business; (v) the Grantee's unauthorized use, misappropriation, destruction, or diversion of any tangible or intangible asset or corporate opportunity of the Company or any of its Affiliates (including, without limitation, the improper use or disclosure of confidential or proprietary information); or (vi) any circumstances that constitute grounds for termination for cause under the Grantee's employment or service agreement with the Company or Affiliate, to the extent applicable. For the avoidance of doubt, the determination as to whether a termination is for Cause for purposes of this Plan, shall be made in good faith by the Committee and shall be final and binding on the Grantee.

6.7. Death, Disability or Retirement of Grantee.

6.7.1 If a Grantee shall die while employed by, or performing service for, the Company or any of its Affiliates, or within the three (3) month period (or such longer period of time as determined by the Board, in its discretion) after the date of termination of such Grantee's employment or service (or within such different period as the Committee may have provided pursuant to Section 6.6 hereof), or if the Grantee's employment or service with the Company or any of its Affiliates shall terminate by reason of Disability, all Awards theretofore granted to such Grantee may (to the extent otherwise vested and exercisable and unless earlier terminated in accordance with their terms) be exercised by the Grantee or by the Grantee's estate or by a person who acquired the legal right to exercise such Awards by bequest or inheritance, or by a person who acquired the legal right to exercise such Awards in accordance with applicable law in the case of Disability of the Grantee, as the case may be, at any time within one (1) year (or such longer period of time as determined by the Committee, in its discretion) after the death or Disability of the Grantee (or such different period as the Committee shall prescribe), but in any event no later than the date of expiration of the Award's term as set forth in the Award Agreement or pursuant to this Plan. In the event that an Award granted hereunder shall be exercised as set forth above by any person other than the Grantee, written notice of such exercise shall be accompanied by a certified copy of letters testamentary or proof satisfactory to the Committee of the right of such person to exercise such Award.

6.7.2 In the event that the employment or service of a Grantee shall terminate on account of such Grantee's Retirement, all Awards of such Grantee that are exercisable at the time of such Retirement may, unless earlier terminated in accordance with their terms, be exercised at any time within the three (3) month period after the date of such Retirement (or such different period as the Committee shall prescribe).

6.8. Suspension of Vesting. Unless the Committee provides otherwise, vesting of Awards granted hereunder shall be suspended during any unpaid leave of absence, other than in the case of any (i) leave of absence which was pre-approved by the Company explicitly for purposes of continuing the vesting of Awards, or (ii) transfers between locations of the Company or any of its Affiliates, or between the Company and any of its Affiliates, or any respective successor thereof. For clarity, for purposes of this Plan, military leave, statutory maternity or paternity leave or sick leave are not deemed unpaid leave of absence, unless otherwise determined by the Committee.

6.9. Securities Law Restrictions. Except as otherwise provided in the applicable Award Agreement or other agreement between the Service Provider and the Company, if the exercise of an Award following the termination of the Service Provider's employment or service (other than for Cause) would be prohibited at any time solely because the issuance of Shares would violate the registration requirements under the Securities Act or equivalent requirements under equivalent laws of other applicable jurisdictions, then the Award shall remain exercisable and terminate on the earlier of (i) the expiration of a period of three (3) months (or such longer period of time as determined by the Committee, in its discretion) after the termination of the Service Provider's employment or service during which the exercise of the Award would not be in such violation, or (ii) the expiration of the term of the Award as set forth in the Award Agreement or pursuant to this Plan. In addition, unless otherwise provided in a Grantee's Award Agreement, if the sale of any Shares received upon exercise or (if applicable) vesting of an Award following the termination of the Grantee's employment or service (other than for Cause) would violate the Company's insider trading policy, then the Award shall terminate on the earlier of (i) the expiration of a period equal to the applicable post-termination exercise period after the termination of the Grantee's employment or service during which the exercise of the Award would not be in violation of the Company's insider trading policy, or (ii) the expiration of the term of the Award as set forth in the applicable Award Agreement or pursuant to this Plan.

6.10. Other Provisions. The Award Agreement evidencing Awards under this Plan shall contain such other terms and conditions not inconsistent with this Plan as the Committee may determine, at or after the date of grant, including provisions in connection with the restrictions on transferring the Awards or Shares covered by such Awards, which shall be binding upon the Grantees and any purchaser, assignee or transferee of any Awards, and other terms and conditions as the Committee shall deem appropriate.

7. NONQUALIFIED STOCK OPTIONS.

Awards granted pursuant to this Section 7 are intended to constitute Nonqualified Stock Options and shall be subject to the general terms and conditions specified in Section 6 hereof and other provisions of this Plan, except for any provisions of this Plan applying to Awards under different tax laws or regulations. In the event of any inconsistency or contradictions between the provisions of this Section 7 and the other terms of this Plan, this Section 7 shall prevail. However, if for any reason the Awards granted pursuant to this Section 7 (or portion thereof) does not qualify as an Incentive Stock Option, then, to the extent of such non-qualification, such Option (or portion thereof) shall be regarded as a Nonqualified Stock Option granted under this Plan. In no event will the Board, the Company or any Parent or Subsidiary or any of their respective employees or directors have any liability to Grantee (or any other person) due to the failure of the Option to qualify for any reason as an Incentive Stock Option.

7.1. Certain Limitations on Eligibility for Nonqualified Stock Options. Nonqualified Stock Options may not be granted to a Service Provider who is deemed to be a resident of the United States for purposes of taxation or who is otherwise subject to United States federal income tax unless the Shares underlying such Options constitute "service recipient stock" under Section 409A of the Code or unless such Options comply with the payment requirements of Section 409A of the Code.

7.2. Exercise Price. The Exercise Price of a Nonqualified Stock Option shall not be less than 100% of the Fair Market Value of a Share on the date of grant of such Option unless the Committee specifically indicates that the Awards will have a lower Exercise Price and the Award complies with Section 409A of the Code. Notwithstanding the foregoing, a Nonqualified Stock Option may be granted with an exercise price lower than the minimum exercise price set forth above if such Award is granted pursuant to an assumption or substitution for another option in a manner qualifying under the provisions of that complies with Section 424(a) of the Code 1.409A-1(b)(5)(v)(D) of the U.S. Treasury Regulations or any successor guidance.

8. INCENTIVE STOCK OPTIONS.

Awards granted pursuant to this Section 8 are intended to constitute Incentive Stock Options and shall be granted subject to the following special terms and conditions, the general terms and conditions specified in Section 6 hereof and other provisions of this Plan, except for any provisions of this Plan applying to Awards under different tax laws or regulations. In the event of any inconsistency or contradictions between the provisions of this Section 8 and the other terms of this Plan, this Section 8 shall prevail.

8.1. Eligibility for Incentive Stock Options. Incentive Stock Options may be granted only to Employees of the Company, or to Employees of a Parent or Subsidiary, determined as of the date of grant of such Options. An Incentive Stock Option granted to a prospective Employee upon the condition that such person become an Employee shall be deemed granted effective on the date such person commences employment, with an exercise price determined as of such date in accordance with Section 8.2.

8.2. Exercise Price. The Exercise Price of an Incentive Stock Option shall not be less than one hundred percent (100%) of the Fair Market Value of the Shares covered by the Awards on the date of grant of such Option or such other price as may be determined pursuant to the Code. Notwithstanding the foregoing, an Incentive Stock Option may be granted with an exercise price lower than the minimum exercise price set forth above if such Award is granted pursuant to an assumption or substitution for another option in a manner that complies with the provisions of Section 424(a) of the Code.

8.3. Date of Grant. Notwithstanding any other provision of this Plan to the contrary, no Incentive Stock Option may be granted under this Plan after 10 years from the date this Plan is adopted, or the date this Plan is approved by the shareholders, whichever is earlier.

8.4. Exercise Period. No Incentive Stock Option shall be exercisable after the expiration of ten (10) years after the effective date of grant of such Award, subject to Section 8.6. No Incentive Stock Option granted to a prospective Employee may become exercisable prior to the date on which such person commences employment.

8.5. $100,000 Per Year Limitation. The aggregate Fair Market Value (determined as of the date the Incentive Stock Option is granted) of the Shares with respect to which all Incentive Stock Options granted under this Plan and all other "incentive stock option" plans of the Company, or of any Parent or Subsidiary, become exercisable for the first time by each Grantee during any calendar year shall not exceed one hundred thousand United States dollars ($100,000) with respect to such Grantee. To the extent that the aggregate Fair Market Value of Shares with respect to which such Incentive Stock Options and any other such incentive stock options are exercisable for the first time by any Grantee during any calendar year exceeds one hundred thousand United States dollars ($100,000), such options shall be treated as Nonqualified Stock Options. The foregoing shall be applied by taking options into account in the order in which they were granted. If the Code is amended to provide for a different limitation from that set forth in this Section 8.5, such different limitation shall be deemed incorporated herein effective as of the date and with respect to such Awards as required or permitted by such amendment to the Code. If an Option is treated as an Incentive Stock Option in part and as a Nonqualified Stock Option in part by reason of the limitation set forth in this Section 8.5, the Grantee may designate which portion of such Option the Grantee is exercising. In the absence of such designation, the Grantee shall be deemed to have exercised the Incentive Stock Option portion of the Option first. Separate certificates representing each such portion may be issued upon the exercise of the Option.

8.6. Ten Percent Shareholder. In the case of an Incentive Stock Option granted to a Ten Percent Shareholder, notwithstanding the foregoing provisions of this Section 8, (i) the Exercise Price shall not be less than one hundred and ten percent (110%) of the Fair Market Value of a Share on the date of grant of such Incentive Stock Option, and (ii) the Exercise Period shall not exceed five (5) years from the effective date of grant of such Incentive Stock Option.

8.7. Payment of Exercise Price. Each Award Agreement evidencing an Incentive Stock Option shall state each alternative method by which the Exercise Price thereof may be paid.

8.8. Leave of Absence. Notwithstanding Section 6.8, a Grantee's employment shall not be deemed to have terminated if the Grantee takes any leave as set forth in Section 6.8(i); provided, however, that if any such leave exceeds three (3) months, on the day that is three (3) months following the commencement of such leave any Incentive Stock Option held by the Grantee shall cease to be treated as an Incentive Stock Option and instead shall be treated thereafter as a Nonqualified Stock Option, unless the Grantee's right to return to employment is guaranteed by statute or contract.

8.9. Exercise Following Termination. Notwithstanding anything else in this Plan to the contrary, Incentive Stock Options that are not exercised within three (3) months following termination of the Grantee's employment with the Company or its Parent or Subsidiary or with a corporation (or a parent or subsidiary of such corporation) issuing or assuming an Option of such Grantee in a transaction to which Section 424(a) of the Code applies, or within one year in case of termination of the Grantee's employment with the Company or its Parent or Subsidiary due to a Disability (within the meaning of Section 22(e)(3) of the Code), shall be deemed to be Nonqualified Stock Options.

8.10. Notice to Company of Disqualifying Disposition. Each Grantee who receives an Incentive Stock Option must agree to notify the Company in writing immediately after the Grantee makes a Disqualifying Disposition of any Shares received pursuant to the exercise of Incentive Stock Options. A "Disqualifying Disposition" is any disposition (including any sale) of such Shares before the later of (i) two years after the date the Grantee was granted the Incentive Stock Option, or (ii) one year after the date the Grantee acquired Shares by exercising the Incentive Stock Option. If the Grantee dies before such Shares are sold, these holding period requirements do not apply and no disposition of the Shares will be deemed a Disqualifying Disposition.

9. 102 AWARDS.

Awards granted pursuant to this Section 9 are intended to constitute 102 Awards and shall be granted subject to the following special terms and conditions, the general terms and conditions specified in Section 6 hereof and other provisions of this Plan, except for any provisions of this Plan applying to Awards under different tax laws or regulations. In the event of any inconsistency or contradictions between the provisions of this Section 9 and the other terms of this Plan, this Section 9 shall prevail.

9.1. Tracks. Awards granted pursuant to this Section 9 are intended to be granted pursuant to Section 102 of the Ordinance pursuant to either (i) Section 102(b)(2) or (3) thereof (as applicable), under the capital gain track ("102 Capital Gain Track Awards"), or (ii) Section 102(b)(1) thereof under the ordinary income track ("102 Ordinary Income Track Awards", and together with 102 Capital Gain Track Awards, "102 Trustee Awards"). 102 Trustee Awards shall be granted subject to the special terms and conditions contained in this Section 9, the general terms and conditions specified in Section 6 hereof and other provisions of this Plan, except for any provisions of this Plan applying to Options under different tax laws or regulations.

9.2. Election of Track. Subject to Applicable Law, the Company may grant only one type of 102 Trustee Awards at any given time to all Grantees who are to be granted 102 Trustee Awards pursuant to this Plan, and shall file an election with the ITA regarding the type of 102 Trustee Awards it elects to grant before the date of grant of any 102 Trustee Awards (the "Election"). Such Election shall also apply to any other securities, including bonus shares, received by any Grantee as a result of holding the 102 Trustee Awards. The Company may change the type of 102 Trustee Awards that it elects to grant only after the expiration of at least 12 months from the end of the year in which the first grant was made in accordance with the previous Election, or as otherwise provided by Applicable Law. Any Election shall not prevent the Company from granting Awards, pursuant to Section 102(c) of the Ordinance without a Trustee ("102 Non-Trustee Awards").

9.3. Eligibility for Awards.

9.3.1 Subject to Applicable Law, 102 Awards may only be granted to an "employee" within the meaning of Section 102(a) of the Ordinance (which as of the date of the adoption of this Plan means (i) individuals employed by an Israeli company being the Company or any of its Affiliates, and (ii) individuals who are serving and are engaged personally (and not through an entity) as "office holders" by such an Israeli company), but may not be granted to a Controlling Shareholder ("Eligible 102 Grantees"). Eligible 102 Grantees may receive only 102 Awards, which may either be granted to a Trustee or granted under Section 102 of the Ordinance without a Trustee.

9.4. 102 Award Grant Date.

9.4.1 Each 102 Award will be deemed granted on the date determined by the Committee, subject to Section 9.4.2, provided that (i) the Grantee has signed all documents required by the Company or pursuant to Applicable Law, and (ii) with respect to 102 Trustee Award, the Company has provided all applicable documents to the Trustee in accordance with the guidelines published by the ITA, and if an agreement is not signed and delivered by the Grantee within 90 days from the date determined by the Committee (subject to Section 9.4.2), then such 102 Trustee Award shall be deemed granted on such later date as such agreement is signed and delivered and on which the Company has provided all applicable documents to the Trustee in accordance with the guidelines published by the ITA. In the case of any contradiction, this provision and the date of grant determined pursuant hereto shall supersede and be deemed to amend any date of grant indicated in any corporate resolution or Award Agreement.

9.4.2 Unless otherwise permitted by the Ordinance, any grants of 102 Trustee Awards that are made on or after the date of the adoption of this Plan or an amendment to this Plan, as the case may be, that may become effective only at the expiration of thirty (30) days after the filing of this Plan or any amendment thereof (as the case may be) with the ITA in accordance with the Ordinance shall be conditional upon the expiration of such 30-day period, such condition shall be read and is incorporated by reference into any corporate resolutions approving such grants and into any Award Agreement evidencing such grants (whether or not explicitly referring to such condition), and the date of grant shall be at the expiration of such 30-day period, whether or not the date of grant indicated therein corresponds with this Section. In the case of any contradiction, this provision and the date of grant determined pursuant hereto shall supersede and be deemed to amend any date of grant indicated in any corporate resolution or Award Agreement.

9.5. 102 Trustee Awards.

9.5.1 Each 102 Trustee Award, each Share issued pursuant to the exercise of any 102 Trustee Award, and any rights granted thereunder, including bonus shares, shall be issued to and registered in the name of the Trustee and shall be held in trust for the benefit of the Grantee for the requisite period prescribed by the Ordinance (the "Required Holding Period"). In the event that the requirements under Section 102 of the Ordinance to qualify an Award as a 102 Trustee Award are not met, then the Award may be treated as a 102 Non-Trustee Award or 3(9) Award, all in accordance with the provisions of the Ordinance. After expiration of the Required Holding Period, the Trustee may release such 102 Trustee Awards and any such Shares, provided that (i) the Trustee has received an acknowledgment from the ITA that the Grantee has paid any applicable taxes due pursuant to the Ordinance, or (ii) the Trustee and/or the Company and/or the Employer withholds all applicable taxes and compulsory payments due pursuant to the Ordinance arising from the 102 Trustee Awards and/or any Shares issued upon exercise or (if applicable) vesting of such 102 Trustee Awards. The Trustee shall not release any 102 Trustee Awards or Shares issued upon exercise or (if applicable) vesting thereof prior to the payment in full of the Grantee's tax and compulsory payments arising from such 102 Trustee Awards and/or Shares or the withholding referred to in (ii) above.

9.5.2 Each 102 Trustee Award shall be subject to the relevant terms of the Ordinance, the Rules and any determinations, rulings or approvals issued by the ITA, which shall be deemed an integral part of the 102 Trustee Awards and shall prevail over any term contained in this Plan or Award Agreement that is not consistent therewith. Any provision of the Ordinance, the Rules and any determinations, rulings or approvals by the ITA not expressly specified in this Plan or Award Agreement that are necessary to receive or maintain any tax benefit pursuant to Section 102 of the Ordinance shall be binding on the Grantee. Any Grantee granted a 102 Trustee Awards shall comply with the Ordinance and the terms and conditions of the trust agreement entered into between the Company and the Trustee. The Grantee shall execute any and all documents that the Company and/or its Affiliates and/or the Trustee determine from time to time to be necessary in order to comply with the Ordinance and the Rules.

9.5.3 During the Required Holding Period, the Grantee shall not release from trust or sell, assign, transfer or give as collateral, the Shares issuable upon the exercise or (if applicable) vesting of a 102 Trustee Awards and/or any securities issued or distributed with respect thereto, until the expiration of the Required Holding Period. Notwithstanding the above, if any such sale, release or other action occurs during the Required Holding Period it may result in adverse tax consequences to the Grantee under Section 102 of the Ordinance and the Rules, which shall apply to and shall be borne solely by such Grantee. Subject to the foregoing, the Trustee may, pursuant to a written request from the Grantee, but subject to the terms of this Plan, release and transfer such Shares to a designated third party, provided that both of the following conditions have been fulfilled prior to such release or transfer: (i) payment has been made to the ITA of all taxes and compulsory payments required to be paid upon the release and transfer of the Shares, and confirmation of such payment has been received by the Trustee and the Company, and (ii) the Trustee has received written confirmation from the Company that all requirements for such release and transfer have been fulfilled according to the terms of the Company's corporate documents, any agreement governing the Shares, this Plan, the Award Agreement and any Applicable Law.

9.5.4 If a 102 Trustee Award is exercised or (if applicable) vested, the Shares issued upon such exercise or (if applicable) vesting shall be issued in the name of the Trustee for the benefit of the Grantee.

9.5.5 Upon or after receipt of a 102 Trustee Award, if required, the Grantee may be required to sign an undertaking to release the Trustee from any liability with respect to any action or decision duly taken and executed in good faith by the Trustee in relation to this Plan, or any 102 Trustee Awards or Share granted to such Grantee thereunder.

9.6. 102 Non-Trustee Awards. The foregoing provisions of this Section 9 relating to 102 Trustee Awards shall not apply with respect to 102 Non-Trustee Awards, which shall, however, be subject to the relevant provisions of Section 102 of the Ordinance and the applicable Rules. The Committee may determine that 102 Non-Trustee Awards, the Shares issuable upon the exercise or (if applicable) vesting of a 102 Non-Trustee Awards and/or any securities issued or distributed with respect thereto, shall be allocated

or issued to the Trustee, who shall hold such 102 Non-Trustee Awards and all accrued rights thereon (if any), in trust for the benefit of the Grantee and/or the Company, as the case may be, until the full payment of tax arising from the 102 Non-Trustee Awards, the Shares issuable upon the exercise or (if applicable) vesting of a 102 Non-Trustee Awards and/or any securities issued or distributed with respect thereto. The Company may choose, alternatively, to require that the Grantee provide a guarantee or other security, to the satisfaction of each of the Trustee and the Company, until the full payment of the applicable taxes.

9.7. Written Grantee Undertaking. To the extent and with respect to any 102 Trustee Award, and as required by Section 102 of the Ordinance and the Rules, by virtue of the receipt of such Award, the Grantee is deemed to have provided, undertaken and confirmed the following written undertaking (and such undertaking is deemed incorporated into any documents signed by the Grantee in connection with the employment or service of the Grantee and/or the grant of such Award), which undertaking shall be deemed to apply and relate to all 102 Trustee Awards granted to the Grantee, whether under this Plan or other plans maintained by the Company, and whether prior to or after the date hereof.

9.7.1 The Grantee shall comply with all terms and conditions set forth in Section 102 of the Ordinance with regard to the "Capital Gain Track" or the "Ordinary Income Track", as applicable, and the applicable rules and regulations promulgated thereunder, as amended from time to time;

9.7.2 The Grantee is familiar with, and understands the provisions of, Section 102 of the Ordinance in general, and the tax arrangement under the "Capital Gain Track" or the "Ordinary Income Track" in particular, and its tax consequences; the Grantee agrees that the 102 Trustee Awards and Shares that may be issued upon exercise or (if applicable) vesting of the 102 Trustee Awards (or otherwise in relation to the 102 Trustee Awards), will be held by the Trustee appointed pursuant to Section 102 of the Ordinance for at least the duration of the "Holding Period" (as such term is defined in Section 102) under the "Capital Gain Track" or the "Ordinary Income Track", as applicable. The Grantee understands that any release of such 102 Trustee Awards or Shares from trust, or any sale of the Share prior to the termination of the Holding Period, as defined above, will result in taxation at marginal tax rate, in addition to deductions of appropriate social security, health tax contributions or other compulsory payments; and

9.7.3 The Grantee agrees to the trust agreement signed between the Company, the Employer and the Trustee appointed pursuant to Section 102 of the Ordinance.

10. 3(I) AWARDS.

Awards granted pursuant to this Section 10 are intended to constitute 3(i) Awards and shall be granted subject to the general terms and conditions specified in Section 6 hereof and other provisions of this Plan, except for any provisions of this Plan applying to Awards under different tax laws or regulations. In the event of any inconsistency or contradictions between the provisions of this Section 10 and the other terms of this Plan, this Section 10 shall prevail.

10.1. To the extent required by the Ordinance or the ITA or otherwise deemed by the Committee to be advisable, the 3(i) Awards and/or any shares or other securities issued or distributed with respect thereto granted pursuant to this Plan shall be issued to a Trustee nominated by the Committee in accordance with the provisions of the Ordinance or the terms of a trust agreement, as applicable. In such event, the Trustee shall hold such Awards and or other securities issued or distributed with respect thereto in trust, until exercised or (if applicable) vested by the Grantee and the full payment of tax arising therefrom, pursuant to the Company's instructions from time to time as set forth in a trust agreement, which will have been entered into between the Company and the Trustee. If determined by the Board or the Committee, and subject to such trust agreement, the Trustee shall be responsible for withholding any taxes to which a Grantee may become liable upon issuance of Shares, whether due to the exercise or (if applicable) vesting of Awards.

10.2. Shares pursuant to a 3(i) Award shall not be issued, unless the Grantee delivers to the Company payment in cash or by bank check or such other form acceptable to the Committee of all withholding taxes due, if any, on account of the Grantee acquired Shares under the Award or gives other assurance satisfactory to the Committee of the payment of those withholding taxes.

11. RESTRICTED SHARES.

The Committee may award Restricted Shares to any eligible Grantee, including under Section 102 of the Ordinance. Each Award of Restricted Shares under this Plan shall be evidenced by a written agreement between the Company and the Grantee (the "Restricted Share Agreement"), in such form as the Committee shall from time to time approve. The Restricted Shares shall be subject to all applicable terms of this Plan, which in the case of Restricted Shares granted under Section 102 of the Ordinance shall include Section 9 hereof, and may be subject to any other terms that are not inconsistent with this Plan. The provisions of the various Restricted Shares Agreements entered into under this Plan need not be identical with respect to any two Awards or Guarantees. The Restricted Share Agreement shall comply with and be subject to Section 6 and the following terms and conditions, unless otherwise specifically provided in such Agreement and not inconsistent with this Plan or Applicable Law:

11.1. Purchase Price. Section 6.4 shall not apply. Each Restricted Share Agreement shall state an amount of Exercise Price to be paid by the Grantee, if any, in consideration for the issuance of the Restricted Shares and the terms of payment thereof, which may include payment in cash or, subject to the Committee's approval, by issuance of promissory notes or other evidence of indebtedness on such terms and conditions as determined by the Committee.

11.2. Restrictions. Restricted Shares may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of, except by will or the laws of descent and distribution (in which case they shall be transferred subject to all restrictions then or thereafter applicable thereto), until such Restricted Shares shall have vested (the period from the date on which the Award is granted until the date of vesting of the Restricted Shares thereunder being referred to herein as the "Restricted Period"). The Committee may also impose such additional or alternative restrictions and conditions on the Restricted Shares, as it deems appropriate, including the satisfaction of performance criteria (which, in case of 102 Trustee Awards, may be subject to obtaining a specific tax ruling or determination from the ITA). Such performance criteria may include, but are not limited to, sales, earnings before interest and taxes, return on investment, earnings per share, any combination of the foregoing or rate of growth of any of the foregoing, as determined by the Committee or pursuant to the provisions of any Company policy required under mandatory provisions of Applicable Law. Certificates for shares issued pursuant to Restricted Share Awards, if issued, shall bear an appropriate legend referring to such restrictions, and any attempt to dispose of any such shares in contravention of such restrictions shall be null and void and without effect. Such certificates may, if so determined by the Committee, be held in escrow by an escrow agent appointed by the Committee, or, if a Restricted Share Award is made pursuant to Section 102 of the Ordinance, by the Trustee. In determining the Restricted Period of an Award the Committee may provide that the foregoing restrictions shall lapse with respect to specified percentages of the awarded Restricted Shares on successive anniversaries of the date of such Award. To the extent required by the Ordinance or the ITA, the Restricted Shares issued pursuant to Section 102 of the Ordinance shall be issued to the Trustee in accordance with the provisions of the Ordinance and the Restricted Shares shall be held for the benefit of the Grantee for at least the Required Holding Period.

11.3. Forfeiture; Repurchase. Subject to such exceptions as may be determined by the Committee, if the Grantee's continuous employment with or service to the Company or any Affiliate thereof shall terminate (such that Grantee is no longer a Service Provider of either the Company or any Affiliate thereof) for any reason prior to the expiration of the Restricted Period of an Award or prior to the timely payment in full of the Exercise Price of any Restricted Shares, any Restricted Shares remaining subject to vesting or with respect to which the purchase price has not been paid in full, shall thereupon be forfeited, transferred to, and redeemed, repurchased or cancelled by, as the case may be, in any manner as set forth in Section 6.6.2(i) through (v), subject to Applicable Law and the Grantee shall have no further rights with respect to such Restricted Shares.

11.4. Ownership. During the Restricted Period the Grantee shall possess all incidents of ownership of such Restricted Shares, subject to Section 6.10 and Section 11.2, including the right to vote and receive dividends with respect to such Shares. All securities, if any, received by a Grantee with respect to Restricted Shares as a result of any stock split, stock dividend, combination of shares, or other similar transaction shall be subject to the restrictions applicable to the original Award.

12. RESTRICTED SHARE UNITS.

An RSU is an Award covering a number of Shares that is settled, if vested and (if applicable) exercised, by issuance of those Shares. An RSU may be awarded to any eligible Grantee, including under Section 102 of the Ordinance. The Award Agreement relating to the grant of RSUs under this Plan (the "Restricted Share Unit Agreement"), shall be in such form as the Committee shall from time to time approve. The RSUs shall be subject to all applicable terms of this Plan, which in the case of RSUs granted under Section 102 of the Ordinance shall include Section 9 hereof, and may be subject to any other terms that are not inconsistent with this Plan. The provisions of the various Restricted Share Unit Agreements entered into under this Plan need not be identical. RSUs may be granted in consideration of a reduction in the recipient's other compensation.

12.1. Exercise Price. No payment of Exercise Price shall be required as consideration for RSUs, unless included in the Award Agreement or as required by Applicable Law (including, Section 304 of the Companies Law), and Section 6.4 shall apply, if applicable.

12.2. Shareholders' Rights. The Grantee shall not possess or own any ownership rights in the Shares underlying the RSUs and no rights as a shareholder shall exist prior to the actual issuance of Shares in the name of the Grantee.

12.3. Settlements of Awards. Settlement of vested RSUs shall be made in the form of Shares. Distribution to a Grantee of an amount (or amounts) from settlement of vested RSUs can be deferred to a date after vesting as determined by the Committee. The amount of a deferred distribution may be increased by an interest factor or by dividend equivalents. Until the grant of RSUs is settled, the number of Shares underlying such RSUs shall be subject to adjustment pursuant hereto.

12.4. Section 409A Restrictions. Notwithstanding anything to the contrary set forth herein, any RSUs granted under this Plan that are not exempt from the requirements of Section 409A of the Code shall contain such restrictions or other provisions so that such RSUs will comply with the requirements of Section 409A of the Code, if applicable to the Company. Such restrictions, if any, shall be determined by the Committee and contained in the Restricted Share Unit Agreement evidencing such RSU. For example, such restrictions may include a requirement that any Shares that are to be issued in a year following the year in which the RSU vests must be issued in accordance with a fixed, pre-determined schedule.

13. OTHER SHARE OR SHARE-BASED AWARDS.

13.1. The Committee may grant other Awards under this Plan pursuant to which Shares (which may, but need not, be Restricted Shares pursuant to Section 11 hereof), cash (in settlement of Share-based Awards) or a combination thereof, are or may in the future be acquired or received, or Awards denominated in stock units, including units valued on the basis of measures other than market value.

13.2. The Committee may also grant stock appreciation rights without the grant of an accompanying option, which rights shall permit the Grantees to receive, at the time of any exercise of such rights, cash equal to the amount by which the Fair Market Value of the Shares in respect to which the right was granted is so exercised exceeds the exercise price thereof. The exercise price of any such stock appreciation right granted to a Grantee who is subject to U.S. federal income tax shall be determined in compliance with Section 7.2.

13.3. Such other Share-based Awards as set forth above may be granted alone, in addition to, or in tandem with any Award of any type granted under this Plan (without any obligation or assurance that that such Share-based Awards will be entitled to tax benefits under Applicable Law or to the same tax treatment as other Awards under this Plan).

14. EFFECT OF CERTAIN CHANGES.

14.1. General. In the event of a division or subdivision of the outstanding share capital of the Company, any distribution of bonus shares (stock split), consolidation or combination of share capital of the Company (reverse stock split), reclassification with respect to the Shares or any similar recapitalization events (each, a "Recapitalization"), a merger (including, a reverse merger and a reverse triangular merger), consolidation, amalgamation or like transaction of the Company with or into another corporation, a reorganization (which may include a combination or exchange of shares, spin-off or other corporate divestiture or division, or other similar occurrences, the Committee shall make, without the need for a consent of any holder of an Award, such adjustments as determined by the Committee to be appropriate, in its discretion, in order to adjust (i) the number and class of shares reserved and available for grants of Awards, (ii) the number and class of shares covered by outstanding Awards, (iii) the Exercise Price per share covered by any Award, (iv) the terms and conditions concerning vesting and exercisability and the term and duration of the outstanding Awards, (v) the type or class of security, asset or right underlying the Award (which need not be only that of the Company, and may be that of the surviving corporation or any affiliate thereof or such other entity party to any of the above transactions), and (vi) any other terms of the Award that in the opinion of the Committee should be adjusted. Any fractional shares resulting from such adjustment shall be treated as determined by the Committee, and in the absence of such determination shall be rounded to the nearest whole share, and the Company shall have no obligation to make any cash or other payment with respect to such fractional shares. No adjustment shall be made by reason of the distribution of subscription rights or rights offering to outstanding shares or other issuance of shares by the Company, unless the Committee determines otherwise. The adjustments determined pursuant to this Section 14.1 (including a determination that no adjustment is to be made) shall be final, binding and conclusive.

Notwithstanding anything to the contrary included herein, and subject to Applicable Law and the applicable accounting standards, in the event of a distribution of cash dividend by the Company to all holders of Shares, the Committee shall have the authority to determine, without the need for a consent of any holder of an Award, that the Exercise Price of any Award, which is outstanding and unexercised on the record date of such distribution, shall be reduced by an amount equal to the per Share gross dividend amount distributed by the Company, and the Committee may determine that the Exercise Price following such reduction shall be not less than the par value of a Share (if such Shares bear a par value). The application of this Section with respect to any 102 Awards shall be subject to obtaining a ruling from the ITA, to the extent required by applicable law and subject to the terms and conditions of any such ruling.

14.2. Merger/Sale of Company. In the event of (i) a sale of all or substantially all of the assets of the Company, or a sale (including an exchange) of all or substantially all of the shares of the Company, to any person, or a purchase by a shareholder of the Company or by an Affiliate of such shareholder, of all the shares of the Company held by all or substantially all other shareholders or by other shareholders who are not Affiliated with such acquiring party; (ii) a merger (including, a reverse merger and a reverse triangular merger), consolidation, amalgamation or like transaction of the Company with or into another corporation; (iii) a scheme of arrangement for the purpose of effecting such sale, merger, consolidation, amalgamation or other transaction; (iv) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company, (v) Change in Board Event, or (vi) such other transaction or set of circumstances that is determined by the Board, in its discretion, to be a transaction subject to the provisions of this Section 14.2 excluding any of the foregoing transactions in clauses (i) through (iv) if the Board determines that such transaction should be excluded from the definition hereof and the applicability of this Section 14.2 (each of the foregoing transactions, a "Merger/Sale"), then, without derogating from the general authority and power of the Board or the Committee under this Plan, without the Grantee's consent and action and without any prior notice requirement, the Committee may make, in its sole and absolute discretion, any determination as to the treatment of Awards, as provided herein:

14.2.1 Unless otherwise determined by the Committee, any Award then outstanding shall be assumed or be substituted by the Company, or by the successor corporation in such Merger/Sale or by any parent or Affiliate thereof, as determined by the Committee in its discretion (the "Successor Corporation"), under terms as determined by the Committee or the terms of this Plan applied by the Successor Corporation to such assumed or substituted Awards.

For the purposes of this Section 14.2.1, the Award shall be considered assumed or substituted if, following a Merger/Sale, the Award confers on the holder thereof the right to purchase or receive, for each Share underlying an Award immediately prior to the Merger/Sale, either (i) the consideration (whether shares or other securities, cash or other property, or rights, or any combination thereof) distributed to or received by holders of Shares in the Merger/Sale for each

Share held on the effective date of the Merger/Sale (and if holders were offered a choice or several types of consideration, the type of consideration as determined by the Committee, which need not be the same type for all Grantees), or (ii) regardless of the consideration received by the holders of Shares in the Merger/Sale, solely shares or any type of Awards (or their equivalent) of the Successor Corporation at a value to be determined by the Committee in its discretion, or a certain type of consideration (whether shares or other securities, cash or other property, or rights, or any combination thereof) as determined by the Committee. Any of the consideration referred to in the foregoing clauses (i) and (ii) shall be subject to the same vesting and expiration terms of the Awards applying immediately prior to the Merger/Sale, unless determined by the Committee in its discretion that the consideration shall be subject to different vesting and expiration terms, or other terms, and the Committee may determine that it be subject to other or additional terms. The foregoing shall not limit the Committee's authority to determine, that in lieu of such assumption or substitution of Awards for Awards of the Successor Corporation, such Award will be substituted for shares or other securities, cash or other property, or rights, or any combination thereof, including as set forth in Section 14.2.2 hereof.

14.2.2 Regardless of whether or not Awards are assumed or substituted, the Committee may (but shall not be obligated to):

14.2.2.1. provide for the Grantee to have the right to exercise the Award in respect of Shares covered by the Award which would otherwise be exercisable or vested, under such terms and conditions as the Committee shall determine, and the cancellation of all unexercised Awards (whether vested or unvested) upon or immediately prior to the closing of the Merger/Sale, unless the Committee provides for the Grantee to have the right to exercise the Award, or otherwise for the acceleration of vesting of such Award, as to all or part of the Shares covered by the Award which would not otherwise be exercisable or vested, under such terms and conditions as the Committee shall determine;

14.2.2.2. provide for the cancellation of each outstanding Award at or immediately prior to the closing of such Merger/Sale, and if and to what extent payment shall be made to the Grantee of an amount in, shares or other securities of the Company, the acquirer or of a corporation or other business entity which is a party to the Merger/Sale, in cash or other property, in rights, or in any combination thereof, as determined by the Committee to be fair in the circumstances, and subject to such terms and conditions as determined by the Committee. The Committee shall have full authority to select the method for determining the payment (being the intrinsic ("spread") value of the option, Black-Scholes model or any other method). *Inter alia*, and without limitation of the following determination being made in other circumstances, the Committee's determination may provide that payment shall be set to zero if the value of the Shares is determined to be less than the Exercise Price, or in respect of Shares covered by the Award which would not otherwise be exercisable or vested, or that payment may be made only in excess of the Exercise Price; and/or

14.2.2.3. provide that the terms of any Award shall be otherwise amended, modified or terminated, as determined by the Committee to be fair in the circumstances.

14.2.3 The Committee may, determine: (i) that any payments made in respect of Awards shall be made or delayed to the same extent that payment of consideration to the holders of the Shares in connection with the Merger/Sale is made or delayed as a result of escrows, indemnification, earn outs, holdbacks or any other contingencies or conditions; (ii) the terms and conditions applying to the payment made or payable to the Grantees, including participation in escrow, indemnification, releases, earn-outs, holdbacks or any other contingencies; and (iii) that any terms and conditions applying under the applicable definitive transaction agreements shall apply to the Grantees (including, appointment and engagement of a shareholders or sellers representative, payment of fees or other costs and expenses associated with such services, indemnifying such representative, and authorization to such representative within the scope of such representative's authority in the applicable definitive transaction agreements).

14.2.4 The Committee may determine to suspend the Grantee's rights to exercise any vested portion of an Award for a period of time prior to the signing or consummation of a Merger/Sale transaction.

14.2.5 Without limiting the generality of this Section 14, if the consideration in exchange for Awards in a Merger/Sale includes any securities and due receipt thereof by any Grantee (or by the Trustee for the benefit of such Grantee) may require under applicable law (i) the registration or qualification of such securities or of any person as a broker or dealer or agent with respect to such securities; or (ii) the provision to any Grantee of any information under the Securities Act or any other securities laws, then the Committee may determine that the Grantee shall be paid in lieu thereof, against surrender of the Shares or cancellation of any other Awards, an amount in cash or other property, or rights, or any combination thereof, as determined by the Committee to be fair in the circumstances, and subject to such terms and conditions as determined by the Committee. Nothing herein shall entitle any Grantee to receive any form of consideration that such Grantee would be ineligible to receive as a result of such Grantee's failure to satisfy (in the Committee's sole determination) any condition, requirement or limitation that is generally applicable to the Company's shareholders, or that is otherwise applicable under the terms of the Merger/Sale, and in such case, the Committee shall determine the type of consideration and the terms applying to such Grantees.

14.2.6 Neither the authorities and powers of the Committee under this Section 14.2, nor the exercise or implementation thereof, shall (i) be restricted or limited in any way by any adverse consequences (tax or otherwise) that may result to any holder of an Award, and (ii) as, *inter alia*, being a feature of the Award upon its grant, be deemed to constitute a change or an amendment of the rights of such holder under this Plan, nor shall any such adverse consequences (as well as any adverse tax consequences that may result from any tax ruling or other approval or determination of any relevant tax authority) be deemed to constitute a change or an amendment of the rights of such holder under this Plan, and may be effected without consent of any Grantee and without any liability to the Company or its Affiliates or to its or their respective officers, directors, employees and representatives and the respective successors and assigns of any of the foregoing. The Committee need not take the same action with respect to all Awards or with respect to all Service Providers. The Committee may take different actions with respect to the vested and unvested portions of an Award. The Committee may determine an amount or type of consideration to be received or distributed in a Merger/Sale which may differ as among the Grantees, and as between the Grantees and any other holders of shares of the Company.

14.2.7 The Committee may determine that upon a Merger/Sale any Shares held by Grantees (or for Grantee's benefit) are sold in accordance with instructions issued by the Committee in connection with such Merger/Sale, which shall be final, conclusive and binding on all Grantees.

14.2.8 All of the Committee's determinations pursuant to this Section 14 shall be at its sole and absolute discretion, and shall be final, conclusive and binding on all Grantees (including, for clarity, as it relates to Shares issued upon exercise or vesting of any Awards or that are Awards, unless otherwise determined by the Committee) and without any liability to the Company or its Affiliates, or to their respective officers, directors, employees, shareholders and representatives, and the respective successors and assigns of any of the foregoing, in connection with the method of treatment, chosen course of action or determinations made hereunder.

14.2.9 If determined by the Committee, the Grantees shall be subject to the definitive agreement(s) in connection with the Merger/Sale as applying to holders of Shares including, such terms, conditions, representations, undertakings, liabilities, limitations, releases, indemnities, appointing and indemnifying shareholders/sellers representative, participating in transaction expenses, shareholders/sellers representative expense fund and escrow arrangement, in each case as determined by the Committee. Each Grantee shall execute (and authorizes any person designated by the Company to so execute, as well as (if applicable) the Trustee holding any Shares for the Grantee's behalf) such separate agreement(s) or instruments as may be requested by the Company,

the Successor Corporation or the acquirer in connection with such in such Merger/Sale or otherwise under or for the purpose of implementing this Section 14.2, and in the form required by them. The execution of such separate agreement(s) may be a condition to the receipt of assumed or substituted Awards, payment in lieu of the Award, the exercise of any Award or otherwise to be entitled to benefit from shares or other securities, cash or other property, or rights, or any combination thereof, pursuant to this Section 14.2 (and the Company (and, if applicable, the Trustee) may exercise its authorization above and sign such agreement on behalf of the Grantee or subject the Grantee to the provisions of such agreements).

14.3. Reservation of Rights. Except as expressly provided in this Section 14 (if any), the Grantee of an Award hereunder shall have no rights by reason of any transaction or event referred to in this Section 14 (including, Recapitalization of shares of any class, any increase or decrease in the number of shares of any class, or any dissolution, liquidation, reorganization, business combination, exchange of shares, spin-off or other corporate divestiture or division, or other similar occurrences, or Merger/Sale). Any issue by the Company of shares of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number, type or price of shares subject to an Award. The grant of an Award pursuant to this Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structures or to merge or to consolidate or to dissolve, liquidate or sell, or transfer all or part of its business or assets or engage in any similar transactions.

15. NON-TRANSFERABILITY OF AWARDS; SURVIVING BENEFICIARY.

15.1. All Awards granted under this Plan by their terms shall not be transferable other than by will or by the laws of descent and distribution, unless otherwise determined by the Committee or under this Plan, provided that with respect to Shares issued upon exercise of Awards, Shares issued upon the vesting of Awards or Awards that are Shares, the restrictions on transfer shall be the restrictions referred to in Section 16 (Conditions upon Issuance of Shares) hereof. Subject to the above provisions, the terms of such Award, this Plan and any applicable Award Agreement shall be binding upon the beneficiaries, executors, administrators, heirs and successors of such Grantee. Awards may be exercised or otherwise realized, during the lifetime of the Grantee, only by the Grantee or by his guardian or legal representative, to the extent provided for herein. Any transfer of an Award not permitted hereunder (including transfers pursuant to any decree of divorce, dissolution or separate maintenance, any property settlement, any separation agreement or any other agreement with a spouse) and any grant of any interest in any Award to, or creation in any way of any direct or indirect interest in any Award by, any party other than the Grantee shall be null and void and shall not confer upon any party or person, other than the Grantee, any rights. A Grantee may file with the Committee a written designation of a beneficiary, who shall be permitted to exercise such Grantee's Award or to whom any benefit under this Plan is to be paid, in each case, in the event of the Grantee's death before he or she fully exercises his or her Award or receives any or all of such benefit, on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation. If no designated beneficiary survives the Grantee, the executor or administrator of the Grantee's estate shall be deemed to be the Grantee's beneficiary. Notwithstanding the foregoing, upon the request of the Grantee and subject to Applicable Law, the Committee, at its sole discretion, may permit the Grantee to transfer the Award to a trust whose beneficiaries are the Grantee and/or the Grantee's immediate family members (all or several of them).

15.2. Notwithstanding any other provisions of the Plan to the contrary, no Incentive Stock Option may be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution or in accordance with a beneficiary designation pursuant to Section 15.1. Further, all Incentive Stock Options granted to a Grantee shall be exercisable during his or her lifetime only by such Grantee.

15.3. As long as the Shares are held by the Trustee in favor of the Grantee, all rights possessed by the Grantee over the Shares are personal, and may not be transferred, assigned, pledged or mortgaged, other than by will or laws of descent and distribution.

15.4. If and to the extent a Grantee is entitled to transfer an Award and/or Shares underlying an Award in accordance with the terms of the Plan and any other applicable agreements, such transfer shall be subject (in addition, to any other conditions or terms applying thereto) to receipt by the Company from such proposed transferee of a written instrument, on a form reasonably acceptable to the Company, pursuant to which such proposed transferee agrees to be bound by all provisions of the Plan and any other applicable agreements, including without limitation, any restrictions on transfer of the Award and/or Shares set forth herein (however, failure to so deliver such instrument to the Company as set forth above shall not derogate from all such provisions applying on any transferee).

15.5. The provisions of this Section 15 shall apply to the Grantee and to any purchaser, assignee or transferee of any Shares.

16. CONDITIONS UPON ISSUANCE OF SHARES; GOVERNING PROVISIONS.

16.1. Legal Compliance. The grant of Awards and the issuance of Shares upon exercise or settlement of Awards shall be subject to compliance with all Applicable Law as determined by the Company, including, applicable requirements of federal, state and foreign law with respect to such securities. The Company shall have no obligations to issue Shares pursuant to the exercise or settlement of an Award and Awards may not be exercised or settled, if the issuance of Shares upon exercise or settlement would constitute a violation of any Applicable Law as determined by the Company, including, applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Shares may then be listed. In addition, no Award may be exercised unless (i) a registration statement under the Securities Act or equivalent law in another jurisdiction shall at the time of exercise or settlement of the Award be in effect with respect to the shares issuable upon exercise of the Award, or (ii) in the opinion of legal counsel to the Company, the shares issuable upon exercise of the Award may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act or equivalent law in another jurisdiction. The inability of the Company to obtain authority from any regulatory body having jurisdiction, if any, deemed by the Company to be necessary to the lawful issuance and sale of any Shares hereunder, and the inability to issue Shares hereunder due to non-compliance with any Company policies with respect to the sale of Shares, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority or compliance shall not have been obtained or achieved. As a condition to the exercise of an Award, the Company may require the person exercising such Award to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any Applicable Law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company, including to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares, all in form and content specified by the Company.

16.2. Provisions Governing Shares. Shares issued pursuant to an Award shall be subject to this Plan and shall be subject to the Articles of Association of the Company, and any other governing documents of the Company and all policies, manuals and internal regulations of the Company, as in effect from time to time.

16.3. Share Purchase Transactions; Forced Sale. In the event that the Board approves a Merger/Sale effected by way of a forced or compulsory sale (whether pursuant to the Company's Articles of Association or pursuant to Section 341 of the Companies Law or any Shareholders Agreement or otherwise) or in the event of a transaction for the sale of all shares of the Company, then, without derogating from such provisions and in addition thereto, the Grantee shall be obligated, and shall be deemed to have agreed to the offer to effect the Merger/Sale (and the Shares held by or for the benefit of the Grantee shall be included in the shares of the Company approving the terms of such Merger/Sale for the purpose of satisfying the required majority), and shall sell all of the Shares held by or for the benefit of the Grantee on the terms and conditions applying to the holders of Shares, in accordance with the instructions then issued by the Board, whose determination shall be final. No Grantee shall contest, bring any claims or demands, or exercise any appraisal or dissenters' rights related to any of the foregoing. Each Grantee shall execute (and authorizes any person designated by the Company to so execute, as well as (if applicable) the Trustee holding any Shares for the Grantee's behalf) such documents and agreements, as may be requested by the Company relating to matters set forth in or otherwise for the purpose of implementing this Section 16.3. The execution of such separate agreement(s) may be a condition by the Company to the exercise of any Award and the Company (and, if applicable, the Trustee) may exercise its authorization above and sign such agreement on behalf of the Grantee or subject the Grantee to the provisions of such agreements.

16.4. Data Privacy; Data Transfer. Information related to Grantees and Awards hereunder, as shall be received from Grantee or others, and/or held by, the Company or its Affiliates from time to time, and which information may include sensitive and personal information related to Grantees ("Information"), will be used by the Company or its Affiliates (or third parties appointed by any of them, including the Trustee) to comply with any applicable legal requirement, or for administration of the Plan as they deems necessary or advisable, or for the respective business purposes of the Company or its Affiliates (including in connection with transactions related to any of them). The Company and its Affiliates shall be entitled to transfer the Information among the Company or its Affiliates, and to third parties for the purposes set forth above, which may include persons located abroad (including, any person administering the Plan or providing services in respect of the Plan or in order to comply with legal requirements, or the Trustee, their respective officers, directors, employees and representatives, and the respective successors and assigns of any of the foregoing), and any person so receiving Information shall be entitled to transfer it for the purposes set forth above. The Company shall use commercially reasonable efforts to ensure that the transfer of such Information shall be limited to the reasonable and necessary scope. By receiving an Award hereunder, Grantee acknowledges and agrees that the Information is provided at Grantee's free will and Grantee consents to the storage and transfer of the Information as set forth above.

16.5. Prohibition on Executive Officer Loans. Notwithstanding any other provision of the Plan to the contrary, no Grantee who is a member of the Board or an "executive officer" of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to make payment with respect to any Awards granted under the Plan, or continue any extension of credit with respect to such payment, with a loan from the Company or a loan arranged by the Company in violation of Section 13(k) of the Exchange Act.

16.6. Clawback Provisions. All Awards (including the gross amount of any proceeds, gains or other economic benefit the Grantee actually or constructively receives upon receipt or exercise of any Award or the receipt or resale of any Shares underlying the Award) will be subject to recoupment by the Company to the extent required to comply with Applicable Law or any policy of the Company (subject to Applicable Law) providing for the reimbursement of incentive compensation, whether or not such policy was in place at the time of grant of an Award.

17. AGREEMENT REGARDING TAXES; DISCLAIMER.

17.1. If the Company shall so require, as a condition of exercise or (if applicable) vesting of an Award, the release of Shares by the Trustee or the vesting or settlement of an Award, a Grantee shall agree that, no later than the date of such occurrence, the Grantee will pay to the Company (or the Trustee, as applicable) or make arrangements satisfactory to the Company and the Trustee (if applicable) regarding payment of any applicable taxes and compulsory payments of any kind required by Applicable Law to be withheld or paid.

17.2. TAX LIABILITY. ALL TAX CONSEQUENCES UNDER ANY APPLICABLE LAW WHICH MAY ARISE FROM THE GRANT OF ANY AWARDS OR THE EXERCISE OR (IF APPLICABLE) VESTING THEREOF, THE SALE OR DISPOSITION OF ANY SHARES GRANTED HEREUNDER OR ISSUED UPON EXERCISE OR (IF APPLICABLE) THE VESTING OF ANY AWARD, THE ASSUMPTION, SUBSTITUTION, CANCELLATION OR PAYMENT IN LIEU OF AWARDS OR FROM ANY OTHER ACTION IN CONNECTION WITH THE FOREGOING (INCLUDING WITHOUT LIMITATION ANY TAXES AND COMPULSORY PAYMENTS, SUCH AS SOCIAL SECURITY OR HEALTH TAX PAYABLE BY THE GRANTEE OR THE COMPANY IN CONNECTION THEREWITH) SHALL BE BORNE AND PAID SOLELY BY THE GRANTEE, AND THE GRANTEE SHALL INDEMNIFY THE COMPANY, ITS SUBSIDIARIES AND AFFILIATES AND THE TRUSTEE, AND SHALL HOLD THEM HARMLESS AGAINST AND FROM ANY LIABILITY FOR ANY SUCH TAX OR PAYMENT OR ANY PENALTY, INTEREST OR INDEXATION THEREON. EACH GRANTEE AGREES TO, AND UNDERTAKES TO COMPLY WITH, ANY RULING, SETTLEMENT, CLOSING AGREEMENT OR OTHER SIMILAR AGREEMENT OR ARRANGEMENT WITH ANY TAX AUTHORITY IN CONNECTION WITH THE FOREGOING WHICH IS APPROVED BY THE COMPANY.

17.3. NO TAX ADVICE. THE GRANTEE IS ADVISED TO CONSULT WITH A TAX ADVISOR WITH RESPECT TO THE TAX CONSEQUENCES OF RECEIVING, EXERCISING OR DISPOSING OF AWARDS HEREUNDER. THE COMPANY DOES NOT ASSUME ANY RESPONSIBILITY TO ADVISE THE GRANTEE ON SUCH MATTERS, WHICH SHALL REMAIN SOLELY THE RESPONSIBILITY OF THE GRANTEE.

17.4. TAX TREATMENT. THE COMPANY AND ITS AFFILIATES (INCLUDING THE EMPLOYER) DO NOT UNDERTAKE OR ASSUME ANY LIABILITY OR RESPONSIBILITY TO THE EFFECT THAT ANY AWARD SHALL QUALIFY WITH ANY PARTICULAR TAX REGIME OR RULES APPLYING TO PARTICULAR TAX TREATMENT, OR BENEFIT FROM ANY PARTICULAR TAX TREATMENT OR TAX ADVANTAGE OF ANY TYPE AND THE COMPANY AND ITS AFFILIATES (INCLUDING THE EMPLOYER) SHALL BEAR NO LIABILITY IN CONNECTION WITH THE MANNER IN WHICH ANY AWARD IS TREATED FOR TAX PURPOSES, REGARDLESS OF WHETHER THE AWARD WAS GRANTED OR WAS INTENDED TO QUALIFY UNDER ANY PARTICULAR TAX REGIME OR TREATMENT. THIS PROVISION SHALL SUPERSEDE ANY TYPE OF AWARDS OR TAX QUALIFICATION INDICATED IN ANY CORPORATE RESOLUTION OR AWARD AGREEMENT, WHICH SHALL AT ALL TIMES BE SUBJECT TO THE REQUIREMENTS OF APPLICABLE LAW. THE COMPANY AND ITS AFFILIATES (INCLUDING THE EMPLOYER) DO NOT UNDERTAKE AND SHALL NOT BE REQUIRED TO TAKE ANY ACTION IN ORDER TO QUALIFY ANY AWARD WITH THE REQUIREMENT OF ANY PARTICULAR TAX TREATMENT AND NO INDICATION IN ANY DOCUMENT TO THE EFFECT THAT ANY AWARD IS INTENDED TO QUALIFY FOR ANY TAX TREATMENT SHALL IMPLY SUCH AN UNDERTAKING. THE COMPANY AND ITS AFFILIATES (INCLUDING THE EMPLOYER) DO NOT UNDERTAKE TO REPORT FOR TAX PURPOSES ANY AWARD IN ANY PARTICULAR MANNER, INCLUDING IN ANY MANNER CONSISTENT WITH ANY PARTICULAR TAX TREATMENT. NO ASSURANCE IS MADE BY THE COMPANY OR ANY OF ITS AFFILIATES (INCLUDING THE EMPLOYER) THAT ANY PARTICULAR TAX TREATMENT ON THE DATE OF GRANT WILL CONTINUE TO EXIST OR THAT THE AWARD WOULD QUALIFY AT THE TIME OF EXERCISE, VESTING OR DISPOSITION THEREOF WITH ANY PARTICULAR TAX TREATMENT. THE COMPANY AND ITS AFFILIATES (INCLUDING THE EMPLOYER) SHALL NOT HAVE ANY LIABILITY OR OBLIGATION OF ANY NATURE IN THE EVENT THAT AN AWARD DOES NOT QUALIFY FOR ANY PARTICULAR TAX TREATMENT, REGARDLESS WHETHER THE COMPANY COULD HAVE OR SHOULD HAVE TAKEN ANY ACTION TO CAUSE SUCH QUALIFICATION TO BE MET AND SUCH QUALIFICATION REMAINS AT ALL TIMES AND UNDER ALL CIRCUMSTANCES AT THE RISK OF THE GRANTEE. THE COMPANY DOES NOT UNDERTAKE OR ASSUME ANY LIABILITY TO CONTEST A DETERMINATION OR INTERPRETATION (WHETHER WRITTEN OR UNWRITTEN) OF ANY TAX AUTHORITIES, INCLUDING IN RESPECT OF THE QUALIFICATION UNDER ANY PARTICULAR TAX REGIME OR RULES APPLYING TO PARTICULAR TAX TREATMENT. IF THE AWARDS DO NOT QUALIFY UNDER ANY PARTICULAR TAX TREATMENT IT COULD RESULT IN ADVERSE TAX CONSEQUENCES TO THE GRANTEE.

17.5. The Company or any Subsidiary or other Affiliate thereof (including the Employer) may take such action as it may deem necessary or appropriate, in its discretion, for the purpose of or in connection with withholding of any taxes and compulsory payments which the Trustee, the Company or any Subsidiary or other Affiliate thereof (including the Employer) (or any applicable agent thereof) is required by any Applicable Law to withhold in connection with any Awards, including, without limitations, any income tax, social benefits, social insurance, health tax, pension, payroll tax, fringe benefits, excise tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and applicable by law to the Grantee (collectively, "Withholding Obligations"). Such actions may include (i) requiring Grantees to remit to the Company or the Employer in cash an amount sufficient to satisfy such Withholding Obligations and any other taxes and compulsory payments, payable by the Company or the Employer in connection with the Award or the exercise or (if applicable) the vesting thereof; (ii) subject to Applicable Law, allowing the Grantees to surrender Shares to the Company, in an amount that at such time, reflects a value that the Committee determines to be sufficient to satisfy such Withholding Obligations; (iii) withholding Shares otherwise issuable upon the exercise of an Award at a value which is determined by the Company to be sufficient to satisfy such Withholding Obligations; (iv) allowing Grantees to satisfy all or part of the Withholding Obligations by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company or the Trustee; or (iv) any combination of the foregoing. The Company shall not be obligated to allow the exercise or vesting of any Award by or on behalf of a Grantee until all tax consequences arising therefrom are resolved in a manner acceptable to the Company.

17.6. Each Grantee shall notify the Company in writing promptly and in any event within ten (10) days after the date on which such Grantee first obtains knowledge of any tax authority inquiry, audit, assertion, determination, investigation, or question relating in any manner to the Awards granted or received hereunder or Shares issued thereunder and shall continuously inform the Company of any developments, proceedings, discussions and negotiations relating to such matter, and shall allow the Company and its representatives to participate in any proceedings and discussions concerning such matters. Upon request, a Grantee shall provide to the Company any information or document relating to any matter described in the preceding sentence, which the Company, in its discretion, requires.

17.7. With respect to 102 Non-Trustee Options, if the Grantee ceases to be employed by the Company, Parent, Subsidiary or any Affiliate (including the Employer), the Grantee shall extend to the Company and/or the Employer a security or guarantee for the payment of taxes due at the time of sale of Shares, all in accordance with the provisions of Section 102 of the Ordinance and the Rules.

17.8. If a Grantee makes an election under Section 83(b) of the Code to be taxed with respect to an Award as of the date of transfer of Shares rather than as of the date or dates upon which the Grantee would otherwise be taxable under Section 83(a) of the Code, such Grantee shall deliver a copy of such election to the Company upon or prior to the filing such election with the U.S. Internal Revenue Service. Neither the Company nor any Affiliate (including the Employer) shall have any liability or responsibility relating to or arising out of the filing or not filing of any such election or any defects in its construction.

18. RIGHTS AS A SHAREHOLDER; VOTING AND DIVIDENDS.

18.1. Subject to Section 11.4, a Grantee shall have no rights as a shareholder of the Company with respect to any Shares covered by an Award until the Grantee shall have exercised or (as applicable) vests in the Award, paid any Exercise Price therefor and becomes the record holder of the subject Shares. In the case of 102 Awards, the Trustee shall have no rights as a shareholder of the Company with respect to the Shares covered by such Award until the Trustee becomes the record holder for such Shares for the Grantee's benefit, and the Grantee shall not be deemed to be a shareholder and shall have no rights as a shareholder of the Company with respect to the Shares covered by the Award until the date of the release of such Shares from the Trustee to the Grantee and the transfer of record ownership of such Shares to the Grantee (provided, however, that the Grantee shall be entitled to receive from the Trustee any cash dividend or distribution made on account of the Shares held by the Trustee for such Grantee's benefit, subject to any tax withholding and compulsory payment). No adjustment shall be made for dividends (ordinary or extraordinary, whether in shares or other securities, cash or other property, or rights, or any combination thereof) or distribution of other rights for which the record date is prior to the date on which the Grantee or Trustee (as applicable) becomes the record holder of the Shares covered by an Award, except as provided in Section 14 hereof.

18.2. With respect to all Awards issued in the form of Shares hereunder or upon the exercise or (if applicable) the vesting of Awards hereunder, any and all voting rights attached to such Shares shall be subject to Section 18.1**Error! Reference source not found.**, and the Grantee shall be entitled to receive dividends distributed with respect to such Shares, subject to the provisions of the Company's Articles of Association, as amended from time to time, and subject to any Applicable Law.

18.3. The Company may, but shall not be obligated to, register or qualify the sale of Shares under any applicable securities law or any other Applicable Law.

19. NO REPRESENTATION BY COMPANY.

By granting the Awards, the Company is not, and shall not be deemed as, making any representation or warranties to the Grantee regarding the Company, its business affairs, its prospects or the future value of its Shares and such representations and warranties are hereby disclaimed. The Company shall not be required to provide to any Grantee any information, documents or material in connection with the Grantee's considering an exercise of an Award. To the extent that any information, documents or materials are provided, the Company shall have no liability with respect thereto. Any decision by a Grantee to exercise an Award shall solely be at the risk of the Grantee.

20. NO RETENTION RIGHTS.

Nothing in this Plan, any Award Agreement or in any Award granted or agreement entered into pursuant hereto shall confer upon any Grantee the right to continue in the employ of, or be in the service of the Company or any Subsidiary or other Affiliate thereof as a Service Provider or to be entitled to any remuneration or benefits not set forth in this Plan or such agreement, or to interfere with or limit in any way the right of the Company or any such Subsidiary or other Affiliate thereof to terminate such Grantee's employment or service (including, any right of the Company or any of its Affiliates to immediately cease the Grantee's employment or service or to shorten all or part of the notice period, regardless of whether notice of termination was given by the Company or its Affiliates or by the Grantee). Awards granted under this Plan shall not be affected by any change in duties or position of a Grantee, subject to Sections 6.6 through 6.8. No Grantee shall be entitled to claim and the Grantee hereby waives any claim against the Company or any Subsidiary or other Affiliate thereof that he or she was prevented from continuing to vest Awards as of the date of termination of his or her employment with, or services to, the Company or any Subsidiary or other Affiliate thereof. No Grantee shall be entitled to any compensation in respect of the Awards which would have vested had such Grantee's employment or engagement with the Company (or any Subsidiary or other Affiliate thereof) not been terminated.

21. PERIOD DURING WHICH AWARDS MAY BE GRANTED.

Awards may be granted pursuant to this Plan from time to time within a period of ten (10) years from the Effective Date. From and after such date (as extended) no grants of Awards may be made and this Plan shall continue to be in full force and effect with respect to Awards or Shares issued thereunder that remain outstanding.

22. AMENDMENT OF THIS PLAN AND AWARDS.

22.1. The Board at any time and from time to time may suspend, terminate, modify or amend this Plan, whether retroactively or prospectively. Any amendment effected in accordance with this Section shall be binding upon all Grantees and all Awards, whether granted prior to or after the date of such amendment, and without the need to obtain the consent of any Grantee. No termination or amendment of this Plan shall affect any then outstanding Award unless expressly provided by the Board.

22.2. Subject to changes in Applicable Law that would permit otherwise, without the approval of the Company's shareholders, there shall be (i) no increase in the maximum aggregate number of Shares that may be issued under this Plan as Incentive Stock Options (except by operation of the provisions of Section 14.1), (ii) no change in the class of persons eligible to receive Incentive Stock Options, and (iii) no other amendment of this Plan that would require approval of the Company's shareholders under any Applicable Law or the rules of the applicable stock market or exchange, if any, on which the Shares are principally quoted or traded. Unless not permitted by Applicable Law, if the grant of an Award is subject to approval by shareholders, the date of grant of the Award shall be determined as if the Award had not been subject to such approval. Failure to obtain approval by the shareholders shall not in any way derogate from the valid and binding effect of any grant of an Award that is not an Incentive Stock Option.

22.3. The Board or the Committee at any time and from time to time may modify or amend any Award theretofore granted, including any Award Agreement, whether retroactively or prospectively.

23. APPROVAL.

23.1. This Plan shall take effect upon its adoption by the Board, subject to approval of the Plan by the shareholders within twelve months of the date of the Board's initial adoption (the "Effective Date").

23.2. 102 Awards are conditional upon the filing with or approval by the ITA, if required, as set forth in Section 9.4. Failure to so file or obtain such approval shall not in any way derogate from the valid and binding effect of any grant of an Award, which is not a 102 Award.

24. RULES PARTICULAR TO SPECIFIC COUNTRIES; SECTION 409A.

24.1. Notwithstanding anything herein to the contrary, the terms and conditions of this Plan may be supplemented or amended with respect to a particular country or tax regime by means of an appendix to this Plan, and to the extent that the terms and conditions set forth in any appendix conflict with any provisions of this Plan, the provisions of such appendix shall govern. Terms and conditions set forth in such appendix shall apply only to Awards granted to Grantees under the jurisdiction of the specific country or such other tax regime that is the subject of such appendix and shall not apply to Awards issued to a Grantee not under the jurisdiction of such country or such other tax regime. The adoption of any such appendix shall be subject to the approval of the Board or the Committee, and if determined by the Committee to be required in connection with the application of certain tax treatment, pursuant to applicable stock exchange rules or regulations or otherwise, then also the approval of the shareholders of the Company at the required majority.

24.2. This Section 24.2 shall only apply to Awards granted to Grantees who are subject to United States Federal income tax.

24.2.1 It is the intention of the Company that no Award shall be deferred compensation subject to Section 409A of the Code unless and to the extent that the Committee specifically determines otherwise as provided in Section 24.2.2, and the Plan and the terms and conditions of all Awards shall be interpreted and administered accordingly.

24.2.2 The terms and conditions governing any Awards that the Committee determines will be subject to Section 409A of the Code, including any rules for payment or elective or mandatory deferral of the payment or delivery of Shares or cash pursuant thereto, and any rules regarding treatment of such Awards in the event of a Merger/Sale, shall be set forth in the applicable Award Agreement and shall be intended to comply in all respects with Section 409A of the Code, and the Plan and the terms and conditions of such Awards shall be interpreted and administered accordingly.

24.2.3 The Company shall have complete discretion to interpret and construe the Plan and any Award Agreement in any manner that establishes an exemption from (or compliance with) the requirements of Section 409A of the Code. If for any reason, such as imprecision in drafting, any provision of the Plan and/or any Award Agreement does not accurately reflect its intended establishment of an exemption from (or compliance with) Section 409A of the Code, as demonstrated by consistent interpretations or other evidence of intent, such provision shall be considered ambiguous as to its exemption from (or compliance with) Section 409A of the Code and shall be interpreted by the Company in a manner consistent with such intent, as determined in the discretion of the Company. If, notwithstanding the foregoing provisions of this Section 24.2.3, any provision of the Plan or any such agreement would cause a Grantee to incur any additional tax or interest under Section 409A of the Code, the Company may reform such provision in a manner intended to avoid the incurrence by such Grantee of any such additional tax or interest; provided that the Company shall maintain, to the extent reasonably practicable, the original intent and economic benefit to the Grantee of the applicable provision without violating the provisions of Section 409A of the Code. For the avoidance of doubt, no provision of this Plan shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from any Grantee or any other individual to the Company or any of its affiliates, employees or agents.

24.2.4 Notwithstanding any other provision in the Plan, any Award Agreement, or any other written document establishing the terms and conditions of an Award, if any Grantee is a “specified employee,” within the meaning of Section 409A of the Code, as of the date of his or her “separation from service” (as defined under Section 409A of the Code), then, to the extent required by Treasury Regulation Section 1.409A-3(i)(2) (or any successor provision), any payment made to such Grantee on account of his or her separation from service shall not be made before a date that is six months after the date of his or her separation from service. The Committee may elect any of the methods of applying this rule that are permitted under Treasury Regulation Section 1.409A-3(i)(2)(ii) (or any successor provision).

24.2.5 Notwithstanding any other provision of this Section 24.2 to the contrary, although the Company intends to administer the Plan so that Awards will be exempt from, or will comply with, the requirements of Section 409A of the Code, the Company does not warrant that any Award under the Plan will qualify for favorable tax treatment under Section 409A of the Code or any other provision of federal, state, local, or non-United States law. The Company shall not be liable to any Grantee for any tax, interest, or penalties the Grantee might owe as a result of the grant, holding, vesting, exercise, or payment of any Award under the Plan.

25. GOVERNING LAW; JURISDICTION.

This Plan and all determinations made and actions taken pursuant hereto shall be governed by the laws of the State of Israel, except with respect to matters that are subject to tax laws, regulations and rules of any specific jurisdiction, which shall be governed by the respective laws, regulations and rules of such jurisdiction. Certain definitions, which refer to laws other than the laws of such jurisdiction, shall be construed in accordance with such other laws. The competent courts located in Tel-Aviv-Jaffa, Israel shall have exclusive jurisdiction over any dispute arising out of or in connection with this Plan and any Award granted hereunder. By signing any Award Agreement or any other agreement relating to an Award, each Grantee irrevocably submits to such exclusive jurisdiction.

26. NON-EXCLUSIVITY OF THIS PLAN.

The adoption of this Plan shall not be construed as creating any limitations on the power or authority of the Company to adopt such other or additional incentive or other compensation arrangements of whatever nature as the Company may deem necessary or desirable or preclude or limit the continuation of any other plan, practice or arrangement for the payment of compensation or fringe benefits to employees generally, or to any class or group of employees, which the Company or any Affiliate now has or will lawfully put into effect, including any retirement, pension, savings and stock purchase plan, insurance, death and disability benefits and executive short-term or long-term incentive plans.

27. MISCELLANEOUS.

27.1. Survival. The Grantee shall be bound by and the Shares issued upon exercise or (if applicable) the vesting of any Awards granted hereunder shall remain subject to this Plan after the exercise or (if applicable) the vesting of Awards, in accordance with the terms of this Plan, whether or not the Grantee is then or at any time thereafter employed or engaged by the Company or any of its Affiliates.

27.2. Additional Terms. Each Award awarded under this Plan may contain such other terms and conditions not inconsistent with this Plan as may be determined by the Committee, in its sole discretion.

27.3. Fractional Shares. No fractional Share shall be issuable upon exercise or vesting of any Award and the number of Shares to be issued shall be rounded down to the nearest whole Share (and the Company shall have liability to compensate for such fractional shares at any time), with in any Share remaining at the last vesting date due to such rounding to be issued upon exercise at such last vesting date.

27.4. Severability. If any provision of this Plan, any Award Agreement or any other agreement entered into in connection with an Award shall be determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions hereof and thereof shall be severable and enforceable in accordance with their terms, and all provisions shall remain enforceable in any other jurisdiction. In addition, if any particular provision contained in this Plan, any Award Agreement or any other agreement entered into in connection with an Award shall for any reason be held to be excessively broad as to duration, geographic scope, activity or subject, it shall be construed by limiting and reducing such provision as to such characteristic so that the provision is enforceable to fullest extent compatible with Applicable Law as it shall then appear.

27.5. Captions and Titles. The use of captions and titles in this Plan or any Award Agreement or any other agreement entered into in connection with an Award is for the convenience of reference only and shall not affect the meaning or interpretation of any provision of this Plan or such agreement.

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WalkMe Ltd.
2021 EMPLOYEE SHARE PURCHASE PLAN

ARTICLE I.
PURPOSE

The purpose of this Plan is to assist Eligible Employees of the Company and its Designated Subsidiaries in acquiring a share ownership interest in the Company.

The Plan consists of two components: (i) the Section 423 Component and (ii) the Non-Section 423 Component. The Section 423 Component is intended to qualify as an "employee stock purchase plan" under Section 423 of the Code and shall be administered, interpreted and construed in a manner consistent with the requirements of Section 423 of the Code. The Non-Section 423 Component authorizes the grant of rights which need not qualify as rights granted pursuant to an "employee stock purchase plan" under Section 423 of the Code. Rights granted under the Non-Section 423 Component shall be granted pursuant to separate Offerings containing such sub-plans, appendices, rules or procedures as may be adopted by the Administrator and designed to achieve tax, securities laws or other objectives for Eligible Employees and Designated Subsidiaries but shall not be intended to qualify as an "employee stock purchase plan" under Section 423 of the Code. Except as otherwise determined by the Administrator or provided herein, the Non- Section 423 Component will operate and be administered in the same manner as the Section 423 Component. Offerings intended to be made under the Non-Section 423 Component will be designated as such by the Administrator at or prior to the time of such Offering.

For purposes of this Plan, the Administrator may designate separate Offerings under the Plan in which Eligible Employees will participate. The terms of these Offerings need not be identical, even if the dates of the applicable Offering Period(s) in each such Offering are identical, provided that the terms of participation are the same within each separate Offering under the Section 423 Component (as determined under Section 423 of the Code). Solely by way of example and without limiting the foregoing, the Company could, but shall not be required to, provide for simultaneous Offerings under the Section 423 Component and the Non-Section 423 Component of the Plan.

ARTICLE II.
DEFINITIONS AND CONSTRUCTION

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise.

2.1 "***Administrator***" means the entity, including any committee specifically designated by the Board, that conducts the general administration of the Plan as provided in Article XI.

2.2 "***Affiliate***" means any entity in which the Company has an equity or other ownership interests.

2.3 "***Agent***" means the brokerage firm, bank or other financial institution, entity or person(s), if any, engaged, retained, appointed or authorized to act as the agent of the Company or an Employee with regard to the Plan.

2.4 "***Applicable Law***" means the requirements relating to the administration of equity incentive plans under U.S. federal and state securities, tax and other applicable laws, rules and regulations, the applicable rules of any stock exchange or quotation system on which Shares are listed or quoted and the applicable laws and rules of any non-U.S. country or other jurisdiction where rights under this Plan are granted.

2.5 "***Board***" means the Board of Directors of the Company.

2.6 "***Code***" means the U.S. Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

2.7 "***Company***" means WalkMe Ltd., an Israeli company, or any successor.

2.8 "***Compensation***" of an Eligible Employee means, unless otherwise determined by the Administrator, the gross base compensation received by such Eligible Employee as compensation for services to the Company or any Designated Subsidiary, including overtime payments and excluding sales commissions, incentive compensation, bonuses, expense reimbursements, fringe benefits and other special payments.

2.9 "***Designated Subsidiary***" means any Subsidiary designated by the Administrator in accordance with Section 11.2(b), such designation to specify whether such participation is in the Section 423 Component or Non-Section 423 Component. A Designated Subsidiary may participate in either the Section 423 Component or Non-Section 423 Component, but not both; provided that a Subsidiary that, for U.S. tax purposes, is disregarded from the Company or any Subsidiary that participates in the Section 423 Component shall automatically constitute a Designated Subsidiary that participates in the Section 423 Component. The designation by the Administrator of Designated Subsidiaries and changes in such designations by the Administrator shall not require shareholder approval. Only entities that are subsidiary corporations of the Company within the meaning of Section 424 of the Code may be designated as Designated Subsidiaries for purposes of the Section 423 Component, and if a subsidiary designated as a Designated Subsidiary for purposes of the Section 423 Component does not so qualify, it shall automatically be deemed to be a Designated Subsidiary in the Non-Section 423 Component.

2.10 "***Effectiv*e ***Date***" means the date upon which the Plan is approved by the shareholders of the Company, provided that the Board has adopted the Plan on, or within 12 months prior to, such date.

2.11 "***Eligible Employee***" means:

(a) With respect to the Section 423 Component of the Plan, an Employee who does not, immediately after any rights under this Plan are granted, own (directly or through attribution) share possessing 5% or more of the total combined voting power or value of all classes of Shares and other securities of the Company, a Parent or a Subsidiary (as determined under Section 423(b)(3) of the Code). For purposes of the foregoing, the rules of Section 424(d) of the Code with regard to the attribution of share ownership shall apply in determining the share ownership of an individual, and a share that an Employee may purchase under outstanding options shall be treated as a share owned by the Employee. With respect to an Employee participating in the Non-Section 423 Component, such qualification shall not apply, unless otherwise required by Applicable Law.

(b) Notwithstanding the foregoing, the Administrator may provide in an Offering Document that an Employee shall not be eligible to participate in an Offering Period under the Section 423 Component if: (i) such Employee is a highly compensated employee within the meaning of Section 423(b)(4)(D) of the Code; (ii) such Employee has not met a service requirement designated by the Administrator pursuant to Section 423(b)(4)(A) of the Code (which service requirement may not exceed two years); (iii) such Employee's customary employment is for twenty hours per week or less; (iv) such Employee's customary employment is for less than five months in any calendar year; and/or (v) such

Employee is a citizen or resident of a non-U.S. jurisdiction and the grant of a right to purchase Shares under the Plan to such Employee would be prohibited under the laws of such non-U.S. jurisdiction or the grant of a right to purchase Shares under the Plan to such Employee in compliance with the laws of such non-U.S. jurisdiction would cause the Plan to violate the requirements of Section 423 of the Code, as determined by the Administrator in its sole discretion; provided, further, that any exclusion in clauses (i), (ii), (iii), (iv) or (v) shall be applied in an identical manner under each Offering Period to all Employees, in accordance with Treasury Regulation Section 1.423-2(e).

(c) With respect to the Non-Section 423 Component, the foregoing rules shall apply in determining who is an "Eligible Employee," except (i) the Administrator may limit eligibility further within the Company or a Designated Subsidiary so as to only designate some Employees of the Company or a Designated Subsidiary as Eligible Employees, and (ii) to the extent the foregoing eligibility rules are not consistent with applicable local laws, the applicable local laws shall control.

2.12 "***Employee***" means any individual who renders services to the Company or any Designated Subsidiary in the status of an employee, and, with respect to the Section 423 Component, a person who is an employee within the meaning of Section 3401(c) of the Code. For purposes of an individual's participation in, or other rights under the Plan, all determinations by the Company shall be final, binding and conclusive, notwithstanding that any court of law or governmental agency subsequently makes a contrary determination. For purposes of the Plan, the employment relationship shall be treated as continuing intact while the individual is on sick leave or other leave of absence approved by the Company or Designated Subsidiary and meeting the requirements of Treasury Regulation Section 1.421-1(h)(2). Where the period of leave exceeds three (3) months and the individual's right to reemployment is not guaranteed either by statute or by contract, the employment relationship shall be deemed to have terminated on the first day immediately following such three (3)-month period.

2.13 "***Enrollment Date***" means the first Trading Day of each Offering Period.

2.14 "***Fair Market Value***" means, as of any date, the value of Shares determined as follows: (i) if the Shares are listed on any established stock exchange, its Fair Market Value will be the closing sales price for such Shares as quoted on such exchange for such date, or if no sale occurred on such date, the last day preceding such date during which a sale occurred, as reported in The Wall Street Journal or another source the Administrator deems reliable; (ii) if the Shares are not traded on a stock exchange but are quoted on a national market or other quotation system, the closing sales price on such date, or if no sales occurred on such date, then on the last date preceding such date during which a sale occurred, as reported in The Wall Street Journal or another source the Administrator deems reliable; or (iii) without an established market for the Shares, the Administrator will determine the Fair Market Value in its discretion.

2.15 "***Non-Section 423 Component***" means those Offerings under the Plan, together with the sub-plans, appendices, rules or procedures, if any, adopted by the Administrator as a part of this Plan, in each case, pursuant to which rights to purchase Shares during an Offering Period may be granted to Eligible Employees that need not satisfy the requirements for rights to purchase Shares granted pursuant to an "employee stock purchase plan" that are set forth under Section 423 of the Code.

2.16 "***Offering***" means an offer under the Plan of a right to purchase Shares that may be exercised during an Offering Period as further described in Article IV hereof. Unless otherwise specified by the Administrator, each Offering to the Eligible Employees of the Company or a Designated Subsidiary shall be deemed a separate Offering, even if the dates and other terms of the applicable Offering Periods of each such Offering are identical, and the provisions of the Plan will separately apply to each Offering. To the extent permitted by Treas. Reg. § 1.423-2(a)(1), the terms of each separate Offering under the Section 423 Component need not be identical, provided that the terms of the Section 423 Component and an Offering thereunder together satisfy Treas. Reg. § 1.423-2(a)(2) and (a)(3).

2.17 "***Offering Document***" has the meaning given to such term in Section 4.1.

2.18 "***Offering Period***" has the meaning given to such term in Section 4.1.

2.19 ***"Ordinary Shares"*** means Ordinary Shares, no par value, of the Company and such other securities of the Company that may be substituted therefore.

2.20 "***Parent***" means any corporation, other than the Company, in an unbroken chain of corporations ending with the Company if, at the time of the determination, each of the corporations other than the Company owns shares possessing 50% or more of the total combined voting power of all classes of shares in one of the other corporations in such chain.

2.21 "***Participant***" means any Eligible Employee who has executed a subscription agreement and been granted rights to purchase Shares pursuant to this Plan.

2.22 "***Payday***" means the regular and recurring established day for payment of Compensation to an Employee of the Company or any Designated Subsidiary.

2.23 "***Plan***" means this 2021 Employee Share Purchase Plan, including both the Section 423 Component and Non-Section 423 Component and any other sub-plans or appendices hereto, as amended from time to time.

2.24 "***Purchase Date***" means the last Trading Day of each Offering Period or such other date as determined by the Administrator and set forth in the Offering Document.

2.25 "***Purchase Price***" means the purchase price designated by the Administrator in the applicable Offering Document (which purchase price, for purposes of the Section 423 Component, shall not be less than 85% of the Fair Market Value of a Share on the Enrollment Date or on the Purchase Date, whichever is lower); provided, however, that, in the event no purchase price is designated by the Administrator in the applicable Offering Document, the purchase price for the Offering Periods covered by such Offering Document shall be 85% of the Fair Market Value of a Share on the Enrollment Date or on the Purchase Date, whichever is lower; provided, further, that the Purchase Price may be adjusted by the Administrator pursuant to Article VIII and shall not be less than the par value of a Share.

2.26 "***Section 423 Component***" means those Offerings under the Plan, together with the sub- plans, appendices, rules or procedures, if any, adopted by the Administrator as a part of this Plan, in each case, pursuant to which rights to purchase Shares during an Offering Period may be granted to Eligible Employees that are intended to satisfy the requirements for rights to purchase Shares granted pursuant to an "employee stock purchase plan" that are set forth under Section 423 of the Code.

2.27 "***Securities Act***" means the U.S. Securities Act of 1933, as amended.

2.28 "***Share***" means an Ordinary Share.

2.29 "***Subsidiary***" means any corporation, other than the Company, in an unbroken chain of corporations beginning with the Company if, at the time of the determination, each of the corporations other than the last corporation in an unbroken chain owns shares possessing 50% or more of the total combined voting power of all classes of shares in one of the other corporations in such chain; provided, however, that

a limited liability company or partnership may be treated as a Subsidiary to the extent either (a) such entity is treated as a disregarded entity under Treasury Regulation Section 301.7701-3(a) by reason of the Company or any other Subsidiary that is a corporation being the sole owner of such entity, or (b) such entity elects to be classified as a corporation under Treasury Regulation Section 301.7701-3(a) and such entity would otherwise qualify as a Subsidiary. In addition, with respect to the Non-Section 423 Component, Subsidiary shall include any corporate or non-corporate entity in which the Company has a direct or indirect equity interest or significant business relationship.

2.30 "***Trading Day***" means a day on which national stock exchanges in the United States are open for trading.

2.31 "***Treas. Reg.***" means U.S. Department of the Treasury regulations.

ARTICLE III.
SHARES SUBJECT TO THE PLAN

3.1 Number of Shares. Subject to Article VIII, the aggregate number of Shares that may be issued pursuant to rights granted under the Plan shall be 1,824,988 Shares. In addition to the foregoing, subject to Article VIII, on the first day of each calendar year beginning on January 1, 2022 and ending on and including January 1, 2031, the number of Shares available for issuance under the Plan shall be increased by that number of Shares equal to the lesser of (a) one percent (1%) of the Shares outstanding on the last day of the immediately preceding calendar year, as determined on a fully diluted basis, and (b) such smaller number of Shares as may be determined by the Board.] If any right granted under the Plan shall for any reason terminate without having been exercised, the Shares not purchased under such right shall again become available for issuance under the Plan. Notwithstanding anything in this Section 3.1 to the contrary, the number of Shares that may be issued or transferred pursuant to the rights granted under the Section 423 Component of the Plan shall not exceed an aggregate of 18,249,880 Shares, subject to Article VIII.

3.2 Shares Distributed. Any Shares distributed pursuant to the Plan may consist, in whole or in part, of authorized and unissued Shares, treasury shares or Shares purchased on the open market.

ARTICLE IV.
OFFERING PERIODS; OFFERING DOCUMENTS; PURCHASE DATES

4.1 Offering Periods. The Administrator may from time to time grant or provide for the grant of rights to purchase Shares under the Plan to Eligible Employees during one or more periods (each, an "***Offering Period***") selected by the Administrator. The terms and conditions applicable to each Offering Period shall be set forth in an "***Offering Document***" adopted by the Administrator, which Offering Document shall be in such form and shall contain such terms and conditions as the Administrator shall deem appropriate and shall be incorporated by reference into and made part of the Plan and shall be attached hereto as part of the Plan. The provisions of separate Offerings or Offering Periods under the Plan need not be identical.

4.2 Offering Documents. Each Offering Document with respect to an Offering Period shall specify (through incorporation of the provisions of this Plan by reference or otherwise):

(a) the length of the Offering Period, which period shall not exceed twenty-seven months;

(b) the maximum number of Shares that may be purchased by any Eligible Employee during such Offering Period, which, in the absence of a contrary designation by the Administrator, shall be 5,000 Shares; and

(c) such other provisions as the Administrator determines are appropriate, subject to the Plan.

ARTICLE V.
ELIGIBILITY AND PARTICIPATION

5.1 Eligibility. Any Eligible Employee who shall be employed by the Company or a Designated Subsidiary on a given Enrollment Date for an Offering Period shall be eligible to participate in the Plan during such Offering Period, subject to the requirements of this Article V and, for the Section 423 Component, the limitations imposed by Section 423(b) of the Code.

5.2 Enrollment in Plan.

(a) Except as otherwise set forth in an Offering Document or determined by the Administrator, an Eligible Employee may become a Participant in the Plan for an Offering Period by delivering a subscription agreement to the Company by such time prior to the Enrollment Date for such Offering Period (or such other date specified in the Offering Document) designated by the Administrator and in such form as the Company provides.

(b) Each subscription agreement shall designate a whole percentage of such Eligible Employee's Compensation to be withheld by the Company or the Designated Subsidiary employing such Eligible Employee on each Payday during the Offering Period as payroll deductions under the Plan. The percentage of Compensation designated by an Eligible Employee may not be less than 1% and may not be more than the maximum percentage specified by the Administrator in the applicable Offering Document (which percentage shall be 20% in the absence of any such designation) as payroll deductions. The payroll deductions made for each Participant shall be credited to an account for such Participant under the Plan and shall be deposited with the general funds of the Company.

(c) A Participant may increase or decrease the percentage of Compensation designated in his or her subscription agreement, subject to the limits of this Section 5.2, or may suspend his or her payroll deductions, at any time during an Offering Period; provided, however, that the Administrator may limit the number of changes a Participant may make to his or her payroll deduction elections during each Offering Period in the applicable Offering Document (and in the absence of any specific designation by the Administrator, a Participant shall be allowed to decrease (but not increase) his or her payroll deduction elections one time during each Offering Period). Any such change or suspension of payroll deductions shall be effective with the first full payroll period following five business days after the Company's receipt of the new subscription agreement (or such shorter or longer period as may be specified by the Administrator in the applicable Offering Document). In the event a Participant suspends his or her payroll deductions, such Participant's cumulative payroll deductions prior to the suspension shall remain in his or her account and shall be applied to the purchase of Shares on the next occurring Purchase Date and shall not be paid to such Participant unless he or she withdraws from participation in the Plan pursuant to Article VII.

(d) Except as otherwise set forth in an Offering Document or determined by the Administrator, a Participant may participate in the Plan only by means of payroll deduction and may not make contributions by lump sum payment for any Offering Period.

5.3 Payroll Deductions. Except as otherwise provided in the applicable Offering Document, payroll deductions for a Participant shall commence on the first Payday following the Enrollment Date and shall end on the last Payday in the Offering Period to which the Participant's authorization is applicable, unless sooner terminated by the Participant as provided in Article VII or suspended by the Participant or the Administrator as provided in Section 5.2 and Section 5.6, respectively. Notwithstanding any other provisions of the Plan to the contrary, in non-U.S. jurisdictions where participation in the Plan through payroll deductions is prohibited, the Administrator may provide that an Eligible Employee may elect to participate through contributions to the Participant's account under the Plan in a form acceptable to the Administrator in lieu of or in addition to payroll deductions; provided, however, that, for any Offering under the Section 423 Component, the Administrator shall take into consideration any limitations under Section 423 of the Code when applying an alternative method of contribution.

5.4 Effect of Enrollment. A Participant's completion of a subscription agreement will enroll such Participant in the Plan for each subsequent Offering Period on the terms contained therein until the Participant either submits a new subscription agreement, withdraws from participation under the Plan as provided in Article VII or otherwise becomes ineligible to participate in the Plan.

5.5 Limitation on Purchase of Shares. An Eligible Employee may be granted rights under the Section 423 Component only if such rights, together with any other rights granted to such Eligible Employee under "employee stock purchase plans" of the Company, any Parent or any Subsidiary, as specified by Section 423(b)(8) of the Code, do not permit such employee's rights to purchase shares of the Company or any Parent or Subsidiary to accrue at a rate that exceeds $25,000 of the fair market value of such shares (determined as of the first day of the Offering Period during which such rights are granted) for each calendar year in which such rights are outstanding at any time. This limitation shall be applied in accordance with Section 423(b)(8) of the Code.

5.6 Suspension of Payroll Deductions. Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and Section 5.5 (with respect to the Section 423 Component) or the other limitations set forth in this Plan, a Participant's payroll deductions may be suspended by the Administrator at any time during an Offering Period. The balance of the amount credited to the account of each Participant that has not been applied to the purchase of Shares by reason of Section 423(b)(8) of the Code, Section 5.5 or the other limitations set forth in this Plan shall be paid to such Participant in one lump sum in cash as soon as reasonably practicable after the Purchase Date.

5.7 Non-U.S. Employees. In order to facilitate participation in the Plan, the Administrator may provide for such special terms applicable to Participants who are citizens or residents of a non-U.S. jurisdiction, or who are employed by a Designated Subsidiary outside of the United States, as the Administrator may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Except as permitted by Section 423 of the Code, with respect to the Section 423 Component, such special terms may not be more favorable than the terms of rights granted under the Section 423 Component to Eligible Employees who are residents of the United States. Such special terms may be set forth in an addendum to the Plan in the form of an appendix or sub-plan (which appendix or sub-plan may be designed to govern Offerings under the Section 423 Component or the Non-Section 423 Component, as determined by the Administrator). To the extent that the terms and conditions set forth in an appendix or sub-plan conflict with any provisions of the Plan, the provisions of the appendix or sub-plan shall govern. The adoption of any such appendix or sub-plan shall be pursuant to Section 11.2(f). Without limiting the foregoing, the Administrator is specifically authorized to adopt rules and procedures, with respect to

Participants who are non-U.S. nationals or employed in non-U.S. jurisdictions, regarding the exclusion of particular Subsidiaries from participation in the Plan, eligibility to participate, the definition of Compensation, handling of payroll deductions or other contributions by Participants, payment of interest, conversion of local currency, data privacy security, payroll tax, withholding procedures, establishment of bank or trust accounts to hold payroll deductions or contributions.

5.8 Leave of Absence. During leaves of absence approved by the Company meeting the requirements of Treasury Regulation Section 1.421-1(h)(2) under the Code, a Participant may continue participation in the Plan by making cash payments to the Company on his or her normal Payday equal to the Participant's authorized payroll deduction.

ARTICLE VI.
GRANT AND EXERCISE OF RIGHTS

6.1 Grant of Rights. On the Enrollment Date of each Offering Period, each Eligible Employee participating in such Offering Period shall be granted a right to purchase the maximum number of Shares specified under Section 4.2, subject to the limits in Section 5.5, and shall have the right to buy, on each Purchase Date during such Offering Period (at the applicable Purchase Price), such number of whole Shares as is determined by dividing (a) such Participant's payroll deductions accumulated prior to such Purchase Date and retained in the Participant's account as of the Purchase Date, by (b) the applicable Purchase Price (rounded down to the nearest Share). The right shall expire on the earlier of the last day of the Offering Period and the date on which the Participant withdraws in accordance with Section 7.1 or Section 7.3.

6.2 Exercise of Rights. On each Purchase Date, each Participant's accumulated payroll deductions and any other additional payments specifically provided for in the applicable Offering Document will be applied to the purchase of whole Shares, up to the maximum number of Shares permitted pursuant to the terms of the Plan and the applicable Offering Document, at the Purchase Price. No fractional Shares shall be issued upon the exercise of rights granted under the Plan, unless the Offering Document specifically provides otherwise. Any cash in lieu of fractional Shares remaining after the purchase of whole Shares upon exercise of a purchase right will be credited to a Participant's account and carried forward and applied toward the purchase of whole Shares for the next following Offering Period. Shares issued pursuant to the Plan may be evidenced in such manner as the Administrator may determine and may be issued in certificated form or issued pursuant to book-entry procedures.

6.3 Pro Rata Allocation of Shares. If the Administrator determines that, on a given Purchase Date, the number of Shares with respect to which rights are to be exercised may exceed (a) the number of Shares that were available for issuance under the Plan on the Enrollment Date of the applicable Offering Period, or (b) the number of Shares available for issuance under the Plan on such Purchase Date, the Administrator may in its sole discretion provide that the Company shall make a pro rata allocation of the Shares available for purchase on such Enrollment Date or Purchase Date, as applicable, in as uniform a manner as shall be practicable and as it shall determine in its sole discretion to be equitable among all Participants for whom rights to purchase Shares are to be exercised pursuant to this Article VI on such Purchase Date, and shall either (i) continue all Offering Periods then in effect, or (ii) terminate any or all Offering Periods then in effect pursuant to Article IX. The Company may make pro rata allocation of the Shares available on the Enrollment Date of any applicable Offering Period pursuant to the preceding sentence, notwithstanding any authorization of additional Shares for issuance under the Plan by the Company's shareholders subsequent to such Enrollment Date. The balance of the amount credited to the account of each Participant that has not been applied to the purchase of Shares shall be paid to such Participant in one lump sum in cash as soon as reasonably practicable after the Purchase Date or such earlier date as determined by the Administrator.

6.4 Withholding. At the time a Participant's rights under the Plan are exercised, in whole or in part, or at the time some or all of the Shares issued under the Plan is disposed of, the Participant must make adequate provision for the Company's federal, state, or other tax withholding obligations, if any, that arise upon the exercise of the right or the disposition of the Shares. At any time, the Company may, but shall not be obligated to, withhold from the Participant's compensation or Shares received pursuant to the Plan the amount necessary for the Company to meet applicable withholding obligations, including any withholding required to make available to the Company any tax deductions or benefits attributable to sale or early disposition of Shares by the Participant.

6.5 Conditions to Issuance of Shares. The Company shall not be required to issue or deliver any certificate or certificates for, or make any book entries evidencing, Shares purchased upon the exercise of rights under the Plan prior to fulfillment of all of the following conditions: (a) the admission of such Shares to listing on all stock exchanges, if any, on which the Shares are then listed; (b) the completion of any registration or other qualification of such Shares under any state or federal law or under the rulings or regulations of the Securities and Exchange Commission or any other governmental regulatory body, that the Administrator shall, in its absolute discretion, deem necessary or advisable; (c) the obtaining of any approval or other clearance from any state or federal governmental agency that the Administrator shall, in its absolute discretion, determine to be necessary or advisable; (d) the payment to the Company of all amounts that it is required to withhold under federal, state or local law upon exercise of the rights, if any; and (e) the lapse of such reasonable period of time following the exercise of the rights as the Administrator may from time to time establish for reasons of administrative convenience.

ARTICLE VII.
WITHDRAWAL; CESSATION OF ELIGIBILITY

7.1 Withdrawal. A Participant may withdraw all but not less than all of the payroll deductions credited to his or her account and not yet used to exercise his or her rights under the Plan at any time by giving written notice to the Company in a form acceptable to the Company no later than one week prior to the end of the Offering Period. All of the Participant's payroll deductions credited to his or her account during an Offering Period shall be paid to such Participant as soon as reasonably practicable after receipt of notice of withdrawal and such Participant's rights for the Offering Period shall be automatically terminated, and no further payroll deductions for the purchase of Shares shall be made for such Offering Period. If a Participant withdraws from an Offering Period, payroll deductions shall not resume at the beginning of the next Offering Period unless the Participant timely delivers to the Company a new subscription agreement.

7.2 Future Participation. A Participant's withdrawal from an Offering Period shall not have any effect upon his or her eligibility to participate in any similar plan that may hereafter be adopted by the Company or a Designated Subsidiary or in subsequent Offering Periods that commence after the termination of the Offering Period from which the Participant withdraws.

7.3 Cessation of Eligibility. Upon a Participant's ceasing to be an Eligible Employee for any reason, he or she shall be deemed to have elected to withdraw from the Plan pursuant to this Article VII and the payroll deductions credited to such Participant's account during the Offering Period shall be paid to such Participant or, in the case of his or her death, to the person or persons entitled thereto under Section 12.4, as soon as reasonably practicable, and such Participant's rights for the Offering Period shall be automatically terminated. If a Participant transfers employment from the Company or any Designated Subsidiary participating in the Section 423 Component to any Designated Subsidiary participating in the Non-Section 423 Component, such transfer shall not be treated as a termination of employment, but the Participant shall immediately cease to participate in the Section 423 Component; however, any contributions made for the Offering Period in which such transfer occurs shall be transferred to the Non-

Section 423 Component, and such Participant shall immediately join the then-current Offering under the Non-Section 423 Component upon the same terms and conditions in effect for the Participant's participation in the Section 423 Component, except for such modifications otherwise applicable for Participants in such Offering. A Participant who transfers employment from any Designated Subsidiary participating in the Non-Section 423 Component to the Company or any Designated Subsidiary participating in the Section 423 Component shall not be treated as terminating the Participant's employment and shall remain a Participant in the Non-Section 423 Component until the earlier of (i) the end of the current Offering Period under the Non-Section 423 Component or (ii) the Enrollment Date of the first Offering Period in which the Participant is eligible to participate following such transfer. Notwithstanding the foregoing, the Administrator may establish different rules to govern transfers of employment between entities participating in the Section 423 Component and the Non-Section 423 Component, consistent with the applicable requirements of Section 423 of the Code.

ARTICLE VIII.
ADJUSTMENTS UPON CHANGES IN SHARES

8.1 Changes in Capitalization. Subject to Section 8.3, in the event that the Administrator determines that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), change in control, reorganization, merger, amalgamation, consolidation, combination, repurchase, redemption, recapitalization, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of the assets of the Company, or sale or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company, or other similar corporate transaction or event, as determined by the Administrator, affects the Shares such that an adjustment is determined by the Administrator to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under the Plan or with respect to any outstanding purchase rights under the Plan, the Administrator shall make equitable adjustments, if any, to reflect such change with respect to (a) the aggregate number and type of Shares (or other securities or property) that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Section 3.1 and the limitations established in each Offering Document pursuant to Section 4.2 on the maximum number of Shares that may be purchased); (b) the class(es) and number of Shares and price per Share subject to outstanding rights; and (c) the Purchase Price with respect to any outstanding rights.

8.2 Other Adjustments. Subject to Section 8.3, in the event of any transaction or event described in Section 8.1 or any unusual or nonrecurring transactions or events affecting the Company, any Affiliate of the Company, or the financial statements of the Company or any Affiliate, or of changes in Applicable Law or accounting principles, the Administrator, in its discretion, and on such terms and conditions as it deems appropriate, is hereby authorized to take any one or more of the following actions whenever the Administrator determines that such action is appropriate in order to prevent the dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to any right under the Plan, to facilitate such transactions or events or to give effect to such changes in laws, regulations or principles:

(a) To provide for either (i) termination of any outstanding right in exchange for an amount of cash, if any, equal to the amount that would have been obtained upon the exercise of such right had such right been currently exercisable or (ii) the replacement of such outstanding right with other rights or property selected by the Administrator in its sole discretion;

(b) To provide that the outstanding rights under the Plan shall be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar rights covering the shares of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices;

(c) To make adjustments in the number and type of Shares (or other securities or property) subject to outstanding rights under the Plan and/or in the terms and conditions of outstanding rights and rights that may be granted in the future;

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

(e) To provide that all outstanding rights shall terminate without being exercised.

8.3 No Adjustment Under Certain Circumstances. Unless determined otherwise by the Administrator, no adjustment or action described in this Article VIII or in any other provision of the Plan shall be authorized to the extent that such adjustment or action would cause the Section 423 Component of the Plan to fail to satisfy the requirements of Section 423 of the Code.

8.4 No Other Rights. Except as expressly provided in the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of shares of any class, the payment of any dividend, any increase or decrease in the number of shares of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Administrator under the Plan, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of Shares subject to outstanding rights under the Plan or the Purchase Price with respect to any outstanding rights.

ARTICLE IX.
AMENDMENT, MODIFICATION AND TERMINATION

9.1 Amendment, Modification and Termination. The Administrator may amend, suspend or terminate the Plan at any time and from time to time; provided, however, that approval of the Company's shareholders shall be required to amend the Plan to: (a) increase the aggregate number, or change the type, of shares that may be sold pursuant to rights under the Plan under Section 3.1 (other than an adjustment as provided by Article VIII) or (b) change the corporations or classes of corporations whose employees may be granted rights under the Plan.

9.2 Certain Changes to Plan. Without shareholder consent and without regard to whether any Participant rights may be considered to have been adversely affected (and, with respect to the Section 423 Component of the Plan, after taking into account Section 423 of the Code), the Administrator shall be entitled to change the Offering Periods, limit the frequency and/or number of changes in the amount withheld from Compensation during an Offering Period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit payroll withholding in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the Company's processing of withholding elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Shares for each Participant properly correspond with amounts withheld from the Participant's Compensation, and establish such other limitations or procedures as the Administrator determines in its sole discretion to be advisable that are consistent with the Plan.

9.3 Actions In the Event of Unfavorable Financial Accounting Consequences. In the event the Administrator determines that the ongoing operation of the Plan may result in unfavorable financial accounting consequences, the Administrator may, in its discretion and, to the extent necessary or desirable, modify or amend the Plan to reduce or eliminate such accounting consequence including, but not limited to:

(a) altering the Purchase Price for any Offering Period including an Offering Period underway at the time of the change in Purchase Price;

(b) shortening any Offering Period so that the Offering Period ends on a new Purchase Date, including an Offering Period underway at the time of the Administrator action; and

(c) allocating Shares.

Such modifications or amendments shall not require shareholder approval or the consent of any Participant.

9.4 Payments Upon Termination of Plan. Upon termination of the Plan, the balance in each Participant's Plan account shall be refunded as soon as practicable after such termination, without any interest thereon, or the Offering Period may be shortened so that the purchase of Shares occurs prior to the termination of the Plan.

ARTICLE X.
TERM OF PLAN

The Plan shall become effective on the Effective Date. The effectiveness of the Plan shall be subject to approval of the Plan by the Company's shareholders within twelve months before or after the date the Plan is first approved by the Board. No right may be granted under the Plan prior to such shareholder approval. No rights may be granted under the Plan during any period of suspension of the Plan or after termination of the Plan.

ARTICLE XI.
ADMINISTRATION

11.1 Administrator. Unless otherwise determined by the Board, the Administrator of the Plan shall be the Compensation Committee of the Board (or another committee or a subcommittee of the Board to which the Board delegates administration of the Plan). The Board may at any time vest in the Administrator any authority or duties for administration of the Plan. The Administrator may delegate administrative tasks under the Plan to the services of an Agent or Employees to assist in the administration of the Plan, including establishing and maintaining an individual securities account under the Plan for each Participant.

11.2 Authority of Administrator. The Administrator shall have the power, subject to, and within the limitations of, the express provisions of the Plan:

(a) To determine when and how rights to purchase Shares shall be granted and the provisions of each offering of such rights (which need not be identical).

(b) To designate from time to time which Subsidiaries of the Company shall be Designated Subsidiaries, which designation may be made without the approval of the shareholders of the Company.

(c) To impose a mandatory holding period pursuant to which Employees may not dispose of or transfer Shares purchased under the Plan for a period of time determined by the Administrator in its discretion.

(d) To construe and interpret the Plan and rights granted under it, and to establish, amend and revoke rules and regulations for its administration. The Administrator, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan, in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective.

(e) To amend, suspend or terminate the Plan as provided in Article IX.

(f) Generally, to exercise such powers and to perform such acts as the Administrator deems necessary or expedient to promote the best interests of the Company and its Subsidiaries and to carry out the intent that the Plan be treated as an "employee stock purchase plan" within the meaning of Section 423 of the Code for the Section 423 Component.

(g) The Administrator may adopt sub-plans applicable to particular Designated Subsidiaries or locations, which sub-plans may be designed to be outside the scope of Section 423 of the Code. The rules of such sub-plans may take precedence over other provisions of this Plan, with the exception of Section 3.1 hereof, but unless otherwise superseded by the terms of such sub-plan, the provisions of this Plan shall govern the operation of such sub-plan.

11.3 Decisions Binding. The Administrator's interpretation of the Plan, any rights granted pursuant to the Plan, any subscription agreement and all decisions and determinations by the Administrator with respect to the Plan are final, binding, and conclusive on all parties.

ARTICLE XII.
MISCELLANEOUS

12.1 Restriction upon Assignment. A right granted under the Plan shall not be transferable other than by will or the applicable laws of descent and distribution, and is exercisable during the Participant's lifetime only by the Participant. Except as provided in Section 12.4 hereof, a right under the Plan may not be exercised to any extent except by the Participant. The Company shall not recognize and shall be under no duty to recognize any assignment or alienation of the Participant's interest in the Plan, the Participant's rights under the Plan or any rights thereunder.

12.2 Rights as a Shareholder. With respect to Shares subject to a right granted under the Plan, a Participant shall not be deemed to be a shareholder of the Company, and the Participant shall not have any of the rights or privileges of a shareholder, until such Shares have been issued to the Participant or his or her nominee following exercise of the Participant's rights under the Plan. No adjustments shall be made for dividends (ordinary or extraordinary, whether in cash securities, or other property) or distribution or other rights for which the record date occurs prior to the date of such issuance, except as otherwise expressly provided herein or as determined by the Administrator.

12.3 Interest. No interest shall accrue on the payroll deductions or contributions of a Participant under the Plan.

12.4 Designation of Beneficiary.

(a) A Participant may, in the manner determined by the Administrator, file a written designation of a beneficiary who is to receive any Shares and/or cash, if any, from the Participant's account under the Plan in the event of such Participant's death subsequent to a Purchase Date on which the Participant's rights are exercised but prior to delivery to such Participant of such Shares and cash. In addition, a Participant may file a written designation of a beneficiary who is to receive any cash from the Participant's account under the Plan in the event of such Participant's death prior to exercise of the Participant's rights under the Plan. If the Participant is married and resides in a community property state, a designation of a person other than the Participant's spouse as his or her beneficiary shall not be effective without the prior written consent of the Participant's spouse.

(b) Such designation of beneficiary may be changed by the Participant at any time by written notice to the Company. In the event of the death of a Participant and in the absence of a beneficiary validly designated under the Plan who is living at the time of such Participant's death, the Company shall deliver such Shares and/or cash to the executor or administrator of the estate of the Participant, or if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may deliver such Shares and/or cash to the spouse or to any one or more dependents or relatives of the Participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

12.5 Notices. All notices or other communications by a Participant to the Company under or in connection with the Plan shall be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

12.6 Equal Rights and Privileges. Subject to Section 5.7, all Eligible Employees will have equal rights and privileges under the Section 423 Component so that the Section 423 Component of this Plan qualifies as an "employee stock purchase plan" within the meaning of Section 423 of the Code. Subject to Section 5.7, any provision of the Section 423 Component that is inconsistent with Section 423 of the Code will, without further act or amendment by the Company, the Board or the Administrator, be reformed to comply with the equal rights and privileges requirement of Section 423 of the Code. Eligible Employees participating in the Non-Section 423 Component need not have the same rights and privileges as other Eligible Employees participating in the Non-Section 423 Component or as Eligible Employees participating in the Section 423 Component.

12.7 Use of Funds. All payroll deductions received or held by the Company under the Plan may be used by the Company for any corporate purpose, and the Company shall not be obligated to segregate such payroll deductions.

12.8 Reports. Statements of account shall be given to Participants at least annually, which statements shall set forth the amounts of payroll deductions, the Purchase Price, the number of Shares purchased and the remaining cash balance, if any.

12.9 No Employment Rights. Nothing in the Plan shall be construed to give any person (including any Eligible Employee or Participant) the right to remain in the employ of the Company or any Parent or Subsidiary or affect the right of the Company or any Parent or Subsidiary to terminate the employment of any person (including any Eligible Employee or Participant) at any time, with or without cause.

12.10 Notice of Disposition of Shares. Each Participant shall give prompt notice to the Company of any disposition or other transfer of any Shares purchased upon exercise of a right under the Section 423 Component of the Plan if such disposition or transfer is made: (a) within two years from the Enrollment Date of the Offering Period in which the Shares were purchased or (b) within one year after the Purchase Date on which such Shares were purchased. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the Participant in such disposition or other transfer.

12.11 Governing Law. The Section 423 Component of the Plan and any agreements thereunder shall be governed by the laws of the United States of America and the Non-Section 423 Component of the Plan and any agreements thereunder shall be administered, interpreted and enforced in accordance with the laws of the State of Israel, disregarding any state's choice of law principles requiring the application of a jurisdiction's laws other than the State of Israel. Certain definitions, which refer to the laws of such jurisdiction, shall be construed in accordance with other such laws. The competent courts located in Tel-Aviv-Jaffa, Israel shall have exclusive jurisdiction over any dispute arising out of or in connection with this Plan and any award granted hereunder.

12.12 Electronic Forms. To the extent permitted by Applicable Law and in the discretion of the Administrator, an Eligible Employee may submit any form or notice as set forth herein by means of an electronic form approved by the Administrator. Before the commencement of an Offering Period, the Administrator shall prescribe the time limits within which any such electronic form shall be submitted to the Administrator with respect to such Offering Period in order to be a valid election.

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WalkMe Ltd.
2021 EMPLOYEE SHARE PURCHASE PLAN
ISRAEI APPENDIX

This Israeli Appendix (the "**Appendix**") to the 2021 Employee Share Purchase Plan (as amended from time to time, the "**Plan**") of WalkMe Ltd. (the "**Company**") shall apply only to persons who are, or are deemed to be, residents of the State of Israel for Israeli tax purposes.

1. GENERAL

1.1. The Administrator, in its discretion, may grant a right to purchase Awards to Eligible Employees and shall determine whether any Award is intended to be a 102 Award. Each exercise of a right to purchase an Award shall be evidenced by a Subscription Agreement, which shall expressly identify the Award type, and be in such form and contain such provisions, as the Administrator shall from time to time deem appropriate.

1.2. The Plan shall apply to any Awards and rights to purchase Awards, in each case granted pursuant to this Appendix, provided, that the provisions of this Appendix shall supersede and govern in the case of any inconsistency or conflict, either explicit or implied, arising between the provisions of this Appendix and the Plan.

1.3. Unless otherwise defined in this Appendix, capitalized terms contained herein shall have the same meanings given to them in the Plan.

2. DEFINITIONS.

2.1. "**102 Award**" means any Award intended to qualify (as set forth in the Subscription Agreement) and which qualifies under Section 102, provided it is settled only in Shares.

2.2. "**102 Capital Gain Track Award**" means any Award granted by the Company to an Employee pursuant to Section 102(b)(2) or (3) (as applicable) of the Ordinance under the capital gain track.

2.3. "**102 Non-Trustee Award**" means any Award granted by the Company to an Employee pursuant to Section 102(c) of the Ordinance without a Trustee.

2.4. "**102 Ordinary Income Track Award**" means any Award granted by the Company to an Employee pursuant to Section 102(b)(1) of the Ordinance under the ordinary income track.

2.5. "**102 Trustee Awards**" means, collectively, 102 Capital Gain Track Awards and 102 Ordinary Income Track Awards.

2.6. "**Affiliate**" means, with respect to any person, any other person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such person (with the term "control" or "controlled by" within the meaning of Rule 405 of Regulation C under the Securities Act), including, without limitation, any Parent or Subsidiary**.**

2.7. "**Award**" shall mean any Share purchased according to the Plan.

2.8. "**Election**" as defined in Section 3.2 below.

2.9. "**Employee**" means an "employee" within the meaning of Section 102(a) of the Ordinance (which as of the date of the adoption of this Appendix means (i) an individual employed by an Employer, and (ii) an individual who is serving and is engaged personally (and not through an entity) as an "office holder" by an Employer, excluding any controlling shareholder as to such term is defined in Section 32(9) of the Ordinance.), provided such Employee also satisfies the eligibility requirements under the Plan.

2.10. "**Employer**" means, for purpose of a 102 Trustee Award, an Affiliate, Subsidiary or Parent which is an "employing company" within the meaning and subject to the conditions of Section 102(a) of the Ordinance.

2.11. "**ITA**" means the Israel Tax Authority**.**

2.12. "**Ordinance**" means the Israeli Income Tax Ordinance (New Version), 1961, including the Rules and any other regulations, rules, orders or procedures promulgated thereunder, as may be amended or replaced from time to time.

2.13. "**Required Holding Period**" as defined in Section 3.5.1 below.

2.14. "**Rules**" means the Income Tax Rules (Tax Benefits in Share Issuance to Employees) 5763- 2003.

2.15. "**Section 102**" means Section 102 of the Ordinance.

2.16. "**Trust Agreement**" means the agreement to be signed between the Company, an Employer and the Trustee for the purposes of Section 102.

2.17. "**Trustee**" means the trustee appointed by the Company's Administrator to hold the Awards and approved by the ITA.

2.18. "**Subscription Agreement**" means a written or electronic agreement between the Company and the Participant or a written or electronic notice delivered by the Company evidencing the exercise of an Award granted pursuant to the Plan, in substantially such form or forms and containing such terms and conditions, as the Administrator shall from time to time approve.

2.19. "**Withholding Obligations**" as defined in Section 4.5 below.

3. 102 AWARDS

3.1. Tracks. Awards granted pursuant to this Section 3 are intended to be granted as either 102 Capital Gain Track Awards or 102 Ordinary Income Track Awards. 102 Trustee Awards shall be granted subject to the special terms and conditions contained in this Section 3 and the general terms and conditions of the Plan, except for any provisions of the Plan applying to Awards under different tax laws or regulations.

3.2. Election of Track. Subject to Applicable Law, the Company may grant only one type of 102 Trustee Award at any given time to all Employees who are to be granted 102 Trustee Awards pursuant to this Appendix, and shall file an election with the ITA regarding the type of 102 Trustee Award it elects to grant before the date of grant of any 102 Trustee Award (the "**Election**"). Such Election shall also apply to any other securities received by any Employee as a result of holding the 102 Trustee Awards. The

Company may change the type of 102 Trustee Award that it elects to grant only after the expiration of at least 12 months from the end of the year in which the first grant was made in accordance with the previous Election, or as otherwise provided by Applicable Law. Any Election shall not prevent the Company from granting 102 Non-Trustee Awards.

3.3. Eligibility for Awards. Subject to Applicable Law, 102 Awards may only be granted to Employees. Such 102 Awards may either be granted to a Trustee or granted under Section 102 without a Trustee.

3.4. 102 Award Grant Date.

3.4.1. Each 102 Award will be deemed granted on the date determined by the Administrator, subject to the provisions of the Plan, provided that (i) the Employee has signed all documents required by the Company or pursuant to Applicable Law, and (ii) with respect to any 102 Trustee Award, the Company has provided all applicable documents to the Trustee in accordance with the guidelines published by the ITA.

3.4.2. Unless otherwise permitted by the Ordinance, any grants of 102 Trustee Awards that are made on or after the date of the adoption of the Plan and this Appendix or an amendment to the Plan or this Appendix, as the case may be, that may become effective only at the expiration of thirty (30) days after the filing of the Plan and this Appendix or any amendment thereof (as the case may be) with the ITA in accordance with the Ordinance shall be conditional upon the expiration of such 30-day period, and such condition shall be read and is incorporated by reference into any corporate resolutions approving such grants and into any Subscription Agreement evidencing such grants (whether or not explicitly referring to such condition), and the date of grant shall be at the expiration of such 30-day period, whether or not the date of grant indicated therein corresponds with this Section. In the case of any contradiction, this provision and the date of grant determined pursuant hereto shall supersede and be deemed to amend any date of grant indicated in any corporate resolution or Subscription Agreement.

3.5. 102 Trustee Awards.

3.5.1. Each Share issued pursuant to the 102 Trustee Award shall be allocated or issued to and registered in the name of the Trustee and shall be held in trust or controlled by the Trustee for the benefit of the Participant for the requisite period prescribed by the Ordinance (the "**Required Holding Period**"). In the event that the requirements under Section 102 to qualify an Award as a 102 Trustee Award are not met, then the Award may be treated as a 102 Non-Trustee Award (as determined by the Company), all in accordance with the provisions of the Ordinance. After the expiration of the Required Holding Period, the Trustee may release such 102 Trustee Awards and any such Shares, provided that (i) the Trustee has received an acknowledgment from the ITA that the Participant has paid any applicable taxes due pursuant to the Ordinance, or (ii) the Trustee and/or the Company and/or the Employer withhold(s) all applicable taxes and compulsory payments due pursuant to the Ordinance arising from the 102 Trustee Awards. The Trustee shall not release any 102 Trustee Awards prior to the payment in full of the Participant's tax and compulsory payments arising from such 102 Trustee Awards or the withholding referred to in (ii) above.

3.5.2. Each 102 Trustee Award shall be subject to the relevant terms of the Ordinance, the Rules and any determinations, rulings or approvals issued by the ITA, which shall be deemed an integral part of the 102 Trustee Awards and shall prevail over any term contained in the Plan, this Appendix or the Subscription Agreement that is not consistent therewith. Any provision of the Ordinance, the Rules and

any determinations, rulings or approvals by the ITA not expressly specified in the Plan, this Appendix or Subscription Agreement that are necessary to receive or maintain any tax benefit pursuant to Section 102 shall be binding on the Participant. Any Participant granted a 102 Trustee Award shall comply with the Ordinance and the terms and conditions of the Trust Agreement entered into between the Company and the Trustee. The Participant shall execute any and all documents that the Company and/or the Affiliate and/or the Trustee determine from time to time to be necessary in order to comply with the Ordinance and the Rules.

3.5.3. During the Required Holding Period, the Participant shall not release from trust or sell, assign, transfer or give as collateral, the Shares issuable in connection with a 102 Trustee Award and/or any securities issued or distributed with respect thereto, until the expiration of the Required Holding Period. Notwithstanding the above, if any such sale, release or other action occurs during the Required Holding Period it may result in adverse tax consequences to the Participant under Section 102 and the Rules, which shall apply to and shall be borne solely by such Participant. Subject to the foregoing, the Trustee may, pursuant to a written request from the Participant, but subject to the terms of the Plan and this Appendix, release and transfer such Shares to a designated third party, provided that both of the following conditions have been fulfilled prior to such release or transfer: (i) payment has been made to the ITA of all taxes and compulsory payments required to be paid upon the release and transfer of the Shares, and confirmation of such payment has been received by the Trustee and the Company, and (ii) the Trustee has received written confirmation from the Company that all requirements for such release and transfer have been fulfilled according to the terms of the Company's corporate documents, any agreement governing the Shares, the Plan, this Appendix, the Subscription Agreement and any Applicable Law.

3.5.4. Upon or after receipt of a 102 Trustee Award, if required, the Participant may be required to sign an undertaking to release the Trustee from any liability with respect to any action or decision duly taken and executed in good faith by the Trustee in relation to the Plan, this Appendix, or any 102 Trustee Awards granted to such Participant hereunder.

3.6. 102 Non-Trustee Awards. The foregoing provisions of this Section 3 relating to 102 Trustee Awards shall not apply with respect to 102 Non-Trustee Awards, which shall, however, be subject to the relevant provisions of Section 102 and the applicable Rules. The Administrator may determine that 102 Non-Trustee Awards and/or any securities issued or distributed with respect thereto, shall be allocated or issued to the Trustee, who shall hold such 102 Non-Trustee Award and all accrued rights thereon (if any) in trust for the benefit of the Participant and/or the Company, as the case may be, until the full payment of tax arising from the 102 Non-Trustee Awards and/or any securities issued or distributed with respect thereto. The Company may choose, alternatively, to require the Participant to provide the Company with a guarantee or other security, to the satisfaction of each of the Trustee and the Company, until the full payment of the applicable taxes.

3.7. Written Participant Undertaking. With respect to any 102 Trustee Award, as required by Section 102 and the Rules, by virtue of the receipt of such Award, the Participant is deemed to have provided, undertaken and confirmed the following written undertaking (and such undertaking is deemed incorporated into any documents signed by the Participant in connection with the grant of such Award), and which undertaking shall be deemed to apply and relate to all 102 Trustee Awards granted to the Participant, whether under the Plan and this Appendix or other plans maintained by the Company, and whether prior to or after the date hereof:

3.7.1. The Participant shall comply with all terms and conditions set forth in Section 102 with regard to the "Capital Gain Track" or the "Ordinary Income Track", as applicable, and the applicable rules and regulations promulgated thereunder, as amended from time to time;

3.7.2. The Participant is familiar with, and understands the provisions of, Section 102 in general, and the tax arrangement under the "Capital Gain Track" or the "Ordinary Income Track" in particular, and its tax consequences; the Participant agrees that the 102 Trustee Awards will be held by a Trustee appointed pursuant to Section 102 for at least the duration of the "Holding Period" (as such term is defined in Section 102) under the "Capital Gain Track" or the "Ordinary Income Track", as applicable. The Participant understands that any release of such 102 Trustee Awards or Shares from trust, or any sale of the Shares prior to the termination of the Holding Period, as defined above, will result in taxation at the marginal tax rate, in addition to deductions of appropriate social security, health tax contributions or other compulsory payments; and

3.7.3. The Participant agrees to the Trust Agreement signed between the Company, the Employer and the Trustee appointed pursuant to Section 102.

4. AGREEMENT REGARDING TAXES; DISCLAIMER

4.1. If the Company shall so require, as a condition of the release of Shares by the Trustee, a Participant shall agree that, no later than the date of such occurrence, the Participant will pay to the Company (or the Trustee, as applicable) or make arrangements satisfactory to the Company and the Trustee (if applicable) regarding payment of any applicable taxes and compulsory payments of any kind required by Applicable Law to be withheld or paid.

4.2. TAX LIABILITY. ALL TAX CONSEQUENCES UNDER ANY APPLICABLE LAW WHICH MAY ARISE FROM THE GRANT OF ANY AWARDS, THE SALE OR DISPOSITION OF ANY SHARES GRANTED HEREUNDER, THE ASSUMPTION, SUBSTITUTION, CANCELLATION OR PAYMENT IN LIEU OF AWARDS OR FROM ANY OTHER ACTION IN CONNECTION WITH THE FOREGOING (INCLUDING WITHOUT LIMITATION ANY TAXES AND COMPULSORY PAYMENTS, SUCH AS SOCIAL SECURITY OR HEALTH TAX PAYABLE BY THE PARTICIPANT OR THE COMPANY IN CONNECTION THEREWITH) SHALL BE BORNE AND PAID SOLELY BY THE PARTICIPANT, AND THE PARTICIPANT SHALL INDEMNIFY THE COMPANY, THE AFFILIATE AND THE TRUSTEE, AND SHALL HOLD THEM HARMLESS AGAINST AND FROM ANY LIABILITY FOR ANY SUCH TAX OR PAYMENT OR ANY PENALTY, INTEREST OR INDEXATION THEREON. EACH PARTICIPANT AGREES TO, AND UNDERTAKES TO COMPLY WITH, ANY RULING, SETTLEMENT, CLOSING AGREEMENT OR OTHER SIMILAR AGREEMENT OR ARRANGEMENT WITH ANY TAX AUTHORITY IN CONNECTION WITH THE FOREGOING WHICH IS APPROVED BY THE COMPANY.

4.3. NO TAX ADVICE. THE PARTICIPANT IS ADVISED TO CONSULT WITH A TAX ADVISOR WITH RESPECT TO THE TAX CONSEQUENCES OF RECEIVING, EXERCISING OR DISPOSING OF AWARDS HEREUNDER. THE COMPANY DOES NOT ASSUME ANY RESPONSIBILITY TO ADVISE THE PARTICIPANT ON SUCH MATTERS, WHICH SHALL REMAIN SOLELY THE RESPONSIBILITY OF THE PARTICIPANT.

4.4. TAX TREATMENT. THE COMPANY AND ITS AFFILIATES (INCLUDING THE EMPLOYER) DOES NOT UNDERTAKE OR ASSUME ANY LIABILITY OR RESPONSIBILITY TO THE EFFECT THAT ANY AWARD SHALL QUALIFY WITH ANY PARTICULAR TAX REGIME OR RULES APPLYING TO PARTICULAR TAX TREATMENT, OR BENEFIT FROM ANY PARTICULAR TAX TREATMENT OR TAX ADVANTAGE OF ANY TYPE AND THE COMPANY AND ITS AFFILIATES (INCLUDING THE EMPLOYER) SHALL BEAR NO LIABILITY IN CONNECTION WITH THE MANNER IN WHICH ANY AWARD IS EVENTUALLY TREATED FOR TAX PURPOSES, REGARDLESS OF WHETHER THE AWARD WAS GRANTED OR WAS INTENDED TO QUALIFY UNDER ANY PARTICULAR TAX REGIME OR TREATMENT. THIS PROVISION SHALL SUPERSEDE ANY DESIGNATION OF AWARDS OR TAX QUALIFICATION INDICATED IN ANY CORPORATE RESOLUTION OR SUBSCRIPTION AGREEMENT, WHICH SHALL AT ALL TIMES BE SUBJECT TO THE REQUIREMENTS OF APPLICABLE LAW. THE COMPANY AND ITS AFFILIATES (INCLUDING THE EMPLOYER) DO NOT UNDERTAKE AND SHALL NOT BE REQUIRED TO TAKE ANY ACTION IN ORDER TO QUALIFY ANY AWARD WITH THE REQUIREMENTS OF ANY PARTICULAR TAX TREATMENT AND NO INDICATION IN ANY DOCUMENT TO THE EFFECT THAT ANY AWARD IS INTENDED TO QUALIFY FOR ANY TAX TREATMENT SHALL IMPLY SUCH AN UNDERTAKING. NO ASSURANCE IS MADE BY THE COMPANY, ANY OF ITS AFFILIATES (INCLUDING THE EMPLOYER) THAT ANY PARTICULAR TAX TREATMENT ON THE DATE OF GRANT WILL CONTINUE TO EXIST OR THAT THE AWARD WILL QUALIFY AT THE TIME OF DISPOSITION THEREOF WITH ANY PARTICULAR TAX TREATMENT. THE COMPANY AND THE AFFILIATE (INCLUDING THE EMPLOYER) SHALL NOT HAVE ANY LIABILITY OR OBLIGATION OF ANY NATURE IN THE EVENT THAT AN AWARD DOES NOT QUALIFY FOR ANY PARTICULAR TAX TREATMENT, REGARDLESS WHETHER THE COMPANY OR ITS AFFILIATES (INCLUDING THE EMPLOYER) COULD HAVE TAKEN ANY ACTION TO CAUSE SUCH QUALIFICATION TO BE MET AND SUCH QUALIFICATION REMAINS AT ALL TIMES AND UNDER ALL CIRCUMSTANCES AT THE RISK OF THE PARTICIPANT. THE COMPANY AND ITS AFFILIATES (INCLUDING THE EMPLOYER) DO NOT UNDERTAKE OR ASSUME ANY LIABILITY TO CONTEST A DETERMINATION OR INTERPRETATION (WHETHER WRITTEN OR UNWRITTEN) OF ANY TAX AUTHORITY, INCLUDING IN RESPECT OF THE QUALIFICATION UNDER ANY PARTICULAR TAX REGIME OR RULES APPLYING TO PARTICULAR TAX TREATMENT. IF THE AWARDS DO NOT QUALIFY UNDER ANY PARTICULAR TAX TREATMENT IT COULD RESULT IN ADVERSE TAX CONSEQUENCES TO THE PARTICIPANT.

4.5. The Company or the Affiliate (including the Employer) may take such action as it may deem necessary or appropriate, in its discretion, for the purpose of or in connection with withholding of any taxes and compulsory payments which the Trustee, the Company or the Affiliate (including the Employer) is required by any Applicable Law to withhold in connection with any Awards, including, without limitations, any income tax, social benefits, social insurance, health tax, pension, payroll tax, fringe benefits, excise tax, payment on account or other tax-related items related to the Participant's participation in the Plan and applicable by law to the Participant (collectively, "**Withholding Obligations**"). Such actions may include (i) requiring Participants to remit to the Company or the Employer in cash an amount sufficient to satisfy such Withholding Obligations and any other taxes and compulsory payments, payable by the Company or the Employer in connection with the Award; (ii) subject to Applicable Law, allowing the Participants to surrender Shares, in an amount that at such time, reflects a value that the Administrator determines to be sufficient to satisfy such Withholding Obligations; or (iii) any combination of the foregoing.

4.6. Each Participant shall notify the Company in writing promptly and in any event within ten (10) days after the date on which such Participant first obtains knowledge of any tax bureau inquiry, audit, assertion, determination, investigation, or question relating in any manner to the Awards granted or received hereunder or Shares issued thereunder and shall continuously inform the Company of any developments,

proceedings, discussions and negotiations relating to such matter, and shall allow the Company and its representatives to participate in any proceedings and discussions concerning such matters. Upon request, a Participant shall provide to the Company any information or document relating to any matter described in the preceding sentence, which the Company, in its discretion, requires.

4.7. With respect to 102 Non-Trustee Awards, if the Participant ceases to be employed by the Company or any Parent, Subsidiary or Affiliate (including the Employer), the Participant shall extend to the Company and/or the Employer a security or guarantee for the payment of taxes due at the time of sale of Shares, all in accordance with the provisions of Section 102 and the Rules.

5. RIGHTS AND OBLIGATIONS AS A SHAREHOLDER

5.1. A Participant shall have no rights as a shareholder of the Company with respect to any Shares covered by an Award until the Participant becomes the record holder of the subject Shares. In the case of 102 Awards (if such Awards are being held by a Trustee), the Trustee shall have no rights as a shareholder of the Company with respect to the Shares covered by such Award until the Trustee becomes the record holder for such Shares for the Participant's benefit, and the Participant shall not be deemed to be a shareholder and shall have no rights as a shareholder of the Company with respect to the Shares covered by the Award until the date of the release of such Shares from the Trustee to the Participant and the transfer of record ownership of such Shares to the Participant (provided however that the Participant shall be entitled to receive from the Trustee any cash dividend or distribution made on account of the Shares held by the Trustee for such Participant's benefit, subject to any tax withholding and compulsory payment). No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distribution of other rights for which the record date is prior to the date on which the Participant or Trustee (as applicable) becomes the record holder of the Shares covered by an Award, except as provided in the Plan.

5.2. With respect to Shares issued in connection with Awards hereunder, any and all voting rights attached to such Shares shall be subject to the provisions of the Plan, and the Participant shall be entitled to receive dividends distributed with respect to such Shares, subject to the provisions of the Company's Articles of Association, as amended from time to time, and subject to any Applicable Law.

5.3. The Company may, but shall not be obligated to, register or qualify the sale of Shares under any applicable securities law or any other Applicable Law.

5.4. Shares issued pursuant to an Award shall be subject to the Company's Articles of Association (as amended from time to time), any limitation, restriction or obligation applicable to shareholders included in any shareholders agreement applicable to all or substantially all of the holders of Shares (regardless of whether or not the Participant is a formal party to such shareholders agreement), any other governing documents of the Company, and all policies, manuals and internal regulations adopted by the Company from time to time, in each case, as may be amended from time to time, including any provisions included therein concerning restrictions or limitations on disposition of Shares (such as, but not limited to, right of first refusal and lock up/market stand-off) or grant of any rights with respect thereto, forced sale and bring along provisions, any provisions concerning restrictions on the use of inside information and other provisions deemed by the Company to be appropriate in order to ensure compliance with Applicable Laws. Each Participant shall execute such separate agreement(s) as may be requested by the Company relating to matters set forth in this Section 5.4.

6. GOVERNING LAW

6.1. This Appendix shall be governed by and construed in accordance with the laws of the State of Israel (excluding its choice-of-law provisions) except that applicable Israeli laws, rules and regulations (as amended) shall apply to any mandatory tax matters arising hereunder.

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Exhibit 10.4

COMPENSATION POLICY

WALKME LTD.

Compensation Policy for Executive Officers and Directors

(As Adopted on June 6, 2021)

A. Overview and Objectives

1. **Introduction**

This document sets forth the Compensation Policy for Executive Officers and Directors (this "**Compensation Policy**" or "**Policy**") of WalkMe Ltd. ("WalkMe" or the "Company"), in accordance with the requirements of the Companies Law, 5759-1999 and the regulations promulgated thereunder **(the "Companies Law")**.

Compensation is a key component of WalkMe's overall human capital strategy to attract, retain, reward, and motivate highly skilled individuals that will enhance WalkMe's value and otherwise assist WalkMe 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 WalkMe'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, WalkMe'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 WalkMe's Compensation Policy for five (5) years, commencing as of its adoption, unless amended earlier.

The Compensation Committee and the Board of Directors of WalkMe (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**

WalkMe's objectives and goals in setting this Policy are to attract, motivate and retain experienced and talented leaders who will contribute to WalkMe's success and enhance shareholder value, while demonstrating professionalism in an achievement-oriented and merit-based culture that rewards long-term excellence, and embedding and modeling WalkMe's core values as part of a motivated behavior. To that end, this Policy is designed, among other things:

2.1. To closely align the interests of the Executive Officers with those of WalkMe's shareholders in order to enhance shareholder value;

2.2. To align a significant portion of the Executive Officers' compensation with WalkMe'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 excellence 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 provisions; 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 WalkMe'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 target bonus per annum 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 95% of such Executive Officer's total compensation package for such year.

5. **Inter-Company Compensation Ratio**

5.1. In the process of drafting this Policy, WalkMe'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 WalkMe'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 WalkMe were examined and will continue to be examined by WalkMe 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 WalkMe.

B. <u>Base Salary and Benefits</u>

6. **Base Salary**

6.1. A base salary provides stable compensation to Executive Officers and allows WalkMe 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, corporate role, business responsibilities and past performance of each Executive Officer.

6.2. Since a competitive base salary is essential to WalkMe's ability to attract and retain highly skilled professionals, WalkMe 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 that are as much as possible similar in their characteristics to WalkMe, while considering, among other things, such companies' size and characteristics including their revenues, profitability rate, growth rates, market capitalization, number of employees and area of operations (in Israel or globally), the list of which shall be reviewed and approved by the Compensation Committee at least every two years. To that end, WalkMe shall utilize comparative market data and practices as a reference, including a survey comparing and analyzing the level of the overall compensation package offered to an Executive Officer of the Company with compensation packages for persons serving in similar positions (to that of the relevant officer) in the peer group. 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 will be 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 WalkMe's practice and the practice in peer group companies (including contributions on bonus payments);

7.1.5. WalkMe 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 WalkMe's policies and procedures and the practice in peer group companies (including contributions on bonus payments); and

7.1.6. WalkMe shall contribute on behalf of the Executive Officer towards work disability insurance, as allowed by applicable law and with reference to WalkMe'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 the events of relocation and/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 the cost of living. Such benefits may include reimbursement for out-of-pocket one-time payments and other ongoing expenses, such as a housing allowance, a car allowance, home leave visit, etc.

7.4. WalkMe 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 WalkMe's policies and procedures.

C. Cash Bonuses

8. **Cash Bonuses—The Objective**

8.1. Compensation in the form of a cash bonus is an important element in aligning the Executive Officers' compensation with WalkMe's objectives and business goals. Therefore, cash bonuses will reflect a pay-for-performance element, with payout eligibility and levels determined based on actual financial and operational results, in addition to other factors the Compensation Committee may determine, including individual performance.

8.2. A 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) for each fiscal period, or in connection with such officer's engagement, in case of newly hired Executive Officers, taking into account WalkMe'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 cash bonus (all or any portion thereof) and the formula for calculating any cash bonus payout, with respect to each fiscal period, for each Executive Officer. In special circumstances, as determined by the Compensation Committee and the Board (e.g., regulatory changes, significant changes in WalkMe's business environment, a significant organizational change, significant merger and acquisition events, etc.), the Compensation Committee and the Board may modify the objectives and/or their relative weight during the fiscal period, or may modify payouts following the conclusion of the period.

8.3. In the event that the employment of an Executive Officer is terminated prior to the end of a fiscal period, the Company may (but shall not be obligated to) pay such Executive Officer a cash bonus (which may or may not be pro-rated) assuming the Executive Officer is otherwise entitled to a cash bonus.

8.4. The actual cash bonus to be paid to Executive Officers shall be approved by the Compensation Committee and the Board.

9. **Cash Bonuses—The Formula**

Executive Officers other than the CEO

9.1. The performance objectives for the cash bonus of WalkMe's Executive Officers, other than the chief executive officer (the "**CEO**"), may be approved by WalkMe's CEO (in lieu of the Compensation Committee) and may be based on company, division/ departmental/business unit and individual objectives. Measurable performance objectives, which include the objectives and the weight to be assigned to each achievement in the overall evaluation, which will be based on actual financial and operational results, such as (by way of example and not by way of limitation) revenues, operating income and cash flows and may further include, divisional or personal objectives which may include operational objectives, such as (by way of example and not by way of limitation) market share, initiation of new markets and operational efficiency, customer focused objectives, project milestones objectives and investment in human capital objectives, such as (by way of example and not by way of limitation) employee satisfaction, employee retention and employee training and leadership programs. The Company may also grant cash bonuses to WalkMe's Executive Officers, other than the CEO, on a discretionary basis.

9.2. The target cash bonus that an Executive Officer, other than the CEO, will be entitled to receive for any given fiscal year, will not exceed 100% of such Executive Officer's annual base salary.

9.3. The maximum cash bonus, including for overachievement performance, that an Executive Officer, other than the CEO, will be entitled to receive for any given fiscal year, will not exceed 200% of such Executive Officer's annual base salary.

9.4. The maximum cash bonus, including for overachievement performance, that the Chief Revenue Officer, or any other Executive Officer holding a similar position, will be entitled to receive for any given fiscal year, will not exceed 2% of the Company's revenue for such given year.

CEO

9.5. The cash bonus of WalkMe's CEO will be mainly based on measurable performance objectives and subject to minimum thresholds as provided in Section 8.2 above. Such measurable performance objectives will be determined by WalkMe's Compensation Committee (and, if required by law, by WalkMe's Board) and will be based on company and personal objectives. These measurable performance 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 (by way of example and not by way of limitation) revenues, sales, operating income, cash flow or the Company's operating plan and long-term plan.

9.6. The less significant part of the cash bonus granted to WalkMe's CEO, and in any event not more than 30% of the 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.

9.7. The target cash bonus that the CEO will be entitled to receive for any given fiscal year, will not exceed 100% of his or her annual base salary.

9.8. The maximum cash bonus including for overachievement performance that the CEO will be entitled to receive for any given fiscal year, will not exceed 200% of his or her annual base salary.

10. **Other Bonuses**

10.1. Special Bonus. WalkMe 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 objectives under exceptional circumstances, or special recognition in case of retirement) or as a retention award at the CEO's discretion for Executive Officers other than the CEO (and in the CEO's case, at the Compensation Committee's and the Board's discretion), subject to any additional approval as may be required by the Companies Law (the "**Special Bonus**"). Any such Special Bonus will not exceed 200% of the Executive Officer's annual base salary. A 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. WalkMe may grant a newly recruited Executive Officer a signing bonus. Any such signing bonus shall be granted and determined at the CEO's discretion for Executive Officers other than the CEO (and in the CEO's case, at the Compensation Committee's and the Board's discretion), subject to any additional approval as may be required by the Companies Law (the "**Signing Bonus**"). Any such Signing Bonus will not exceed 200% of the Executive Officer's annual base salary.

10.3. Relocation/ Repatriation Bonus. WalkMe 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**"). Any such 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, WalkMe 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 based on the financial statements, as restated, provided that a claim is made by WalkMe prior to the second anniversary following the filing of such restated financial statements.

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 or a separate contractual obligation.

D. <u>Equity Based Compensation</u>

12. **The Objective**

12.1. The equity-based compensation for WalkMe's Executive Officers will be designed in a manner consistent with the underlying objectives of the Company in determining the base salary and the cash bonus, with its main objectives being to enhance the alignment between the Executive Officers' interests with the long-term interests of WalkMe 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 WalkMe is intended to be in the form of share options and/or other equity-based awards, such as restricted shares, RSUs or performance stock units, 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 normally 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 or in a specific compensation plan approved by the Compensation Committee and the Board, grants to Executive Officers other than non-employee directors shall vest based on time, gradually over a period of at least 1-4 years, or based on performance. The exercise price of options shall be determined in accordance with WalkMe's policies, the main terms of which shall be disclosed in the annual report of WalkMe

12.4. All other terms of the equity awards shall be in accordance with WalkMe's incentive plans and other related practices and policies. Accordingly, the Board may, following approval by the Compensation Committee, make modifications to such awards consistent with the terms of such incentive plans, 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, corporate 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 the 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 award at the time of grant (not including bonuses paid in equity in lieu of cash) shall not exceed: (i) with respect to the CEO—the higher of (w) 7 times his or her annual base salary or (x) 0.5% of the Company's fair market value at the time of approval of the grant by the Board; and (ii) with respect to each of the other Executive Officers—the higher of (y) 7 times his or her annual base salary or (z) 0.35% of the Company's fair market value at the time of approval of the grant by the Board.

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 WalkMe'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.

E. <u>Retirement and Termination of Service Arrangements</u>

14. **Advanced Notice Period**

WalkMe may provide an Executive Officer, on the basis of his/her seniority in the Company, his/her contribution to the Company's goals and achievements and the circumstances of his/her retirement 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. Such advance notice may or may not be provided in addition to severance, provided, however, that the Compensation Committee shall take into consideration the Executive Officer's entitlement to advance notice in establishing any entitlement to severance and vice versa.

15. **Adjustment Period**

WalkMe may provide an additional adjustment period of up to six (6) months to the CEO or to any other Executive Officer according to his/her seniority in the Company, his/her contribution to the Company's goals and achievements and the circumstances of retirement, 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**

WalkMe 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, WalkMe may grant to its Executive Officers a non-compete grant as an incentive to refrain from competing with WalkMe 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). The Board shall consider the existing entitlements of the Executive Officer in connection with the consideration of any non-compete grant.

18. **Limitation Retirement and Termination of Service Arrangements**

The total non-statutory payments under Section 14-17 above for a given Executive Officer shall not exceed the Executive Officer's monthly base salary multiplied by twenty-four (24). The limitation under this Section 18 does not apply to benefits and payments provided under other chapters of this Policy.

F. Exculpation, Indemnification and Insurance

19. **Exculpation**

Each and every Director and Executive Officer may be exempted 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. WalkMe 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 WalkMe all subject to applicable law and the Company's articles of association.

20.2. WalkMe 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 $500 million or 50% of the Company's shareholders equity based on the most recent financial statements of the Company at the time of approval of the Insurance Policy 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 WalkMe's exposures, the scope of coverage 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.

20.3. Upon circumstances to be approved by the Compensation Committee (and, if required by law, by the Board), WalkMe shall be entitled to enter into a "run off" Insurance Policy (the **"Run-Off 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 $500 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 Run-Off 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 coverage and the market conditions and that the Run-Off Policy reflects the current market conditions and that it shall not materially affect the Company's profitability, assets or liabilities.

20.4. WalkMe may extend an Insurance Policy in effect to include coverage for liability pursuant to a future public offering of securities as follows:

20.4.1. 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 coverage and the market conditions and that the Insurance Policy reflects the current market conditions, and that 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:

21.1. Acceleration of vesting of outstanding options or other equity-based awards;

21.2. Extension of the exercise period of equity-based grants for WalkMe's Executive Officers for a period of up to one (1) year, following the date of termination of employment; and

21.3. Up to an additional one (1) year of continued base salary and benefits following the date of termination of employment (the "**Additional Adjustment Period**"). For avoidance of doubt, such additional Adjustment Period may 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 200% of the Executive Officer's annual base salary in case of an Executive Officer other than the CEO and 250% in case of the CEO.

H. Board of Directors Compensation

22. All WalkMe's non-employee Board members may be entitled to an annual cash fee retainer of up to $50,000 (and up to $80,000 for the chairperson of WalkMe's Board or lead independent director), an annual committee membership fee retainer of up to $15,000, and an annual committee chairperson cash fee retainer of up to $30,000 (it is being clarified that the payment for the chairpersons would be in lieu of (and not in addition) to the payments referenced above for committee membership).

23. The compensation of the Company's external directors, if any are required and 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.

24. Notwithstanding the provisions of Section 22 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 maximum amount allowed under Section 22.

25. Each non-employee member of WalkMe's Board may be granted equity-based compensation. The total fair market value of a "welcome" or an annual equity-based compensation at the time of grant shall not exceed $750,000.

26. All other terms of the equity awards shall be in accordance with WalkMe's incentive plans and other related practices and policies. Accordingly, the Board may, following approval by the Compensation Committee, make modifications to such awards consistent with the terms of such incentive plans, subject to any additional approval as may be required by the Companies Law.

27. In addition, members of WalkMe's Board may be entitled to reimbursement of expenses in connection with the performance of their duties.

28. The compensation (and limitations) stated under Section H will not apply to directors who serve as Executive Officers.

I. Miscellaneous

29. Nothing in this Policy shall be deemed to grant to any of WalkMe's Executive Officers, employees, directors, or any third party any right or privilege in connection with their employment by or service to the Company, nor deemed to require WalkMe to provide any compensation or benefits to any person. Such rights and privileges shall be governed by applicable personal employment agreements or other separate compensation arrangements entered into between WalkMe and the recipient of such compensation or benefits. 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 any part of it.

30. 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 two (2) monthly base salaries of such employee.

31. 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, WalkMe may follow such new regulations or law amendments, even if such new regulations are in contradiction to the compensation terms set forth herein.

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This Policy is designed solely for the benefit of WalkMe and none of the provisions thereof are intended to provide any rights or remedies to any person other than WalkMe.

Exhibit 10.5

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "**Agreement**"), dated as of _____, 202[__], is entered into by and between Walkme Ltd., an Israeli company whose address is 1 Walter Moses St., Tel-Aviv, Israel (the "**Company**"), and the undersigned Director or Officer of the Company whose name appears on the signature page hereto officer (the "**Indemnitee**").

WHEREAS, Indemnitee is an Office Holder ("*Nosse Misra*"), as such term is defined in the Companies Law, 5759–1999, as amended (the "**Office Holder**" and the "**Companies Law**" respectively), of the Company;

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against Office Holders of companies and that highly competent persons have become more reluctant to serve corporations as directors and officers or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to, and activities on behalf of, companies;

WHEREAS, the Amended and Restated Articles of Association of the Company (the "**Articles of Association**") authorize the Company to indemnify and advance expenses to its Office Holders and provide for insurance and exculpation to its Office Holders, in each case, to the fullest extent permitted by applicable law;

WHEREAS, the Company has determined that (i) the increased difficulty in attracting and retaining competent persons is detrimental to the best interests of the Company's shareholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future, and (ii) it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law, so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified; and

WHEREAS, in recognition of Indemnitee's need for substantial protection against personal liability in order to assure Indemnitee's continued service to the Company in an effective manner and, in part, in order to provide Indemnitee with specific contractual assurance that the indemnification, insurance and exculpation afforded by the Articles of Association will be available to Indemnitee, the Company wishes to undertake in this Agreement for the indemnification of and the advancing of expenses to Indemnitee to the fullest extent permitted by applicable law and as set forth in this Agreement and provide for insurance and exculpation of Indemnitee as set forth in this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. **INDEMNIFICATION AND INSURANCE.**

1.1. The Company hereby undertakes to indemnify Indemnitee to the fullest extent permitted by applicable law for any liability and expense specified in Sections 1.1.1 through 1.1.4 below, imposed on Indemnitee due to or in connection with an act performed by such Indemnitee, either prior to or after the date hereof, in Indemnitee's capacity as an Office Holder, including, without limitation, as a director, officer, employee, agent or fiduciary of the Company, any subsidiary thereof or any other corporation, collaboration, partnership, joint venture, trust or other enterprise, in which Indemnitee serves at any time at the request of the Company (the "**Corporate Capacity**"). The term "act performed in Indemnitee's capacity as an Office Holder" shall include, without limitation, any act, omission or failure to act and any other circumstances relating to or arising from Indemnitee's service in a Corporate Capacity. Notwithstanding the foregoing, in the event that the Office Holder is the beneficiary of an indemnification undertaking provided by a subsidiary of the Company or any other entity with respect to his or her Corporate Capacity with such subsidiary or entity, then the indemnification obligations of the Company hereunder with respect to such Corporate Capacity shall only apply to the extent that the indemnification by such subsidiary or other entity does not actually fully cover the indemnifiable liabilities and expenses relating thereto. The following shall be hereinafter referred to as "**Indemnifiable Events**":

1.1.1. Financial liability imposed on Indemnitee in favor of any person pursuant to a judgment, including a judgment rendered in the context of a settlement or an arbitrator's award approved by a court. For purposes of Section 1 of this Agreement, the term "**person**" shall include, without limitation, a natural person, firm, partnership, joint venture, trust, company, corporation, limited liability entity, unincorporated organization, estate, government, municipality, or any political, governmental, regulatory or similar agency or body;

1.1.2. Reasonable Expenses (as defined below) expended by Indemnitee as a result of an investigation or any proceeding instituted against the Indemnitee by an authority that is authorized to conduct such investigation or proceeding, and that was concluded without filing an indictment against the Indemnitee and without imposing on the Indemnitee a financial liability in lieu of a criminal proceeding, or that was concluded without filing an indictment against the Indemnitee but imposing a financial liability in lieu of a criminal proceeding in an offence that does not require proof of *mens rea*, or in connection with a financial sanction. In this section "conclusion of a proceeding without filing an indictment in a matter in which a criminal investigation has been instigated" and "financial liability in lieu of a criminal proceeding" shall have the meaning assigned to such terms under the Companies Law, and the term "financial sanction" shall mean such term as referred to in Section 260(a)(1a) of the Companies Law;

1.1.3. Reasonable Expenses expended by or imposed on Indemnitee by a court, in a proceeding instituted against Indemnitee by the Company or on its behalf or by another person, or in a criminal charge from which Indemnitee was acquitted or in which Indemnitee convicted of an offence that does not require proof of *mens rea*; and

1.1.4. Any other event, occurrence, matter or circumstances under any law with respect to which the Company may, or will be able to, indemnify an Office Holder (including, without limitation, in accordance with Section 56h(b)(1) of the Israeli Securities Law 5728-1968 (the "**Israeli Securities Law**"), if applicable, and Section 50P(b)(2) of the Israeli Economic Competition Law, 5758-1988 (the "**Economic Competition Law**")).

For the purpose of this Agreement, "**Expenses**" shall include, without limitation, legal fees and all other costs, expenses and obligations paid or incurred by Indemnitee in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in any claim, action, suit, proceeding, alternative dispute resolution mechanism, hearing, inquiry or investigation relating to any matter for which indemnification hereunder may be provided. Expenses shall be considered paid or incurred by Indemnitee at such time as Indemnitee is required to pay or incur such cost or expenses, including upon receipt of an invoice or payment demand. The Company shall pay the Expenses in accordance with the provisions of Section1.3.

1.2. Notwithstanding anything herein to the contrary, the Company's undertaking to indemnify the Indemnitee under Section 1.1.1 shall only be with respect to events described in **Exhibit A** hereto. The Board of Directors of the Company (the "**Board**") has determined that the categories of events listed in Exhibit A are foreseeable in light of the operations of the Company. The maximum amount of indemnification payable by the Company under Section 1.1.1 with respect to the specific events described in Exhibit A

during any period of five years, shall be as set forth in Exhibit A hereto (the "**Limit Amount**"). If the Company undertook to indemnify multiple persons under agreements similar to this Agreement (the "**Indemnifiable Persons**") the Limit Amount for the five year period commencing on the closing of the first issuance and sale of the Company's ordinary shares to the public, pursuant to an effective registration statement under the United States Securities Act 1933, as amended, or the securities law of any other jurisdiction, and for every subsequent five year period, shall apply to all Indemnifiable Persons, in the aggregate, and if the Limit Amount is insufficient to cover all the indemnity amounts payable with respect to all Indemnifiable Persons during the relevant five year period, then such amount shall be allocated to such Indemnifiable Persons pro rata according to the percentage of their culpability, as finally determined by a court in the relevant claim, or, absent such determination or in the event such persons are parties to different claims, based on an equal pro rata allocation among such Indemnifiable Persons. The Limit Amount payable by the Company as described in Exhibit A is deemed by the Company to be reasonable in light of the circumstances. The indemnification provided under Section 1.1.1 herein shall not be subject to the limitations imposed by this Section 1.2 and Exhibit A if and to the extent such limits do not or are no longer required by the Companies Law.

1.3. If so requested by Indemnitee in writing, and subject to the Company's repayment and reimbursements rights set forth in Sections 3 and 5 below, the Company shall pay amounts to cover Indemnitee's Expenses with respect to which Indemnitee is entitled to be indemnified under Section 1.1 above, as and when incurred. The payments of such amounts shall be made by the Company directly to the Indemnitee's legal and other advisors, as soon as practicable, but in any event no later than fifteen (15) days after written demand by such Indemnitee therefor to the Company, and any such payment shall be deemed to constitute indemnification hereunder. As part of the aforementioned undertaking, the Company will make available to Indemnitee any security or guarantee that Indemnitee may be required to post in accordance with an interim decision given by a court, governmental or administrative body, or an arbitrator, including for the purpose of substituting liens imposed on Indemnitee's assets.

1.4. The Company's obligation to indemnify Indemnitee and advance Expenses in accordance with this Agreement shall be for such period (the "**Indemnification Period**") as Indemnitee shall be subject to any actual, possible or threatened claim, action, suit, demand or proceeding or any inquiry or investigation, whether civil, criminal or investigative, arising out of the Indemnitee's service in the Corporate Capacity as described in Section 1.1 above, whether or not Indemnitee is still serving in such position.

1.5. The Company undertakes that, subject to the mandatory limitations under applicable law, as long as it may be obligated to provide indemnification and advance Expenses under this Agreement, the Company will purchase and maintain in effect directors and officers liability insurance, which will include coverage for the benefit of the Indemnitee, providing coverage in amounts as reasonably determined by the Board; provided that, the Company shall have no obligation to obtain or maintain directors and officers insurance policy if the Company determines in good faith that such insurance is not reasonably available, the premium costs for such insurance are disproportionate to the amount of coverage provided, or the coverage provided by such insurance is so limited by exclusions that it provides an insufficient benefit. The Company hereby undertakes to notify the Indemnitee 30 days prior to the expiration or termination of the directors and officers liability insurance.

1.6. The Company undertakes to give prompt written notice of the commencement of any claim hereunder to the insurers in accordance with the procedures set forth in each of the policies. The Company shall thereafter diligently take all actions reasonably necessary under the circumstances to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such action, suit, proceeding, inquiry or investigation in accordance with the terms of such policies. The above shall not derogate from Company's authority to freely negotiate or reach any compromise with the insurer which is reasonable at the Company's sole discretion provided that the Company shall act in good faith and in a diligent manner.

2. **SPECIFIC LIMITATIONS ON INDEMNIFICATION**.

Notwithstanding anything to the contrary in this Agreement, the Company shall not indemnify or advance Expenses to Indemnitee with respect to (i) any act, event or circumstance with respect to which it is prohibited to do so under applicable law, or (ii) a counter claim made by the Company or in its name in connection with a claim against the Company filed by the Indemnitee.

3. **REPAYMENT OF EXPENSES**.

3.1. In the event that the Company provides or is required to provide indemnification with respect to Expenses hereunder and at any time thereafter the Company determines, based on advice from its legal counsel, that the Indemnitee was not entitled to such payments, the amounts so indemnified by the Company will be promptly repaid by Indemnitee, unless the Indemnitee disputes the Company's determination, in which case the Indemnitee's obligation to repay to the Company shall be postponed until such dispute is resolved.

3.2. Indemnitee's obligation to repay to the Company for any Expenses or other sums paid hereunder shall be deemed as a loan given to Indemnitee by the Company subject to the minimum interest rate prescribed by Section 3(9) of the Income Tax Ordinance [New Version], 1961, or any other legislation replacing it, which is not considered a taxable benefit.

4. **SUBROGATION**.

In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all documents required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

5. **REIMBURSEMENT**.

The Company shall not be liable under this Agreement to make any payment in connection with any Indemnifiable Event to the extent Indemnitee has otherwise actually received payment under any insurance policy or otherwise (without any obligation of Indemnitee to repay any such amount) of the amounts otherwise indemnifiable hereunder. Any amounts paid to Indemnitee under such insurance policy or otherwise after the Company has indemnified Indemnitee for such liability or Expense shall be repaid to the Company promptly upon receipt by Indemnitee, in accordance with the terms set forth in Section 3.2.

The Company hereby acknowledges that the Indemnitee has now or may have in the future certain rights to indemnification, advancement of expenses and/or insurance provided by third parties (the "**Secondary Indemnitor**"), and the Company hereby agrees (i) that the Company is the indemnitor of first resort (i.e., its obligations to the Indemnitee are primary and any obligation of any Secondary Indemnitor to advance expenses or to provide indemnification for the same expenses or liabilities incurred by the Indemnitee are secondary), (ii) it shall be required to advance the full amount of expenses incurred by the Indemnitee and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement to the fullest extent legally permitted and as required by the terms of this Agreement and/or the Articles of Association (or any other agreement between the Company and the Indemnitee), without regard to any rights the Indemnitee may have against the Secondary Indemnitors, and (iii) that it irrevocably waives, relinquishes and releases any Secondary Indemnitor from any and all claims against any Secondary Indemnitor for contribution, subrogation or any other recovery of any kind of respect of the subject matters of this Agreement. Without altering or expanding any of the

Company's indemnification obligations hereunder, the Company further agrees that no advancement or payment by any Secondary Indemnitor on the Indemnitee's behalf with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and any Secondary Indemnitor shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of the Indemnitee against the Company. The Company and the Indemnitee agree that the Secondary Indemnitors are express third party beneficiaries of the terms of this Section 5.

6. **EFFECTIVENESS**.

The Company represents and warrants that this Agreement is valid, binding and enforceable in accordance with its terms and was duly adopted and approved by the Company, and shall be in full force and effect immediately upon its execution.

7. **NOTIFICATION AND DEFENSE OF CLAIM**.

Indemnitee shall notify the Company of the commencement of any action, suit or proceeding, and of the receipt of any notice or threat that any such legal proceeding has been or shall or may be initiated against Indemnitee (including any proceedings by or against the Company and any subsidiary thereof), promptly upon Indemnitee first becoming so aware; but the omission so to notify the Company will not relieve the Company from any liability which it may have to Indemnitee under this Agreement unless and to the extent that such failure to provide notice prejudices the Company's ability to defend such action. Notice to the Company shall be directed to the Chief Executive Officer or Chief Financial Officer of the Company at the address shown in the preamble to this Agreement (or such other address as the Company shall designate in writing to Indemnitee). With respect to any such action, suit or proceeding as to which Indemnitee notifies the Company of the commencement thereof and without derogating from Sections 1.1 and 2:

7.1. The Company will be entitled to participate therein at its own expense.

7.2. Except as otherwise provided below, the Company, alone or jointly with any other indemnifying party similarly notified, will be entitled to assume the defense thereof, with counsel selected by the Company. Indemnitee shall have the right to employ his or her own counsel in such action, suit or proceeding, but the fees and expenses of such counsel incurred after notice from the Company of its assumption of the defense thereof shall be at the expense of Indemnitee, unless: (i) the employment of counsel by Indemnitee has been authorized in writing by the Company; (ii) the Company, in good faith, reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of the defense of such action; or (iii) the Company has not in fact employed counsel to assume the defense of such action within reasonable time, in which cases the reasonable fees and expenses of Indemnitee's counsel shall be at the expense of the Company. The Company shall not be entitled to assume the defense of any action, suit or proceeding brought by or on behalf of the Company or as to which Indemnitee and the Company shall have reached the conclusion specified in (ii) above.

7.3. The Company shall not be liable to indemnify Indemnitee under this Agreement for any amounts or expenses paid in connection with a settlement of any action, claim or otherwise, effected without the Company's prior written consent.

7.4. The Company shall have the right to conduct the defense as it sees fit in its sole discretion (provided that the Company shall conduct the defense in good faith and in a diligent manner), including the right to settle or compromise any claim or to consent to the entry of any judgment against Indemnitee without the consent of the Indemnitee, provided that, the amount of such settlement, compromise or judgment does not exceed the Limit Amount (if applicable) and is fully indemnifiable pursuant to this Agreement (subject to Section 1.2 of this Agreement) and/or applicable law, and any such settlement, compromise or judgment does not impose any penalty or limitation on Indemnitee without the Indemnitee's prior written consent. The Indemnitee's consent shall not be

required if the settlement includes a complete release of Indemnitee, does not contain any admission of wrong-doing by Indemnitee, and includes monetary sanctions only as provided above. In the case of criminal proceedings the Company and/or its legal counsel will not have the right to plead guilty or agree to a plea-bargain in the Indemnitee's name without the Indemnitee's prior written consent. Neither the Company nor Indemnitee will unreasonably withhold or delay their consent to any proposed settlement.

7.5. Indemnitee shall fully cooperate with the Company and shall give the Company all information and access to documents, files and to his or her advisors and representatives as shall be within Indemnitee's power, in every reasonable way as may be required by the Company with respect to any claim which is the subject matter of this Agreement and in the defense of other claims asserted against the Company (other than claims asserted by Indemnitee), provided that the Company shall cover all expenses, costs and fees incidental thereto such that the Indemnitee will not be required to pay or bear such expenses, costs and fees.

8. **EXCULPATION**.

Subject to the provisions of the Companies Law, the Company hereby releases, in advance, the Office Holder from liability to the Company for any damage that arises from the breach of the Office Holder's duty of care (within the meaning of such terms under Sections 252 and 253 of the Companies Law), other than breach of the duty of care towards the Company in a distribution (as such term is defined in the Companies Law).

9. **NON-EXCLUSIVITY**.

The rights of the Indemnitee hereunder shall not be deemed exclusive of any other rights Indemnitee may have under the Articles of Association, applicable law or otherwise**,** and to the extent that during the Indemnification Period the indemnification rights of the then serving directors and officers are more favorable to such directors or officers than the indemnification rights provided under this Agreement to Indemnitee, Indemnitee shall be entitled to the full benefits of such more favorable indemnification rights to the extent permitted by law.

10. **PARTIAL INDEMNIFICATION**.

If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the expenses, judgments, fines or penalties actually or reasonably incurred by Indemnitee in connection with any proceedings, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion of such expenses, judgments, fines or penalties to which Indemnitee is entitled under any provision of this Agreement. Subject to the provisions of Section 5 above, any amount received by Indemnitee (under any insurance policy or otherwise) shall not reduce the Limit Amount hereunder and shall not derogate from the Company's obligation to indemnify the Indemnitee in accordance with the provisions of this Agreement up to the Limit Amount, as set forth in Section 1.2.

11. **BINDING EFFECT**.

This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns. In the event of a merger or consolidation of the Company or a transfer or disposition of all or substantially all of the business or assets of the Company, the Indemnitee shall be entitled to the same indemnification and insurance provisions as the most favorable indemnification and insurance provisions afforded to the then-serving Office Holders of the Company. In the event that in connection with such transaction the Company purchases a directors and officers' "tail" or "run-off" policy for the benefit of its then serving Office Holders, then such policy shall cover Indemnitee and such coverage shall be deemed to be in satisfaction of the insurance requirements under this Agreement. This Agreement shall continue in effect during the Indemnification Period regardless of whether Indemnitee continues to serve in a Corporate Capacity.

Any amendment to the Companies Law, the Israeli Securities Law, the Economic Competition Law or other applicable law adversely affecting the right of the Indemnitee to be indemnified, insured or released pursuant hereto shall be prospective in effect, and shall not affect the Company's obligation or ability to indemnify or insure the Indemnitee for any act or omission occurring prior to such amendment, unless otherwise provided by applicable law.

12. **SEVERABILITY**.

The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

13. **NOTICE**.

All notices and other communications pursuant to this Agreement shall be in writing and shall be deemed provided if delivered personally, telecopied, sent by electronic facsimile, email, reputable overnight courier or mailed by registered or certified mail (return receipt requested), postage prepaid, to the parties at the addresses shown in the preamble to this Agreement, or to such other address as the party to whom notice is to be given may have furnished to the other party hereto in writing in accordance herewith. Any such notice or communication shall be deemed to have been delivered and received (i) in the case of personal delivery, on the date of such delivery, (ii) in the case of telecopier or an electronic facsimile or email, one business day after the date of transmission if confirmation of receipt is received, (iii) in the case of a reputable overnight courier, three business days after deposit with such reputable overnight courier service, and (iv) in the case of mailing, on the seventh business day following that on which the mail containing such communication is posted.

14. **GOVERNING LAW; JURISDICTION**.

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Israel, without giving effect to the conflicts of law provisions of those laws. The Company and Indemnitee each hereby irrevocably consent to the exclusive jurisdiction and venue of the courts of Tel Aviv, Israel for all purposes in connection with any action or proceeding which arises out of or relates to this Agreement.

15. **ENTIRE AGREEMENT**.

This Agreement represents the entire agreement between the parties and supersedes any other agreements, contracts or understandings between the parties, whether written or oral, with respect to the subject matter of this Agreement.

16. **NO MODIFICATION AND NO WAIVER**.

No supplement, modification or amendment, termination or cancellation of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver. Any waiver shall be in writing. The Company hereby undertakes not to amend its Articles of Association in a manner which will adversely affect the provisions of this Agreement.

17. **ASSIGNMENTS; NO THIRD PARTY RIGHTS**

Neither party hereto may assign any of its rights or obligations hereunder except with the express prior written consent of the other party. Nothing herein shall be deemed to create or imply an obligation for the benefit of a third party. Without limitation of the foregoing, nothing herein shall be deemed to create any right of any insurer that provides directors and officers' liability insurance, to claim, on behalf of Indemnitee, any rights hereunder.

18. **INTERPRETATION; DEFINITIONS**.

Unless the context shall otherwise require: words in the singular shall also include the plural, and vice versa; any pronoun shall include the corresponding masculine, feminine and neuter forms; the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation"; the words "herein", "hereof" and "hereunder" and words of similar import refer to this Agreement in its entirety and not to any part hereof; all references herein to Sections or clauses shall be deemed references to Sections or clauses of this Agreement; any references to any agreement or other instrument or law, statute or regulation are to it as amended, supplemented or restated, from time to time (and, in the case of any law, to any successor provisions or re-enactment or modification thereof being in force at the time); any reference to "law" shall include any supranational, national, federal, state, local, or foreign statute or law and all rules and regulations promulgated thereunder; any reference to a "day" or a number of "days" (without any explicit reference otherwise, such as to business days) shall be interpreted as a reference to a calendar day or number of calendar days; reference to month or year means according to the Gregorian calendar; reference to a "company", "corporate body" or "entity" shall include a, partnership, firm, company, corporation, limited liability company, association, joint venture, trust, unincorporated organization, estate, or a government municipality or any political, governmental, regulatory or similar agency or body, and reference to a "person" shall mean any of the foregoing or a natural person.

19. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and enforceable against the parties actually executing such counterpart, and all of which together shall constitute one and the same instrument; it being understood that parties need not sign the same counterpart. The exchange of an executed Agreement (in counterparts or otherwise) by facsimile or by electronic delivery in pdf format shall be sufficient to bind the parties to the terms and conditions of this Agreement, as an original.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties, each acting under due and proper authority, have executed this Indemnification Agreement as of the date first mentioned above, in one or more counterparts.

WalkMe Ltd.

By: _____
Name and title: _____

Indemnitee:

Name: _____
Signature: _____
Address: _____

EXHIBIT A*

CATEGORY OF INDEMNIFIABLE EVENT

1. Matters, events, occurrences or circumstances in connection or associated with employment relationships with employees or consultants or any employee union or similar or comparable organization.

2. Matters, events, occurrences or circumstances in connection or associated with business relations of any kind between the Company and its employees, independent contractors, customers, suppliers, partners, distributors, agents, resellers, representatives, licensors, licensees, service providers and other business associates.

3. Negotiations, execution, delivery and performance of agreements of any kind or nature and any decisions or deliberations relating to actions or omissions relating to the foregoing; any acts, omissions or circumstances that do or may constitute or are alleged to constitute anti-competitive acts, acts of commercial wrongdoing, or failure to meet any standard of conduct which is or may be applicable to such acts, omissions or circumstances.

4. Approval of and recommendation or information provided to shareholders with respect to any and all corporate actions, including the approval of the acts of the Company's management, their guidance and their supervision, matters relating to the approval of transactions with Office Holders (including, without limitation, all compensation related matters) or shareholders, including controlling persons and claims and allegations of failure to exercise business judgment, reasonable level of proficiency, expertise, care or any other applicable standard, with respect to the foregoing or otherwise with respect to the Company's business, strategy, operations and prospective outlook, and any discussions, deliberations, reviews or other preparatory or preliminary phases relating to any of the foregoing.

5. Violation, infringement, misappropriation, dilution and other misuse of copyrights, patents, designs, trade secrets, confidential information, proprietary information and any intellectual property rights, acts in connection with the registration, assertion or protection of rights to intellectual property and the defense of claims related to intellectual property, breach of confidentiality obligations, acts in regard of invasion of privacy or any violation of privacy or privacy related right or regulation, including with respect to databases or handling, collection or use of private information, acts in connection with slander and defamation, and claims in connection with publishing or providing any information, including any filings with any governmental authorities, whether or not required under any applicable laws.

6. Violations of or failure to comply with securities laws, and any regulations or other rules promulgated thereunder, of any jurisdiction, including without limitation, claims under the U.S. Securities Act of 1933 or the U.S. Exchange Act of 1934 or under the Israeli Securities Law, fraudulent disclosure claims, failure to comply with any securities authority or any stock exchange disclosure or other rules and any other claims relating to relationships with investors, debt holders, shareholders, optionholders, holders of any other equity or debt instrument of the Company, and otherwise with the investment community (including without limitation any such claims relating to a merger, acquisition, change in control transaction, issuance of securities, restructuring, spin out, spin off, divestiture, recapitalization or any other transaction relating to the corporate structure or organization of the Company); claims relating to or arising out of financing arrangements, any breach of financial covenants or other obligations towards investors, lenders or debt holders, class actions, violations of laws requiring the Company to obtain regulatory and governmental licenses, permits and authorizations in any jurisdiction, including in connection with disclosure, offering or other transaction related documents; actions taken in connection with the issuance, purchase, holding or disposition of any type of securities of Company, including, without limitation, the grant of options, warrants or other rights to purchase any of the same or any offering of the Company's securities (whether on behalf of the Company or on behalf of any holders of securities of the Company) to private investors, underwriters, resellers or to the public, and listing of such securities, or the offer by the Company to purchase securities from the public or from private investors or other holders, and any undertakings, representations, warranties and other obligations related to any of the foregoing or to the Company's status as a public company or as an issuer of securities.

7. Liabilities arising in connection with any products or services developed, distributed, rendered, sold, provided, licensed or marketed by the Company or any Affiliate thereof, and any actions or omissions in connection with the distribution, provision, sale, marketing, license or use of such products or services, including without limitation in connection with professional liability and product liability claims or regulatory or reputational matters.

8. The offering of securities by the Company (whether on behalf of itself or on behalf of any holder of securities and any other person) to the public and/or to offerees or the offer by the Company to purchase securities from the public and/or from private investors or other holders pursuant to a prospectus, offering documents, agreements, notices, reports, tenders and/or other processes.

9. Events, facts or circumstances in connection with change in ownership or in the structure of the Company, its reorganization, dissolution, winding up, any other arrangements concerning creditors rights, merger, change in control, issuances of securities, restructuring, spin out, spin off, divestiture, recapitalization or any other transaction relating to the corporate structure or organization of the Company, and the approval of failure to approve of any corporate actions and any matters relating to corporate governance, capital structure, articles of association or other charter or governance documents, appointment or dismissal of office holders or compensation thereof and appointment or dismissal of auditors, internal auditor or any other person performing any services for the Company.

10. Any claim or demand made in connection with any transaction not in the ordinary course of business of the Company, as well as the sale, lease, purchase or acquisition of, or the receipt or grant of any rights with respect to, any assets or business.

11. Any claim or demand made by any third party suffering any personal injury and/or bodily injury or damage to business or personal property or any other type of damage through any act or omission attributed to the Company, or its employees, agents or other persons acting or allegedly acting on its behalf, including, without limitation, failure to make proper safety arrangements for the Company or its employees and liabilities arising from any accidental or continuous damage or harm to the Company's employees, its contractors, its guests and visitors as a result of an accidental or continuous event, or employment conditions, permanent or temporary, in the Company's offices.

12. Any claim or demand made directly or indirectly in connection with complete or partial failure, by the Company or its directors, officers and employees, to pay, report, keep applicable records or otherwise, of any local or foreign federal, state, county, municipal or city taxes or other taxes or compulsory payments of any nature whatsoever, including, without limitation, income, sales, use, transfer, excise, value added, registration, severance, stamp, occupation, customs, duties, real property, personal property, capital stock, social security, unemployment, disability, payroll or employee withholding or other withholding, including any interest, penalty or addition thereto, whether disputed or not.

13. Any administrative, regulatory, judicial or civil actions orders,decrees, suits, demands, demand letters, directives, claims, liens, investigations, proceedings or notices of noncompliance or violation by any governmental entity or other person alleging potential responsibility or liability (including potential responsibility or liability for costs of enforcement investigation, cleanup, governmental response, removal or remediation, for natural resources damages, property damage, personal injuries or penalties or for contribution, indemnification, cost recovery, compensation or injunctive relief) arising out of, based on or related to (a) the presence of, release, spill, emission, leaning, dumping, pouring, deposit, disposal, discharge, leaching or migration into the environment (each a "**Release**") or threatened Release of, or exposure to, any hazardous, toxic, explosive or radioactive substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing material, polychlorinated biphenyls ("**PCBs**") or PCB-containing materials or equipment, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any environmental law, at any location, whether or not owned, operated, leased or managed by the Company or any of its subsidiaries, or (b) circumstances forming the basis of any violation of any environmental law or environmental permit, license, registration or other authorization required under applicable environmental law.

14. Any administrative, regulatory or judicial actions, orders, decrees, suits, demands, demand letters, directives, claims, liens, investigations, proceedings or notices of noncompliance or violation by any governmental or regulatory entity or authority or any other person alleging the failure to comply with any statute, law, ordinance, rule, regulation, order or decree of any governmental entity applicable to the Company or any of its businesses, assets or operations, or the terms and conditions of any operating certificate or licensing agreement.

15. Participation and/or non-participation at Company Board meetings, expression of opinion or view and/or voting and/or abstention from voting at Company Board meetings, including, in each case, any committee thereof, as well as expression of opinion publicly in connection with the service as an Office Holder.

16. Review and approval of the Company's financial statements and any specific items or matters within, including any action, consent or approval related to or arising from the foregoing, including, without limitations, engagement of or execution of certificates for the benefit of third parties related to the financial statements.

17. Violation of laws, rules or regulations requiring the Company to obtain regulatory and governmental licenses, permits and authorizations (including without limitation relating to export, import, encryption, antitrust or competition authorities) or laws related to any governmental grants in any jurisdiction.

18. Resolutions and/or actions relating to investments in the Company and/or its subsidiaries and/or affiliated companies and/or investment in corporate or other entities and/or investments in other traded or non-traded securities and/or any other form of investment.

19. Liabilities arising out of advertising, including misrepresentations regarding the Company's products or services and unlawful distribution of emails.

20. Management of the Company's bank accounts, including money management, foreign currency deposits, securities, loans and credit facilities, credit cards, bank guarantees, letters of credit, consultation agreements concerning investments including with portfolio managers, hedging transactions, options, futures, and the like.

21. All actions, consents and approvals, including any prior discussions, reviews and deliberations, relating to a distribution of dividends, in cash or otherwise, or to any other "distribution" as such term is defined under the Companies Law.

22. Any administrative, regulatory, judicial, civil or criminal, actions orders, decrees, suits, demands, demand letters, directives, claims, liens, investigations, proceedings or notices of noncompliance, violation or breaches alleging potential responsibility, liability, loss or damage (including potential responsibility or liability for costs of enforcement, investigation, cleanup, governmental response, removal or remediation, property damage or penalties, or for contribution, indemnification, cost recovery, compensation or injunctive relief), whether alleged or claimed by customers, consumers, regulators, shareholders or others, arising out of, based on or related to: (a) cyber security, cyber attacks, data loss or breaches, unauthorized access to information, data, or databases (including but not limited to any personally identifiable information or private health information) and use or disclosure of information contained therein, not preventing or detecting the breach or failing to otherwise disclose or respond to the breach; (b) circumstances forming the basis of any violation of any law, permit, license, registration or other authorization required under applicable law governing data security, data protection, network security, information systems, privacy or any cyber environment (including, users, networks, devices, software, processes, information systems, databases, information in storage or transit, applications, services, and systems that can be connected directly or indirectly to networks); (c) failure to implement a reporting system or control, or failure to monitor or oversee the operation of such a system; (d) data destruction, extortion, theft, hacking, and denial of service attacks; losses or liabilities to others caused by errors and omissions, failure to safeguard data or defamation; or (e) security-audit, post-incident public relations and investigative expenses, criminal reward funds, data breach/privacy crisis management (including, management of an incident, investigation, remediation, data subject notification, call management, credit checking for data subjects, legal costs, court attendance and regulatory fines), extortion liability (including, losses due to a threat of extortion, professional fees related to dealing with the extortion), or network security liability (including, losses as a result of denial of access, costs related to data on third-parties and costs related to the theft of data on third-party systems).

The Limit Amount for all Indemnifiable Persons during each relevant period referred to in Section 1.2 of the Indemnification Agreement for all events described in this Exhibit A (in Sections 1-22 (inclusive) above), shall be the greater of:

(a) twenty-five percent (25%) of the Company's total shareholders' equity according to the Company's most recent financial statements as of the time of the actual payment of indemnification;

(b) $[___][1];

(c) ten percent (10%) of the Company Total Market Cap (which shall mean the average closing price of the Company's ordinary shares over the 30 trading days prior to the actual payment of indemnification multiplied by the total number of issued and outstanding shares of the Company as of the date of actual payment); and

(d) in connection with or arising out of a public offering of the Company's securities, the aggregate amount of proceeds from the sale by the Company and/or any shareholder of Company's securities in such offering.

* Any reference in this Exhibit A to the Company shall include the Company and any entity in which the Indemnitee serves in a Corporate Capacity.

1 10% of the Company's IPO valuation.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption “Experts” and to the use of our report dated March 19, 2021 in Amendment No.1 to the Registration Statement on Form F-1 (No.333-256219) and the related Prospectus of WalkMe Ltd. dated June 7, 2021.

June 7, 2021

Tel-Aviv, Israel

/s/ Kost, Forer, Gabbay & Kasierer

A Member of Ernst & Young Global