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

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FORM 6-K

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

For the month of November 2022

Commission file number: 001-40490

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

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1 Walter Moses St.  
Tel Aviv 6789903, Israel  
+972 (3) 763-0333  
(Address of principal executive offices)

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

Form 20-F       Form 40-F

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

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

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## EXPLANATORY NOTE

On November 15, 2022, WalkMe Ltd. issued a press release titled “WalkMe Ltd. Announces Third Quarter 2022 Financial Results.” A copy of the press release is furnished as Exhibit 99.1 herewith.

Other than as indicated below, the information in this Form 6-K (including in Exhibit 99.1) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act.

The U.S. GAAP financial information contained in the (i) condensed consolidated statements of operations, (ii) condensed consolidated balance sheets and (iii) condensed consolidated statements of cash flow included in the press release attached as Exhibit 99.1 to this Report on Form 6-K are hereby incorporated by reference into the Company’s Registration Statements on Form S-8 (File Nos. 333-257354 and 333-263823).

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The following exhibit is furnished as part of this Form 6-K:

<b>Exhibit No.</b>	<b>Description</b>
<a href="#">99.1</a>	<a href="#">Press Release dated November 15, 2022 titled "WalkMe Ltd. Announces Third Quarter 2022 Financial Results"</a>

## SIGNATURES

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

**WalkMe Ltd.**

By: /s/ Hagit Ynon

Name: Hagit Ynon

Title: Interim Chief Financial Officer

Date: November 15, 2022

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## WalkMe Ltd. Announces Third Quarter 2022 Financial Results

- *DAP customers grew to 155 and ARR from DAP customers grew 63% year-over-year*
- *ARR from customers with greater than 500 employees grew 31% year-over-year*
- *Improved operating efficiency for third straight quarter*

**SAN FRANCISCO, November 15, 2022** - WalkMe Ltd. (NASDAQ:WKME), a leading provider of digital adoption solutions, today announced financial results for its third quarter ended September 30, 2022.

"I'm pleased to see as we continue to transition our business to focus on large organizations with complex business processes that our customers are not pausing their efforts to optimize their organizations," said Dan Adika, CEO of WalkMe. "Our progress with deploying WalkMe at scale is evidenced by our second quarter of greater than 60% growth for our DAP customers while also improving our operational efficiency and confident in our path to free cash flow positive in 2023."

### Third Quarter 2022 Financial Highlights:

- **Revenue:** Total revenue was \$63.4 million in the third quarter of 2022, an increase of 25% year-over-year. Subscription revenue was \$56.7 million, an increase of 23% year-over-year.
- **Annualized Recurring Revenue (ARR)\*:** grew 26% year-over-year to \$254 million as of September 30, 2022.
- **Remaining Performance Obligation (RPO):** was \$351 million as of September 30, 2022, an increase of 29% year-over-year.
- **GAAP Operating Loss:** was \$26.4 million in the third quarter of 2022, or 42% of total revenue, compared to \$17.9 million, or 35% of total revenue, in the third quarter of 2021.
- **Non-GAAP Operating Loss\*:** was \$12.5 million in the third quarter of 2022 compared to \$10.1 million in the third quarter of 2021 or 20% of total revenue.
- **Cash Flow:** Net cash used in operations in the third quarter of 2022 was \$9.7 million, or 15% of total revenue, compared to \$11.3 million used in operations or 22% of total revenue, in the third quarter of 2021.
- **Free Cash Flow\*:** was negative \$11.2 million in the third quarter of 2022, or 18% of total revenue, compared to negative \$12.9 million, or 26% of total revenue, in the third quarter of 2021.
- **Cash, Cash Equivalents, and Short-term Deposits** were \$309.2 million as of September 30, 2022.

"We're pleased to see ARR growth from customers with more than 500 employees grow by 31%, ahead of our total ARR growth while we have worked to drive greater efficiencies within our organization," said Hagit Ynon, Interim CFO of WalkMe. "As a result of increased focus on efficiency, we improved our non-GAAP operating loss margin from 28% in Q2 2022 to 20% in Q3 2022. On this strength and additional efficiencies we can drive, we have greater confidence in our ability to achieve positive free cash flow within 2023."

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### **Third Quarter and Recent Business Highlights:**

- In the third quarter, WalkMe added thirteen net new Enterprise-Wide DAP customers for a total of 155, representing DAP customer count growth of 38% year-over-year. ARR from DAP customers grew 63% year-over-year.
- Customers with over \$100,000 in ARR grew 22% year-over-year to 511 and customers with over \$1 million in ARR grew 30% year-over-year to 35.
- In the fourth quarter of 2021, WalkMe updated and enhanced its third-party data sources for identifying customers with 500 or more employees and as a result now captures a greater number of customers in this category in the same period compared to the previous methodology. ARR from customers with 500 or more employees grew 31% year-over-year and represented 89% of total ARR without the new data sources. With the new data sources, ARR from customers with 500 or more employees is now 94% of total ARR.
- WalkMe received approval to join the UK government's G-Cloud Digital Marketplace, a centralized hub for the streamlined procurement of cloud-related IT services and technologies by public sector organizations such as central and local governments, non-profit organizations, education, defense, and emergency and health services.
- WalkMe expanded its partnership with Deloitte through a strategic alliance with Deloitte Australia and Japan to bring digital adoption best practices to Australian and Japanese enterprises.

### **Financial Outlook:**

For the fourth quarter of 2022, the Company currently expects:

- Total revenue of \$62.9 to \$64.9 million, representing a growth rate of 18% to 22% year-over-year
- Non-GAAP operating loss\* of \$13.2 to \$11.2 million

For the full year 2022, the Company currently expects:

- Total revenue of \$243 to \$245 million, representing a growth rate of 26% to 27% year-over-year
  - Non-GAAP operating loss\* of \$61 to \$59 million
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\*The section titled “Non-GAAP Financial Measures and Key Performance Indicators” below contains a description of the non-GAAP financial measures discussed in this press release and reconciliations between historical GAAP and non-GAAP information are contained in the tables below. The Company is unable to provide a reconciliation of non-GAAP Operating Income (Loss) to Operating Income (Loss), its most directly comparable GAAP financial measure, on a forward-looking basis without unreasonable effort, because items that impact this GAAP financial measure are not within the Company’s control and/or cannot be reasonably predicted. These items may include, but are not limited to, predicting forward-looking share-based compensation. Such information may have a significant, and potentially unpredictable, impact on the Company’s future financial results.

Throughout this press release, 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 “Non-GAAP Financial Measures and Key Performance Indicators” in this press release.

**Conference Call Information:**

WalkMe will host a conference call and live webcast for analysts and investors at 5:00 a.m. Pacific Time on November 15, 2022. The press release with the financial results as well as the investor presentation materials will be accessible from the Company’s website prior to the conference call.

A live webcast of the conference call will be accessible on the WalkMe investor relations website at <https://ir.walkme.com>.

Approximately one hour after completion of the live call and for at least 30 days thereafter, an archived version of the webcast will be available on the Company’s investor relations website at <https://ir.walkme.com>.

**Supplemental Financial and Other Information:**

We intend to announce material information to the public through the WalkMe Investor Relations website at [ir.walkme.com](http://ir.walkme.com), SEC filings, press releases, public conference calls, and public webcasts. We use these channels to communicate with our investors, customers, and the public about our company, our offerings, and other issues. As such, we encourage investors, the media, and others to follow the channels listed above, and to review the information disclosed through such channels.

Any updates to the list of disclosure channels through which we will announce information will be posted on the investor relations page of our website.

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## **Non-GAAP Financial Measures and Key Performance Indicators:**

In addition to our financial results reported in accordance with GAAP, this press release and the accompanying tables and related presentation materials may contain one or more of the following non-GAAP financial measures: Non-GAAP Gross Profit, Non-GAAP Gross Margin, Non-GAAP Operating Income (Loss), Non-GAAP Operating Margin, Non-GAAP Net Income (Loss) attributable to WalkMe Ltd., Non-GAAP Net Income (Loss) per share attributable to WalkMe Ltd. and Free Cash Flow, all of which are non-GAAP financial measures. We believe that these measures provide useful information about operating results, enhance the overall understanding of past financial performance and future prospects, and allow for greater transparency with respect to key measures used by management in its financial and operational decision making. Non-GAAP financial measures have limitations as analytical tools and may differ from similarly titled measures presented by other companies. The presentation of this financial information is not intended to be considered as a substitute for the financial information prepared and presented in accordance with GAAP. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures and not rely on any single financial measure to evaluate our business.

*Non-GAAP Gross Profit and Non-GAAP Gross Margin.* We define Non-GAAP Gross Profit as gross profit excluding share-based compensation and amortization of acquired intangibles. 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 Gross Profit with traditional GAAP measures to evaluate our financial performance. Non-GAAP Gross Margin is calculated as a percentage of revenues.

*Non-GAAP Operating Income (Loss) and Non-GAAP Operating Margin.* We define Non-GAAP Operating Income (Loss) as income (loss) from operations excluding share-based compensation and amortization and impairment of acquired intangibles. 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. Non-GAAP Operating Margin is calculated as a percentage of revenues.

*Non-GAAP Net Income (Loss) attributable to WalkMe Ltd.* We define Non-GAAP Net Income (Loss) attributable to WalkMe Ltd. as net income (loss) attributable to WalkMe Ltd. excluding share-based compensation, amortization and impairment of acquired intangibles and adjustment attributable to non-controlling interest. 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 Net Income (Loss) attributable to WalkMe Ltd. with traditional GAAP measures to evaluate our financial performance. Non-GAAP Net Income (Loss) per Share attributable to WalkMe Ltd. is calculated based on ordinary shares outstanding after accounting for the exchange of our outstanding convertible preferred shares into ordinary shares as though such event had occurred at the beginning of the periods.

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*Free Cash Flow.* We define Free Cash Flow as net cash provided by (used in) operating activities, less cash used for purchases of property and equipment and capitalized internal-use software development 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. Our Free Cash Flow may vary from period to period and be impacted as we continue to invest for growth in our business.

For more information on the non-GAAP financial measures, please see the reconciliation tables provided below. The accompanying reconciliation tables have more details on the GAAP financial measures that are most directly comparable to non-GAAP financial measures and the related reconciliations between these financial measures.

*ARR.* 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.

*Enterprise-Wide DAP Customers.* We define Enterprise-Wide DAP Customers as those who have purchased enterprise-wide subscriptions or who have department-wide usage of our Digital Adoption Platform across four or more applications.

### **Special Note Regarding Forward-Looking Statements:**

Certain statements in this press release may constitute “forward-looking” statements and information, within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements regarding our current expectations and views of future events, statements regarding the Company’s future financial results and guidance, and expectations regarding our revenue, operating loss and free cash flow. In some cases, these forward-looking statements can be identified by words or phrases such as “may,” “might,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “seek,” “believe,” “estimate,” “predict,” “potential,” “continue,” “contemplate,” “possible” or similar words. These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. In addition, these forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Actual outcomes may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the following: 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 or adverse macro-economic changes 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; factors that may affect the future trading prices of our ordinary shares; and other risk factors set forth in the section titled “Risk Factors” in our Annual Report on form 20-F filed with the Securities and Exchange Commission on March 24, 2022, and other documents filed with or furnished to the SEC. These statements reflect management’s current expectations regarding future events and operating performance and speak only as

of the date of this press release. You should not put undue reliance on any forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. Except as required by applicable law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

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## About WalkMe

WalkMe's cloud-based Digital Adoption Platform enables organizations to measure, drive and act to ultimately accelerate their digital transformations and better realize the value of their software investments. Our code-free platform leverages our proprietary technology to provide visibility to an organization's Chief Information Officer and business leaders, while improving user experience, productivity and efficiency for employees and customers. Alongside walkthroughs and third-party integration capabilities, our platform can be customized to fit an organization's needs.

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**WalkMe Ltd.**  
**Condensed Consolidated Statements of Operations**  
(in thousands, except share and per share data; unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
<b>Revenues</b>				
Subscription	\$ 56,681	\$ 46,088	\$ 162,270	\$ 126,773
Professional services	6,672	4,501	17,873	13,272
<b>Total revenues</b>	<b>63,353</b>	<b>50,589</b>	<b>180,143</b>	<b>140,045</b>
<b>Cost of revenues</b>				
Subscription <sup>(1)(2)</sup>	6,481	5,957	20,052	17,430
Professional services <sup>(1)</sup>	7,096	5,761	21,383	16,250
<b>Total cost of revenues</b>	<b>13,577</b>	<b>11,718</b>	<b>41,435</b>	<b>33,680</b>
<b>Gross profit</b>	<b>49,776</b>	<b>38,871</b>	<b>138,708</b>	<b>106,365</b>
<b>Operating expenses</b>				
Research and development <sup>(1)</sup>	13,909	11,800	45,504	33,776
Sales and marketing <sup>(1)</sup>	45,801	31,885	130,993	86,425
General and administrative <sup>(1)(2)</sup>	16,483	13,034	49,501	34,895
<b>Total operating expenses</b>	<b>76,193</b>	<b>56,719</b>	<b>225,998</b>	<b>155,096</b>
<b>Operating loss</b>	<b>(26,417)</b>	<b>(17,848)</b>	<b>(87,290)</b>	<b>(48,731)</b>
Financial income (expense), net	1,241	(184)	2,368	(137)
<b>Loss before income taxes</b>	<b>(25,176)</b>	<b>(18,032)</b>	<b>(84,922)</b>	<b>(48,868)</b>
Income taxes	(942)	(771)	(2,100)	(1,973)
<b>Net loss</b>	<b>(26,118)</b>	<b>(18,803)</b>	<b>(87,022)</b>	<b>(50,841)</b>
Net loss attributable to non-controlling interest	(18)	(280)	(367)	(901)
Adjustment attributable to non-controlling interest	(3,010)	4,289	(12,642)	19,392
<b>Net loss attributable to WalkMe Ltd.</b>	<b>\$ (23,090)</b>	<b>\$ (22,812)</b>	<b>\$ (74,013)</b>	<b>\$ (69,332)</b>
<b>Net loss per share attributable to WalkMe Ltd. basic and diluted</b>	<b>\$ (0.27)</b>	<b>\$ (0.27)</b>	<b>\$ (0.87)</b>	<b>\$ (1.69)</b>
<b>Weighted-average shares used in computing net loss per share attributable to ordinary shareholders, basic and diluted</b>	<b>85,508,974</b>	<b>83,347,949</b>	<b>84,739,275</b>	<b>41,022,927</b>

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Cost of subscription revenues	\$ 293	\$ 165	\$ 832	\$ 307
Cost of professional services	782	376	2,054	690
Research and development	1,756	1,120	5,396	2,402
Sales and marketing	5,478	2,264	13,935	4,319
General and administrative	5,505	3,759	15,891	9,583
<b>Total share-based compensation expense</b>	<b>\$ 13,814</b>	<b>\$ 7,684</b>	<b>\$ 38,108</b>	<b>\$ 17,301</b>

(2) Includes amortization and impairment of acquired intangibles as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Cost of revenues	\$ 68	\$ 67	\$ 420	\$ 123
General and administrative	-	-	979	-
<b>Total amortization and impairment</b>	<b>\$ 68</b>	<b>\$ 67</b>	<b>\$ 1,399</b>	<b>\$ 123</b>

**WalkMe Ltd.**  
**Condensed Consolidated Balance Sheets**  
**(in thousands; unaudited)**

	<b>September 30, 2022</b>	<b>December 31, 2021</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 194,900	\$ 276,889
Short-term deposits	114,272	65,478
Trade receivables, net	35,023	37,754
Deferred contract acquisition costs	23,809	20,405
Prepaid expenses and other current assets	8,175	7,954
Total current assets	<u>376,179</u>	<u>408,480</u>
Non-current assets:		
Deferred contract acquisition costs	36,121	35,969
Other assets	515	987
Property and equipment, net	12,840	10,885
Operating lease right-of-use assets	8,089	-
Goodwill and Intangible assets, net	1,897	3,296
Total non-current assets	<u>59,462</u>	<u>51,137</u>
<b>Total assets</b>	<u>\$ 435,641</u>	<u>\$ 459,617</u>
<b>Liabilities, redeemable non-controlling interest and shareholders' equity</b>		
Current liabilities:		
Trade payables	\$ 4,506	\$ 6,592
Accrued expenses and other current liabilities	45,276	49,310
Deferred revenues	102,937	86,024
Total current liabilities	<u>152,719</u>	<u>141,926</u>
Long-term liabilities:		
Deferred revenues	1,594	1,288
Other long-term liabilities	8,902	6,892
Operating lease liabilities	5,012	-
Total long-term liabilities	<u>15,508</u>	<u>8,180</u>
Total liabilities	<u>168,227</u>	<u>150,106</u>
Redeemable non-controlling interest	10,564	23,901
Shareholders' equity:		
Share capital and additional paid-in capital	671,757	610,193
Other comprehensive income (loss)	(3,214)	455
Accumulated deficit	(411,693)	(325,038)
Total shareholders' equity	<u>256,850</u>	<u>285,610</u>
<b>Total Liabilities, redeemable non-controlling interest and shareholders' equity</b>	<u>\$ 435,641</u>	<u>\$ 459,617</u>

**WalkMe Ltd.**  
**Condensed Consolidated Statements of Cash Flow**  
(in thousands; unaudited)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2022	2021	2022	2021
<b>Cash flows from operating activities:</b>				
Net loss	\$ (26,118)	\$ (18,803)	\$ (87,022)	\$ (50,841)
Adjustments to reconcile net loss to net cash used in operating activities:				
Share-based compensation	13,814	7,684	38,108	17,301
Depreciation, amortization and impairment	2,690	1,230	6,663	3,346
Operating lease right-of-use assets and liabilities, net	(392)	-	(392)	-
Interest on short-term and long-term deposits	(498)	(103)	(532)	(263)
Decrease (increase) in trade receivables, net	5,778	3,133	2,584	(6,478)
increase in prepaid expenses and other current assets and other non-current assets	(568)	(2,974)	(709)	(4,224)
Increase in deferred contract acquisition costs	(630)	(5,323)	(3,805)	(16,554)
Increase (decrease) in trade payables	277	2,161	(1,787)	156
Increase (decrease) in accrued expenses and other current liabilities	(3,046)	1,904	(11,000)	8,113
Increase (decrease) in deferred revenues	(1,925)	(818)	17,873	27,842
Increase in other long-term liabilities	921	655	2,010	1,281
Net cash used in operating activities	<u>(9,697)</u>	<u>(11,254)</u>	<u>(38,009)</u>	<u>(20,321)</u>
<b>Cash flows from investing activities:</b>				
Purchase of property and equipment	(635)	(547)	(2,673)	(1,375)
Investment in short-term deposits	(97,000)	(51,003)	(140,500)	(66,003)
Proceeds from short-term deposits	35,000	-	92,257	37,287
Investment in restricted deposits	-	-	-	(1,298)
Proceeds from restricted deposits	-	2,362	295	2,658
Capitalization of software development costs	(879)	(1,101)	(3,064)	(2,723)
Net cash provided by investing activities	<u>(63,514)</u>	<u>(50,289)</u>	<u>(53,685)</u>	<u>(31,454)</u>
<b>Cash flows from financing activities:</b>				
Proceeds from initial public offering, net of underwriting discounts and commissions and other issuance costs	-	(596)	-	266,289
Proceeds from exercise of options	787	1,092	2,585	2,245
Proceeds from employees share purchase plan	1,489	-	8,223	-
Issuance of preferred shares, net	-	-	-	10,000
Net cash provided by financing activities	<u>2,276</u>	<u>496</u>	<u>10,808</u>	<u>278,534</u>
Effect of foreign currency exchange rate changes on cash, cash equivalents, and restricted cash	(319)	(105)	(1,145)	(544)
Increase (decrease) in cash, cash equivalents and restricted cash	(71,254)	(61,152)	(82,031)	226,215
Cash, cash equivalents and restricted cash - Beginning of period	266,474	350,262	277,251	62,895
Cash, cash equivalents and restricted cash - End of period	<u>\$ 195,220</u>	<u>\$ 289,110</u>	<u>\$ 195,220</u>	<u>\$ 289,110</u>

**WalkMe Ltd.**
**Reconciliation from GAAP to Non-GAAP Results**
**(in thousands, except share and per share data; unaudited)**

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
<b>Reconciliation of gross profit and gross margin</b>				
GAAP gross profit	\$ 49,776	\$ 38,871	\$ 138,708	\$ 106,365
Plus: Share-based compensation expense	1,075	541	2,886	997
Plus: Amortization of acquired intangibles	68	67	420	123
Non-GAAP gross profit	<u>\$ 50,919</u>	<u>\$ 39,479</u>	<u>\$ 142,014</u>	<u>\$ 107,485</u>
GAAP gross margin	79%	77%	77%	76%
Non-GAAP gross margin	80%	78%	79%	77%
<b>Reconciliation of operating loss and operating margin</b>				
GAAP operating loss	\$ (26,417)	\$ (17,848)	\$ (87,290)	\$ (48,731)
Plus: Share-based compensation expense	13,814	7,684	38,108	17,301
Plus: Amortization and impairment of acquired intangibles	68	67	1,399	123
Non-GAAP operating loss	<u>\$ (12,535)</u>	<u>\$ (10,097)</u>	<u>\$ (47,783)</u>	<u>\$ (31,307)</u>
GAAP operating margin	(42)%	(35)%	(48)%	(35)%
Non-GAAP operating margin	(20)%	(20)%	(27)%	(22)%
<b>Reconciliation of net loss</b>				
GAAP net loss attributable to WalkMe Ltd.	\$ (23,090)	\$ (22,812)	\$ (74,013)	\$ (69,332)
Plus: Share-based compensation expense	13,814	7,684	38,108	17,301
Plus: Amortization and impairment of acquired intangibles	68	67	1,399	123
Plus: Adjustment attributable to non-controlling interest	(3,010)	4,289	(12,642)	19,392
Non-GAAP net loss attributable to WalkMe Ltd.	<u>\$ (12,218)</u>	<u>\$ (10,772)</u>	<u>\$ (47,148)</u>	<u>\$ (32,516)</u>
Non-GAAP net loss per share attributable to WalkMe Ltd. basic and diluted	<u>\$ (0.14)</u>	<u>\$ (0.13)</u>	<u>\$ (0.56)</u>	<u>\$ (0.42)</u>
Shares used in non-GAAP per share calculations:				
GAAP weighted-average shares used to compute net loss per share, basic and diluted	85,508,974	83,347,949	84,739,275	41,022,927
Add:				
Additional weighted average shares giving effect to exchange of convertible preferred shares at the beginning of the period	-	-	-	36,202,004
Non-GAAP weighted-average shares used to compute net loss per share, basic and diluted	<u>85,508,974</u>	<u>83,347,949</u>	<u>84,739,275</u>	<u>77,224,931</u>

**WalkMe Ltd.****Reconciliation of GAAP Cash Flow from Operating Activities to Free Cash Flow****(in thousands; unaudited)**

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Net cash used in operating activities</b>	\$ (9,697)	\$ (11,254)	\$ (38,009)	\$ (20,321)
Less: Purchases of property and equipment	(635)	(547)	(2,673)	(1,375)
Less: Capitalized software development costs	(879)	(1,101)	(3,064)	(2,723)
<b>Free Cash Flow</b>	<u>\$ (11,211)</u>	<u>\$ (12,902)</u>	<u>\$ (43,746)</u>	<u>\$ (24,419)</u>

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