



Global-e Reports First Quarter 2023 Results

May 22, 2023

PETAH-TIKVA, Israel, May 22, 2023 (GLOBE NEWSWIRE) -- Global-e Online Ltd. (Nasdaq: GLBE) the global leader of Direct-To-Consumer cross border eCommerce enablement, today reported financial results for the first quarter of 2023.

"The Global-e team is off to a great start for the year, with very strong performance across the board, many new merchants going live all around the globe, and many existing merchants expanding their business with us," said Amir Schlachet, Founder and CEO of Global-e. "We are pleased with our continued execution towards our long-term goals and are as excited as ever with regards to the vast opportunity that lies ahead of us, as is evident from our updated annual forecast."

Q1 2023 Financial Results

- GMV¹ in the first quarter of 2023 was \$703.9 million, an increase of 55% year over year
- Revenue in the first quarter of 2023 was \$117.6 million, an increase of 54% year over year, of which service fees revenue was \$50.4 million and fulfillment services revenue was \$67.3 million
- Non-GAAP gross profit² in the first quarter of 2023 was \$48.7 million, an increase of 63% year over year. GAAP gross profit in the first quarter of 2023 was \$45.9 million
- Non-GAAP gross margin² in the first quarter of 2023 was 41.4%, an increase of 230 basis points from 39.1% in the first quarter of 2022. GAAP gross margin in the first quarter of 2023 was 39.0%
- Adjusted EBITDA³ in the first quarter of 2023 was \$14.5 million compared to \$3.3 million in the first quarter of 2022
- Net loss in the first quarter of 2023 was \$43.1 million

Recent Business Highlights

- Continued launching many more brands across geographies and verticals in which we operate, including:
 - Renowned brands such as Carbon 38, Doen, Psycho Bunny, Maui & Sons, Lulu's, Jigsaw, Rebecca Minkoff and the merchandize store of the Mercedes AMG Petronas Formula 1 team
 - APAC-based brands such as Charles and Keith, Porcelain Skin, and By Invite Only in Singapore, Unreal Fur in Australia, Objects.IO in Japan, and more
 - Celebrity- and social-first brands, such as Kylie Cosmetics by Kylie Jenner and Maison Francis Kurkdjian, part of the LVMH group
- Added several additional brands from the LVMH group, including Kenzo, Repossi and Pucci
- Expanded relationships with existing merchants who opened new markets during the quarter, including Disney Europe which added support for the UK, and Bulgari which turned on a batch of close to 30 additional markets
- Continued accelerated growth of our US-outbound business with US outbound revenue up 100% in the first quarter of 2023
- Strategic partnership with Shopify remains on track:
 - Work continues, together with Shopify, on adding new features to our native integration, including support for Shopify's new Checkout Extensibility
 - On-going effort to migrate merchants from our legacy third-party integration onto the new native one
 - Continue to work in close collaboration with Shopify's teams towards the roll out of Shopify Markets Pro, a fully integrated merchant of record solution intended for merchants looking to scale to new markets quickly and easily, currently in early access. General availability in the US expected this summer, to be followed by the UK later in the year

Q2 2023 and Full Year Outlook

Global-e is introducing second quarter guidance and is raising the full year guidance as follows:

| Q2 2023 | FY 2023 | Previous FY 2023 |
|---------|---------------|------------------|
| | (in millions) | |

| | | | |
|----------------------------|---------------|-------------------|-------------------|
| GMV (1) | \$755 - \$785 | \$3,400 - \$3,550 | \$3,360 - \$3,520 |
| Revenue | \$125 - \$130 | \$562 - \$590 | \$557 - \$584 |
| Adjusted EBITDA (2) | \$15 - \$18 | \$70 - \$77 | \$66 - \$74 |

Given the macro environment uncertainty, we will provide investors with updated business trends as they evolve.

¹ Gross Merchandise Value (GMV) is a non-GAAP operating metric. See "Non-GAAP Financial Measures and Key Operating Metrics" for additional information regarding this metric.

² Non-GAAP Gross profit and Non-GAAP gross margin are non-GAAP financial measures. See "Non-GAAP Financial Measures and Key Operating Metrics" for additional information regarding this metric.

³ Adjusted EBITDA is a non-GAAP financial measure. See "Non-GAAP Financial Measures" for additional information regarding this metric, including the reconciliations to Operating Profit (Loss), its most directly comparable GAAP financial measure. The Company is unable to provide a reconciliation of Adjusted EBITDA to Operating Profit (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, share-based compensation expenses. Such information may have a significant, and potentially unpredictable impact on the Company's future financial results.

Conference Call Information:

Global-e will host a conference call at 8:00 a.m. ET on Monday, May 22, 2023.

The call will be available, live, to interested parties by dialing:

United States/Canada Toll 1-877-704-4453

Free:

International Toll: 1-201-389-0920

A live webcast will also be available in the Investor Relations section of Global-E's website at: <https://investors.global-e.com/news-events/events-presentations>

Approximately two hours after completion of the live call, an archived version of the webcast will be available on the Investor Relations section of the Company's web site and will remain available for approximately 30 calendar days.

Non-GAAP Financial Measures and Key Operating Metrics

To supplement Global-e's financial information presented in accordance with generally accepted accounting principles in the United States of America, or GAAP, Global-e considers certain financial measures and key performance metrics that are not prepared in accordance with GAAP including:

- Non-GAAP gross profit, which Global-e defines as gross profit adjusted for amortization of acquired intangibles. Non-GAAP gross margin is calculated as Non-GAAP gross profit divided by revenues
- Adjusted EBITDA, which Global-e defines as operating profit (loss) adjusted for stock-based compensation expenses, depreciation and amortization, commercial agreements amortization, amortization of acquired intangibles, merger related contingent consideration and acquisition related expenses. Adjusted EBITDA is frequently used by analysts, investors and other interested parties to evaluate companies in our industry. We believe that Adjusted EBITDA is an appropriate measure of operating performance because it eliminates the impact of expenses that do not relate directly to the performance of the underlying business.

Global-e uses the Non-GAAP measures in conjunction with GAAP measures as part of Global-e's overall assessment of its performance, including the preparation of Global-e's annual operating budget and quarterly forecasts, to evaluate the effectiveness of Global-e's business strategies, and to communicate with Global-e's board of directors concerning its financial performance. The Non-GAAP measures are used by our management to understand and evaluate our operating performance and trends.

Global-e's definition of Non-GAAP measures may differ from the definition used by other companies and therefore comparability may be limited. In addition, other companies may not publish these metrics or similar metrics. Furthermore, these metrics have certain limitations in that they do not include the impact of certain expenses that are reflected in our consolidated statement of operations that are necessary to run our business. Thus, Non-GAAP measures should be considered in addition to, not as substitutes for, or in isolation from, measures prepared in accordance with GAAP.

Global-e also uses Gross Merchandise Value (GMV) as a key operating metric. Gross Merchandise Value or GMV is defined as the combined amount we collect from the shopper and the merchant for all components of a given transaction, including products, duties and taxes and shipping.

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.

Cautionary 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, including statements or information regarding Global-e's expectations, operations, strategy and Global-e's projected revenue and other future financial and operational results or other characterizations of future events or circumstances, including any underlying assumptions. These forward-looking statements may be identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future,"

"opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Global-e believes there is a reasonable basis for its expectations and beliefs, but they are inherently uncertain. Many factors could cause actual future events to differ materially from the forward-looking statements in this announcement, including but not limited to, the ability to retain merchants or the GMV generated by such merchants; the ability to attract new merchants; our expectations regarding our revenue, expenses and operations; anticipated trends and challenges in our business and the markets in which we operate; our ability to compete in our industry; our ability to anticipate merchant needs or develop or acquire new functionality or enhance our existing platform to meet those needs; our ability to manage our growth and manage expansion into additional markets; our ability to establish and protect intellectual property rights; our ability to hire and retain key personnel; costs related to being a public company; our ability to adapt to emerging or evolving regulatory developments, technological changes, and cybersecurity needs; our anticipated cash needs and our estimates regarding our capital requirements and our needs for additional financing; impacts from the COVID-19 pandemic, including variants, and related vaccination roll out efforts; and the other risks and uncertainties described in Global-e's Annual Report on Form 20-F for the year ended December 31, 2022, filed with the SEC on March 31, 2023 and other documents filed with or furnished by Global-e from time to time with the Securities and Exchange Commission (the "SEC"). The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. These statements reflect management's current expectations regarding future events and operating performance and speak only as of the date of this press release. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on 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.

About Global-E Online Ltd.

Global-e (Nasdaq: GLBE) is the world's leading platform enabling and accelerating global, Direct-To-Consumer cross-border ecommerce. The chosen partner of over 1,000 brands and retailers across the United States, Europe and Asia, Global-e makes selling internationally as simple as selling domestically. The company enables merchants to increase the conversion of international traffic into sales by offering online shoppers in over 200 destinations worldwide a seamless, localized shopping experience. Global-e's end-to-end ecommerce solutions combine best-in-class localization capabilities, big-data best-practice business intelligence models, streamlined international logistics and vast cross-border experience, enabling international shoppers to buy seamlessly online and retailers to sell to, and from, anywhere in the world. For more information, please visit: www.global-e.com.

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Global-E Online Ltd. CONSOLIDATED BALANCE SHEETS (In thousands)

| | Period Ended | |
|---|------------------------------|---------------------------|
| | December 31, 2022 | March 31, 2023 |
| | (Audited) | (Unaudited) |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 165,033 | \$ 167,931 |
| Short-term deposits | 46,353 | 26,882 |
| Accounts receivable, net | 16,424 | 12,343 |
| Prepaid expenses and other current assets | 51,904 | 46,116 |
| Marketable securities | 16,813 | 16,946 |
| Funds receivable, including cash in banks | 78,125 | 62,155 |
| Total current assets | <u>374,652</u> | <u>332,373</u> |
| Property and equipment, net | 10,283 | 10,198 |
| Operating lease right-of-use assets | 19,718 | 19,506 |
| Long term deposits | 3,225 | 3,468 |
| Deferred contract acquisition costs, noncurrent | 1,825 | 1,927 |
| Deferred tax assets | 171 | - |
| Other assets, noncurrent | 3,739 | 3,353 |
| Commercial agreement asset | 282,963 | 284,398 |

| | | |
|---|---------------------|---------------------|
| Goodwill and other intangible assets | 466,024 | 460,864 |
| Total long-term assets | <u>787,948</u> | <u>783,714</u> |
| Total assets | <u>\$ 1,162,600</u> | <u>\$ 1,116,087</u> |
| Liabilities, Convertible Preferred Shares and Shareholders' (Deficit) Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 52,220 | \$ 34,011 |
| Accrued expenses and other current liabilities | 75,990 | 60,035 |
| Funds payable to Customers | 78,125 | 62,155 |
| Short term operating lease liabilities | 3,245 | 3,111 |
| Total current liabilities | <u>209,580</u> | <u>159,312</u> |
| Long-term liabilities: | | |
| Deferred tax liabilities, net | 6,558 | 4,477 |
| Long term operating lease liabilities | 16,579 | 16,217 |
| Other long-term liabilities | 1,762 | 1,554 |
| Total liabilities | <u>\$ 234,479</u> | <u>\$ 181,560</u> |
| Commitments and contingencies | | |
| Shareholders' equity: | | |
| Share capital and additional paid-in capital | 1,253,093 | 1,302,502 |
| Accumulated comprehensive income (loss) | (1,926) | (1,846) |
| Accumulated deficit | <u>(323,046)</u> | <u>(366,129)</u> |
| Total shareholders' equity | <u>928,121</u> | <u>934,527</u> |
| Total liabilities, convertible preferred shares and shareholders' (deficit) equity | <u>\$ 1,162,600</u> | <u>\$ 1,116,087</u> |

Global-E Online Ltd.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share data)

| | Three Months Ended | |
|--|---------------------------|--------------------|
| | March 31, | |
| | 2022 | 2023 |
| | (Unaudited) | |
| Revenue | \$ 76,322 | \$ 117,631 |
| Cost of revenue | <u>49,139</u> | <u>71,755</u> |
| Gross profit | 27,183 | 45,876 |
| Operating expenses: | | |
| Research and development | 17,687 | 22,896 |
| Sales and marketing | 49,639 | 51,848 |
| General and administrative | 11,540 | 13,139 |
| Total operating expenses | <u>78,866</u> | <u>87,883</u> |
| Operating profit (loss) | (51,683) | (42,007) |
| Financial expenses, net | 1,666 | 2,400 |
| Loss before income taxes | (53,349) | (44,407) |
| Income taxes | 237 | (1,324) |
| Net earnings (loss) attributable to ordinary shareholders | <u>\$ (53,586)</u> | <u>\$ (43,083)</u> |
| Basic and diluted net loss per share attributable to ordinary shareholders | <u>\$ (0.35)</u> | <u>\$ (0.26)</u> |
| Basic and diluted weighted average ordinary shares | 154,368,734 | 162,631,027 |

Global-E Online Ltd.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

| | Three Months Ended | |
|--|---------------------------|-------------|
| | March 31, | |
| | 2022 | 2023 |
| | (Unaudited) | |
| Operating activities | | |
| Net profit (loss) | \$ (53,586) | \$ (43,083) |
| Adjustments to reconcile net profit (loss) to net cash provided by operating activities: | | |
| Depreciation and amortization | 264 | 427 |

| | | |
|---|-------------------|-------------------|
| Share-based compensation expense | 7,929 | 9,712 |
| Commercial agreement asset | 36,749 | 38,153 |
| Amortization of intangible assets | 6,616 | 5,160 |
| Short term deposit revaluation | - | (527) |
| Long term deposit revaluation | 44 | (146) |
| Unrealized loss (gain) on foreign currency | 1,666 | (584) |
| Accounts receivable | 3,993 | 4,081 |
| Prepaid expenses and other assets | (3,392) | 5,838 |
| Funds receivable | 19,165 | 3,751 |
| Long-term receivables | - | 386 |
| Funds payable to customers | (14,937) | (15,970) |
| Operating lease ROU assets | 797 | 671 |
| Deferred contract acquisition costs | (245) | (157) |
| Accounts payable | (436) | (18,209) |
| Accrued expenses and other liabilities | (9,043) | (16,164) |
| Deferred tax liabilities | - | (1,910) |
| Impairment of marketable securities | 14 | - |
| Operating lease liabilities | (857) | (956) |
| Net cash (used in) provided by operating activities | <u>(5,259)</u> | <u>(29,527)</u> |
| Investing activities | | |
| Investment in marketable securities | (7,198) | (450) |
| Proceeds from marketable securities | 7,158 | 399 |
| Investment in short-term investments and deposits | (31,298) | (9,252) |
| Proceeds from short-term investments | 3,400 | 29,250 |
| Investment in long-term deposits | - | (97) |
| Payments for business combinations, net of cash acquired | (215,611) | - |
| Purchases of property and equipment | (4,684) | (342) |
| Net cash (used in) provided by investing activities | <u>(248,233)</u> | <u>19,508</u> |
| Financing activities | | |
| Proceeds from exercise of warrants to ordinary shares | 28 | 17 |
| Proceeds from exercise of share options | 102 | 92 |
| Net cash provided by financing activities | <u>130</u> | <u>109</u> |
| Exchange rate differences on balances of cash, cash equivalents and restricted cash | (1,666) | 584 |
| Net increase (decrease) in cash, cash equivalents, and restricted cash | (255,028) | (9,326) |
| Cash and cash equivalents and restricted cash—beginning of period | 458,899 | 211,522 |
| Cash and cash equivalents and restricted cash—end of period | <u>\$ 203,871</u> | <u>\$ 202,196</u> |

Global-E Online Ltd.
SELECTED OTHER DATA
(In thousands)

Three Months Ended
March 31,

| | <u>2022</u> | | <u>2023</u> | |
|--|------------------|--------------|-------------------|--------------|
| | | (Unaudited) | | |
| Key performance metrics | | | | |
| Gross Merchandise Value | 455,293 | | 703,895 | |
| Adjusted EBITDA (a) | 3,282 | | 14,485 | |
| Revenue by Category | | | | |
| Service fees | 31,947 | 42 % | 50,353 | 43 % |
| Fulfillment services | 44,375 | 58 % | 67,278 | 57 % |
| Total revenue | <u>\$ 76,322</u> | <u>100 %</u> | <u>\$ 117,631</u> | <u>100 %</u> |
| Revenue by merchant outbound region | | | | |
| United States | 27,920 | 37 % | 55,913 | 48 % |
| United Kingdom | 28,282 | 37 % | 37,732 | 32 % |
| European Union | 19,054 | 25 % | 21,076 | 18 % |
| Israel | 364 | 0 % | 225 | 0 % |
| Other | 702 | 1 % | 2,685 | 2 % |
| Total revenue | <u>\$ 76,322</u> | <u>100 %</u> | <u>\$ 117,631</u> | <u>100 %</u> |

(a) See reconciliation to adjusted EBITDA table

Global-E Online Ltd.
RECONCILIATION TO Non-GAAP GROSS PROFIT
(In thousands)

| | Three Months Ended | |
|--|---------------------------|-------------|
| | March 31, | |
| | 2022 | 2023 |
| | (Unaudited) | |
| Gross profit | 27,183 | 45,876 |
| Amortization of acquired intangibles included in cost of revenue | 2,677 | 2,796 |
| Non-GAAP gross profit | 29,860 | 48,672 |

Global-E Online Ltd.
RECONCILIATION TO ADJUSTED EBITDA
(In thousands)

| | Three Months Ended | |
|---|---------------------------|-------------|
| | March 31, | |
| | 2022 | 2023 |
| | (Unaudited) | |
| Operating profit (loss) | (51,683) | (42,007) |
| (1) Stock-based compensation: | | |
| Cost of revenue | 36 | 113 |
| Research and development | 5,151 | 6,058 |
| Selling and marketing | 759 | 875 |
| General and administrative | 1,983 | 2,666 |
| Total stock-based compensation | 7,929 | 9,712 |
| (2) Depreciation and amortization | 264 | 427 |
| (3) Commercial agreement asset amortization | 36,749 | 38,153 |
| (4) Amortization of acquired intangibles | 6,616 | 5,160 |
| (5) Merger related contingent consideration | 2,960 | 3,040 |
| (6) Acquisition related costs | 446 | - |
| Adjusted EBITDA | 3,282 | 14,485 |